

Associated British Foods plc



A Responsible
Approach to
Safety, Health &
the Environment
2008



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ABF is a highly diversified international food, food ingredients, animal feed and clothing retail group. We are constantly searching for better ways of providing these essentials of everyday life. We contribute directly and indirectly to the quality of peoples' lives in many countries. We aim to act as a responsible corporate citizen at all times.

Taking care of our people, managing our environmental impacts, being good neighbours and fostering ethical business relationships are core principles of ABF. We reaffirmed our business principles in the light of the Companies Act 2006 as integral to sustaining long-term success of the group. Our commitment to these principles extends to all sites in all countries and throughout every level of the organisation. We strive to make sustained improvements each year.

The safety and health of our people is a regular subject of review in the Boards of ABF and all of its operating companies. All our businesses have mechanisms in place to monitor their safety performance in order to understand risks and make sure that they achieve their safety targets. We have continued to invest in physical improvements to our working environment which this year includes reducing the risks of fires and explosions, improving the segregation of people and moving vehicles and employee training.

Our operating companies have made good progress on improving the health and safety of our people this year. For example, 90 factories and 126 retail sites had a whole year without reportable injuries. A particular focus has been developing a better safety culture to reduce injuries caused by unsafe behaviours. In 2008 our operating sites reduced their rate of reportable injuries by 20%, a significant achievement, leading to a 59% reduction over the past two years

We take very seriously the environmental impacts of our manufacturing operations. In particular we are concerned about energy and resource conservation, emissions to air, water consumption, releases to water and disposal of solid wastes. We continue to invest heavily to reduce our environmental impacts, especially energy efficiency, more treatment of wastewater before it is discharged, the reduction of emissions to air from our combustion plant and the minimisation of nuisances to our neighbours from noise and odours.

We are also pleased to report that half of the energy used by ABF factories is now sourced from renewable fuel, mainly bagasse – the fibrous remains from processing sugar cane. In 2008 the environmental impacts of the group grew, due largely to the acquisition of the 12 sugar beet factories in northern China. Our technical and financial investments are making these factories far more efficient and will significantly reduce their impacts.

ABF companies seek constantly to control their safety and environmental risks and comply with all applicable legislation. A total of 79 factories, 15 more than last year, now have certification from relevant national authorities for their safety or environmental risk management systems.

ABF is determined to fulfil its responsibilities on safety and environmental issues. I believe this report shows we have made good progress this year but also reveals our commitment to seek further improvements.

George Weston, **Chief Executive**

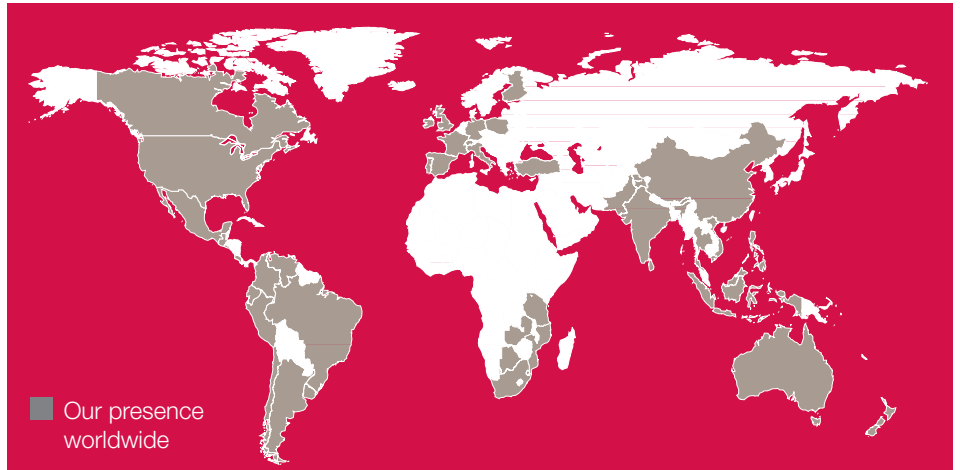
Associated British Foods plc is an international food, ingredients and retail group with 96,000 employees in 44 countries. We have 250 factories and 180 retail sites.

The group is one of Europe's largest food companies with a wide range of successful brands and products in the food sector and an increasingly strong presence in advanced research and technology where we turn natural products into innovative ingredients for food, personal care and pharmaceutical industries.

Our products range from industrial and retail sugar and sugar syrups, to coated seeds, grains, flour, yeast, bakery ingredients, bread and bakery products, teas and Ovaltine, edible oils, starches, cooked meats, potable and industrial alcohols and solvents, enzymes, agricultural crop-protection chemicals and animal feed. We are a significant supplier of branded and non-branded grocery products and a leading clothing retailer.

The management structure of the company is shown below.

Des Pullen, our Group Human Resources Director, has overall responsibility for ABF's Safety & Environmental Policies and performance and reports directly to the CEO. He is supported by the Group Safety & Environment Manager, who also works with the ABF Director of Legal Services on compliance issues.

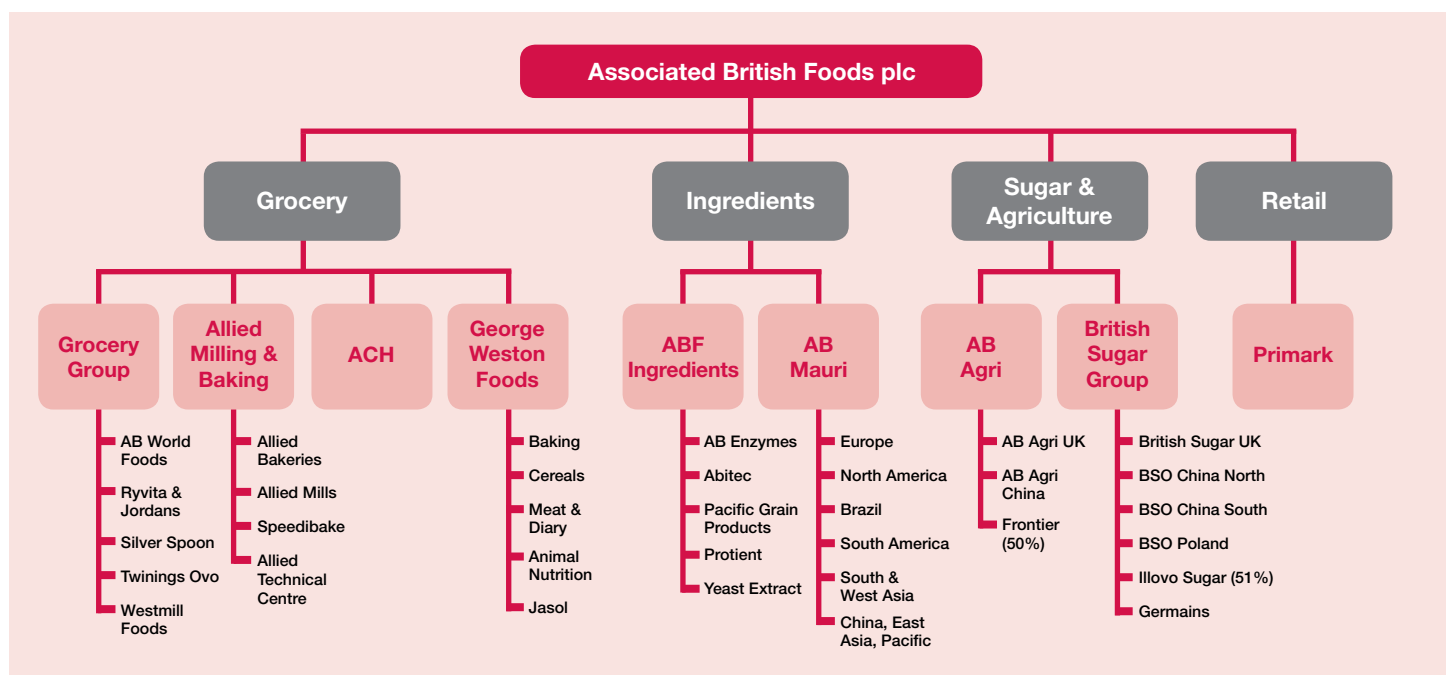


Our operating companies devise procedures appropriate to and compliant with local laws, cultures and operating conditions. The operating companies are highly regulated. During the year we had 390 visits from health and safety regulatory officials and 564 visits from the relevant environmental regulators. We use the feedback from these visits to help inform our risk management and investment decisions.

Management responsibility is devolved to the individual businesses and their Boards are responsible for achieving compliance with ABF's Group Health & Safety and Environmental Policies. In addition every

operating company has an accountable Board director and a senior manager responsible for safety and environmental matters.

The ABF CEO reviews the safety performance of our operating companies quarterly and the whole Board reviews the safety and environmental performance as well as the outcome of the external assurance process annually as a minimum. The Board assesses the sophistication of our companies' risk management and safety cultures, considers the levels of resources and agrees actions for the coming year. Companies are required to develop and implement action plans as appropriate.



Risk Management

CEOs of subsidiary companies are required to sign and submit an annual questionnaire which assesses all types of business risk including safety and environmental risks. The broad risks we have identified are:

1. The violation of health and safety procedures and unsafe behaviour of individuals
2. Significant injury principally from:
 - a. Being struck by or falling from a moving vehicle
 - b. Fires and explosions
 - c. Manual handling of heavy and awkward loads
 - d. Slipping or tripping on the level and falls of people or objects from height
3. Control of contractors
4. Significant environmental damage
5. Legal and reputational risk

Each subsidiary company must comply with the ABF Group Policies as a minimum and must carry out an annual self-assessment of their risk management activities and performance. This detailed annual performance questionnaire also provides information regarding:

- Key safety data (deaths, reportable injuries, lost time injuries, reportable diseases, regulatory visits & enforcement actions)
- Key environmental data (energy usage, water usage, waste production, complaints, regulatory visits & enforcement actions)
- Improvement plans for significant issues
- Details of areas of focus for the coming year

Management Systems

We require all subsidiary companies to implement the requisite level of risk management control to ensure compliance with our Safety and Environmental Policies. Our companies are thus able to install risk management systems which best suit their business needs and local circumstances. Managers, operators, contracting companies and safety and environmental specialists work together to identify the main hazards and assess the risk of harm. Appropriate operational procedures and controls are put in place and all employees are provided with relevant information, training and supervision to reduce and manage those risks. Strong emphasis is placed on preventing accidents and incidents but, should they happen, companies have appropriate emergency plans, which they rehearse routinely.

Thirty eight manufacturing sites spanning a number of operating companies have an environmental management system externally certified to the internationally recognised ISO 14001 standard or equivalent national standard, 10 more than last year. Our remaining manufacturing sites and Primark stores have internal environmental management systems which are broadly in line with ISO 14001. Similarly, 41 of our manufacturing sites are certified to nationally recognised health and safety management systems, 5 more than last year. Safety specialists from ABF companies meet every year as a group to update themselves on developments and exchange examples of good practice.

Acquisitions

As part of the ABF acquisition process we engage external independent safety and environmental due diligence specialists to carry out detailed safety and environmental investigations. The purpose of this is to understand the risks and liabilities of a potential acquisition, to assess how well that company is managing them and to enable us to address any material compliance and governance issues on acquisition.

On acquiring a new site or company, the ABF topic specialists to help them adjust to the ABF requirements and expectations. In the field of safety and environmental risk management the Group Safety & Environment Manager also works closely with the senior management to ensure a good understanding at senior levels of ABF policies, standards and performance measurement requirements.

Acquisition of Chinese Beet Factories – Case Study

An example of this approach can be seen in our new joint venture partnership with the 12 sugar beet factories in northern China, which now operates under the name of BoTian Sugar.

Process engineers from the UK sugar operations teamed up with their Chinese colleagues to find opportunities for improving the energy efficiency in the BoTian factories and these are now part of their investment programme.

The ABF Group Safety & Environment Manager devised and ran a two-day safety course for the 40 most senior managers in BoTian Sugar. The course, which was run entirely in Chinese to ensure that there were no misunderstandings, provided the sites with a basic understanding of the

relevant legal requirements and safety standards, for example techniques for guarding machinery. Following the course the managers developed and put in place a detailed site-specific safety improvement plan for each site.



Performance Targets

The safety performance of our businesses is reported monthly to ABF and forms part of formal quarterly reviews between ABF and the directors of the operating companies. The environmental performance of companies is reported and analysed annually. Due to the considerable diversity within the Group we do not impose standard improvement targets on subsidiary companies. Instead, each company sets itself targets appropriate to the nature of its operations and risks, which are reviewed by the Group Safety and Environment Manager.

Auditing and Assurance

For the sixth year in succession we employed Environmental Resources Management Ltd (ERM) to continue their rolling programme of audits of the management of safety and environmental risks at a representative range of group companies. To date these external specialists have carried out 97 independent audits. The 17 sites visited in 2008 were selected on a risk and sample basis according to geographical location, previous audit findings and their contribution to the ABF safety and environmental performance data totals. Sites audited for the first time in 2008 were located in America, Australia,

Canada, China, Germany, Italy, Poland, Swaziland, Thailand and the UK. We revisited those sites which were audited in 2007 to confirm resolution of any outstanding legal compliance issues. ERM also carried out an independent data assurance process on selected ABF health, safety and environmental data and the associated data management procedures at a site and company level. ERM's scope of work was focused on the performance data reported by the established ABF companies and excludes the data reported by the newly acquired northern China factories.

ABF has policies on Health & Safety and the Environment which have to be met by all companies within the Group. Similarly, ABF’s underlying Business Principles - on how we treat our employees and other stakeholders, on ethical business practices and on food safety – set the standard for all companies within the Group.

Health & Safety

ABF is committed to providing a safe and healthy workplace to protect all employees, visitors and the public from foreseeable work hazards. We will comply with the applicable legislation of the countries in which we operate.

We consider health and safety as equal in importance to that of any other function of the company and its business objectives. We require the operating companies to improve their safety performance year on year.

People’s health and safety at work is a prime responsibility for all those who manage and supervise.

All employees and those working on behalf of the company have a responsibility for the health and safety of themselves and others who may be affected by their actions. We will ensure that they are well informed, appropriately trained and are consulted on matters affecting their health and safety.

The chief executive/managing director of each operating company has overall responsibility.

Environment

Associated British Foods plc recognises the impact that its businesses have on the environment. Therefore, as a minimum, we will comply with current applicable legislation of the countries in which we operate; and our operations will be conducted such that:

- Emissions to air, releases to water and land filling of solid wastes do not cause unacceptable environmental impacts and do not offend the community;
- Significant plant and process changes are assessed and positively authorised in advance to prevent adverse environmental impacts;
- Energy is used efficiently and consumption is monitored;
- Natural resources are used efficiently;
- Raw material waste is minimised;
- Solid waste is reduced, reused or recycled where practicable;
- The amount of packaging used for our products is minimised, consistent with requirements for food safety and product protections;
- Products are transported efficiently to minimise fuel usage, consistent with customers’ demands, production arrangements and vehicle fleet operations;
- Accidents are prevented so far as is reasonably practicable; and
- Effective emergency response procedures are in place to minimise the impact of foreseeable incidents.

The environmental performance of our businesses will be regularly reported to and reviewed by the Board.

The responsibility for achieving compliance with this policy is devolved to the chief executive or managing director of each of our businesses. Each business has nominated a director with specific responsibility for environmental matters.

Employees

Our employees are our most crucial resource, and therefore we abide by the following principles:

- **Equal Opportunities** – we are committed to offering equal opportunities to all people in their recruitment, training and career development, having regard for their particular aptitudes and abilities. Full and fair consideration is given to applicants with disabilities and every effort is made to give employees who become disabled whilst employed by the company an opportunity for retraining.
 - **Health & Safety** – we consider health and safety as equal in importance to that of any other function of the company and its business objectives. The policy and full global report is available on the company website at www.abf.co.uk
 - **Harassment** – we will not tolerate sexual, mental or physical harassment in the workplace. We expect incidents of harassment to be reported to the appropriate human resources director.
 - **Human Rights** – managers must take account of the core International Labour Organisation labour conventions and strive to observe the UN Declaration on Human Rights, by respecting the dignity and human rights of our employees and in particular as stated below:

‘Universal respect for an observance of human rights and fundamental freedoms for all without discrimination as to race, sex, language or religion.’
- We remunerate fairly with respect to skills, performance, our peers and local conditions.
- **Communication** – we will brief employees and their representatives on all relevant matters on a regular basis.
 - **Security** – the security of our staff and customers is paramount and we will at all times take the necessary steps to minimise risks to their safety.

Ethical Business Practices

- **Competition** – we are committed to free and fair competition and we will compete strongly but honestly complying with all local competition laws.
- **Bribery** – we will not condone the offering or receiving of bribes or other such facilitating payments to any person or entity for the purpose of obtaining or retaining business or influencing political decisions.
- **Political Donations** – financial donations are not permitted to political parties within the European Union. The consent of the Chief Executive is required for any other donation to a political party.
- **Confidentiality and Accuracy of Information** – the confidentiality of information received in the course of business will be respected and never be used for personal gain. False information will not be given in the course of commercial negotiations.
- **Conflict of Interest** – any personal interest, which may prejudice or might reasonably be deemed by others to prejudice, the impartiality of employees, must be formally declared to a senior manager. Examples of this include owning shares in business partners and personal or family involvement in trading contracts.
- **Business Gifts and Hospitality** – gifts, other than items of very small intrinsic value, are not accepted. Employees who receive hospitality must not allow themselves to reach a position whereby they might be deemed by others to have been influenced in making a business decision as a consequence. However, giving and receiving reasonable business-related products, marketing materials and entertainment are permitted.
- **Insider Trading** – employees are prohibited from buying or selling shares or other securities (such as bonds, derivatives or spreadbets) on the basis of inside information. Inside information is defined as information that is not available to the public, and includes financial data, plans for mergers, acquisitions or divestitures, changes in dividends, new products or major management changes. Trading in shares in Associated British Foods plc or any other publicly traded company on the basis of inside information is prohibited, as is the passing on of insider information to anyone who uses it to purchase or sell securities. Insider trading is illegal and may result in prosecution.

Stakeholder Relationships

Customers

We seek to be honest and fair in our relationships with our customers and above all to provide the standards of product and service that have been agreed whilst at the same time offering value for money. At all times we take all reasonable steps to ensure the safety and quality of the goods or services that we produce.

Shareholders

Associated British Foods plc is committed to increasing shareholder value, and we will communicate our achievements and prospects to our shareholders in an accurate and timely manner. Apart from the annual general meeting the company communicates with its shareholders by way of the annual report and accounts and the half yearly interim report. Significant matters relating to the trading or development of the business are disseminated to the market by way of Stock Exchange announcements. The company also holds meetings with its major institutional shareholders to discuss the company's operations.

Suppliers

We will carry out our business honestly, ethically and with respect for the rights and interests of our suppliers. We will settle our bills promptly being a signatory to the Better Payment Practice Code and we will co-operate with suppliers to improve quality and efficiency. We seek to develop relationships with supplier companies consistent with these basic principles, and specifically with respect to human rights and conditions of employment. Where supplier audits show shortcomings in any of these areas, we will strive to encourage a programme of improvement leading to compliance. Responsibility for specific supply codes and agreements rests with individual companies.

The Wider Community

We recognise our responsibilities as a member of the communities in which we operate and encourage our operating companies to engage with the local community in their areas of operation. Examples of this include cultural and community sponsorship in Australia through George Weston Foods and the community activities of British Sugar in the UK.

The Garfield Weston Foundation was set up by the late W. Garfield Weston in 1958. It is one of the UK's foremost philanthropic organisations and derives a substantial proportion of its funds from its interests in Associated British Foods plc's ultimate holding company, Wittington Investments Limited. Further information can be found on www.garfieldweston.org

Food Safety

We recognise and acknowledge that consumer confidence in the quality and safety of our food products is essential. To this end a high priority is placed on all aspects of food safety.

To manage food safety risks, our sites operate food safety systems which are regularly reviewed to ensure they remain effective, including compliance with all regulatory requirements for hygiene and food safety. Our food products are made to high standards regardless of where they are manufactured. We will always put food safety before economic considerations.

Scope

The safety and environmental data in this report cover our 250 principal manufacturing sites and 180 Primark stores. Where possible, we also included safety and environmental data for some of the numerous depots, offices and distribution centres within the Group and we are aiming to improve completeness of these numbers for future reporting. For the first time we report on the sugar operations in northern China but do not include data from the joint ventures in which we have only a minority share. We do not report on the impacts of associated agricultural operations, transport activities within our supply chain, or the impacts of our finished products. Data is split between our established companies, i.e. those we owned last year, and the northern China sugar operations, to aid comparison. The reporting period is from the end of August 2007 to the end of August 2008.

Reliability

Within ABF and the operating companies we take great care to check the completeness and accuracy of our performance data. All site managers must satisfy themselves that the data they submit to their divisional headquarters provide an accurate and a fair representation of performance. Each operating company employs safety and environmental specialists who are responsible for reviewing data at a divisional level and for aggregating them into the divisional submission to ABF. The ABF Group Safety and Environment Manager reviews the individual submissions and, once satisfied, aggregates them for the Board and for publication.

In addition to these internal processes, we have commissioned an independent third party assurance process of our data since 2001. From 2001 to 2003 the UK data was audited by URS Verification Ltd. The assurance process revealed that 2001 and 2002 UK data was not sufficiently accurate to present a true picture of our operations, although it did represent our best estimate. Since 2003 we have used ERM for this assurance process. We are satisfied that most of this year's safety and environmental data do not contain material errors and can be relied upon. However, we wish to acknowledge certain limitations:

1. In 2006 the assurance process highlighted some uncertainties regarding the data from AB Mauri. The company worked very hard to address these. AB Mauri and ABF carried out further internal verification activities during 2007 and 2008 to improve its robustness and, following a detailed audit by ERM, we are now confident that the AB Mauri performance data is appropriately reported.
2. The water data reported is dominated by the abstraction of water from African rivers for the Illovo cane factories. The quantity of total water abstracted from local rivers by Illovo Sugar is metered but the distinction between water used for sugar factory operations, for crop irrigation, and for household use in the estate villages is not metered in every instance. Therefore the figure for factory water use has had to be deduced using a combination of accurate metering, agronomic factors for cane irrigation and some theoretical calculations. Similarly, a few of the non-African operations which abstract large quantities of water currently do not have accurate metering for all water used. Nevertheless, we believe the water data we report does provide a good indication of the overall quantity used by our operations.
3. Our waste data is calculated using a combination of measured weights at a proportion of our operations and, in other cases, our best estimates.

ERM Assurance Summary Statement

ABF appointed Environmental Resources Management Limited (ERM) to provide independent assurance on selected performance data in its Safety and Environment Report 2008 (the Report). The safety and environment performance data selected for our engagement included number of fatalities, number of reportable injuries, number of H&S enforcement notices and prosecutions/fines, cost of H&S fines, TWh of energy consumed, tonnes of carbon dioxide CO₂ equivalent released, volume of water used (cubic metres), tonnes of non-hazardous and hazardous wastes disposed, number of environmental prosecutions/fines and cost of environmental fines. The objective of our engagement was to conclude as to whether ABF has appropriately reported the selected performance data above within its Report.

We planned and performed our work to obtain all the information and explanations that we believe were necessary to gather sufficient evidence to provide a basis for our assurance conclusions. We undertook work at ABF Group corporate level and at a selection of ABF Operating Companies (OpCos) and manufacturing sites. More specifically, our work included meetings with eight OpCo HSE representatives and visits to 24 sites (nine of which were sites that were involved in our 2007 assurance programme) across 12 countries. If the scope of work had required us to test a greater sample of source information or visit more sites, it may have affected our conclusions. Based on the work undertaken as described above, we conclude that the selected safety and environment performance data are appropriately stated, with the exception of water consumption and waste disposal data, which are ABF's best estimates as presented by management in the reliability section of this Report.

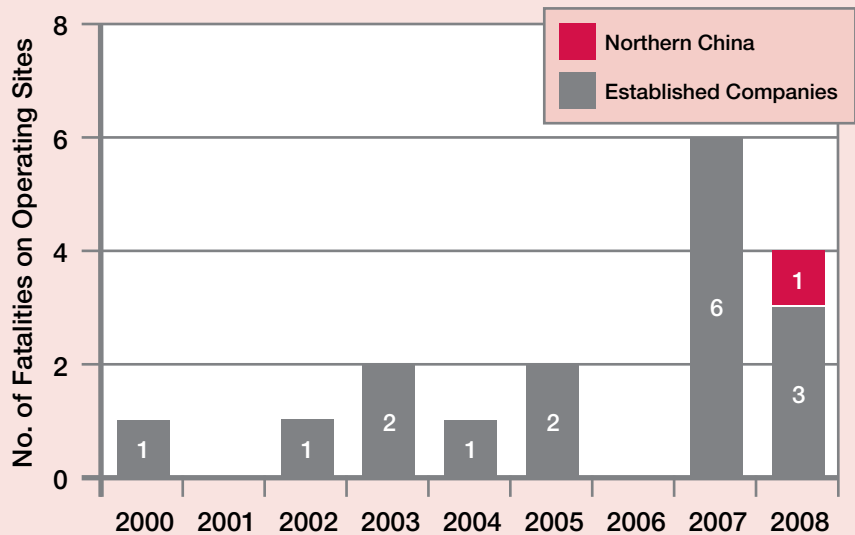
For further details on the work we undertook and our findings, please read our full assurance statement at the end of this Report.

Safety Performance

ABF believes that it is very important to provide safe and healthy working conditions for its employees, contractors and visitors. We try very hard to reduce injuries in every location. We have a clear requirement for continuous improvement.

Fatal Injuries

We very much regret to report that there were four work-related deaths this year. Three occurred at three of the Ilovo Sugar factories: one employee and two contractors, all of which involved vehicles on our sites. The fourth fatality happened just after the end of our reporting year at a sugar factory in northern China which was undergoing dismantling and demolition. These accidents were fully investigated by our internal safety specialists and the external regulatory authorities and remedial measures put in place to prevent recurrences.



Reportable Injuries

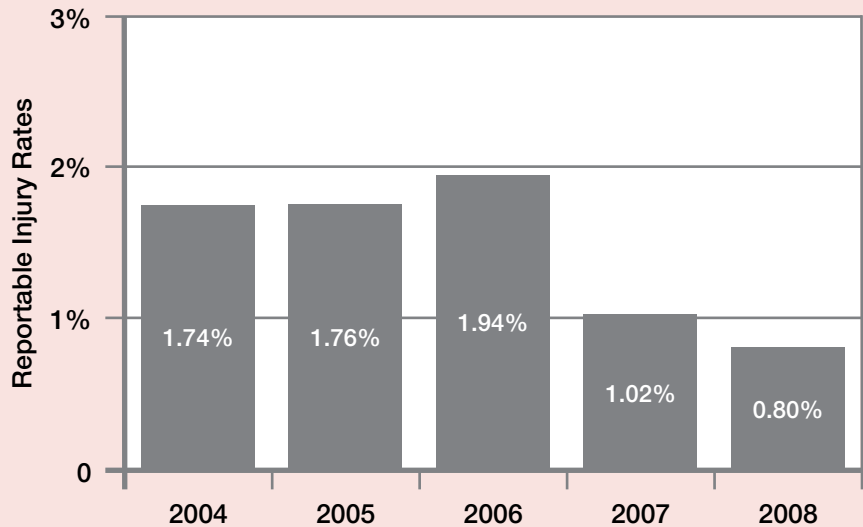
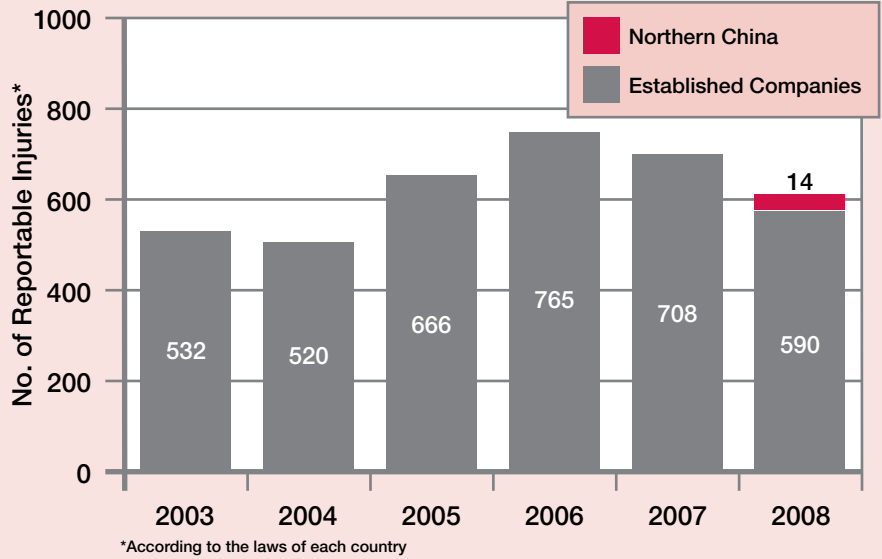
During 2008 the operating companies reduced their reportable injuries by 15%. This was achieved despite a significant increase in the number of people working for the company. It reflects a concerted focus by the ABF Board, the Boards of the operational companies, the management teams and the workforce.

Taking into account the changes in the number of employees over the years it is more helpful to consider the rate of reportable injuries in relation to the size of the overall workforce.

The injury rate measures the number of reportable injuries divided by the number of employees, expressed as a percentage. We have been able to achieve a 20% reduction during 2008, leading to a total of a 59% reduction over the past 2 years.

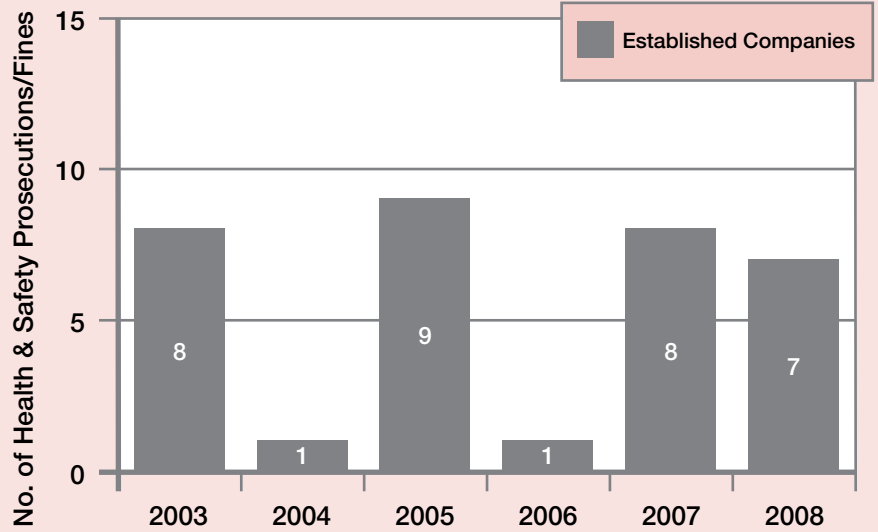
Despite this good progress we are not complacent and fully recognise that further improvement is achievable. For all our manufacturing and retail operations the working environment and physical safety standards, for example machinery guarding, electrical safety and control of hazardous substances, are carefully monitored and upgraded using guidance published by the national regulatory authorities as a benchmark.

Our operating companies have continued to develop the breadth and depth of their risk-management systems, which include clear objectives and personal safety improvement targets, effective physical controls and management procedures, routine performance monitoring and improvement action plans.



Safety Prosecutions/Fines

During the 2008 reporting year, seven sites received fines totalling £35,000 for breaches of safety regulations. These ranged from accidents causing serious injury to lapses in risk management procedures. The sites have investigated and put in place remedial measures.



Safety Case Study – Illovo

Illovo Sugar Ltd, the continent’s largest sugar producer with plants in six countries in southern Africa, is highly regarded in the African continent for many reasons, including its management of the health and safety risks to its 30,000 employees.

For many years the company has operated a strong risk management policy. It has laid down clear standards and safe procedures to be followed at every site. Illovo makes sure that every worker receives sufficient safety training and the required safety equipment so that the tasks can be carried out with minimal risk. The company has always invested in the physical working environment to make sure that it meets the latest standards.

To ensure that the sites are actually working to those standards, each year the company commissions robust external independent audits from the National Occupational Safety Association in Africa. The audit findings are communicated throughout the business and are used to inform their safety improvement plans.

In the past year the company has set clear safety targets for every site. This has brought added focus to the site management teams as part of their

financial rewards are influenced by whether the targets are met or not.

Over the past two years, this increased safety leadership by the board has resulted in a halving of the rate of injuries and a cut by one third in the number of days lost due to accidents at work.

We put the safety and wellbeing of our workforce as a priority but recognise that further work is needed to prevent deaths and to drive down injuries and we are in a good position to continue this improvement and to make sure that it is sustained.



The sugar extraction section of the Maragra Mill in Mozambique.

Safety Case Study – Twinings Ovo

Twinings Ovo came first in a UK national safety competition and received an award in recognition of their efforts in participating in the 'Working Together – Working Safely' initiative and demonstrating a willingness to 'behave safely' whilst at work. This was a good achievement and one which the company used as a platform for even higher levels of personal commitment to the initiative in the coming years.

Whilst this was a British based award, the submission included all of the Twinings Ovo international businesses, reflecting a strong safety commitment throughout the company.

Health

Health is a critical issue for ABF. We have a threefold approach – maintaining the health of our people, assuring the safety of our food products and providing sensible guidance to our customers regarding healthy eating.

Healthy Workplace

A fundamental requirement of our operating companies is that our people go home from work as well as when they arrived; not adversely affected by the tasks and the general working environment.

We recognise that some of the substances we handle and manufacture may, if incorrectly controlled, pose a risk to health. To make sure that this doesn't happen and that our factories are healthy places to work, we use occupational health specialists, either in-house or brought in for the purpose, to monitor the controls and working practices.



In most cases the main use of chemicals in our manufacturing facilities is for the cleaning of food processing equipment. Chemicals are also used by engineers for boiler water treatment and the maintenance of food processing equipment, although some of the oils and greases are of food grade and are not dangerous. Many chemicals are used by our laboratories for routine quality control analyses.

Our sites employ competent technical staff to control the storage, handling and use of hazardous substances and their final disposal. The operators are provided with the necessary hazard information, training, handling equipment and protective clothing and we require sites to have effective emergency procedures in place.

The European Union has issued very detailed and complex legislation regarding the registration, assessment and authorisation of chemicals. Our companies have reviewed their applicability and, where appropriate, set up technical working parties to ensure compliance.

Safe Food

As stated in our Business Principles, we recognise that consumer confidence in the quality and safety of our food products is essential. To this end a high priority is placed on all aspects of food safety. To manage food safety risks, our sites operate food safety systems which are regularly reviewed to ensure they remain effective, including compliance with all regulatory requirements for hygiene and food safety. Our food products are made to high standards regardless of where they are manufactured. We will always put food safety before economic considerations.

Healthy Eating

From organic oats to ethnic cooking sauces, ABF produces some of the tastiest and most nutritious family food and drink products anywhere in the world. Our expertise enables us to bring together high quality raw ingredients to create enjoyable foods that help people live healthy and active lives. As well as proactively developing a diverse portfolio of healthy branded foods, ABF provides Guideline Daily Amount (GDA) nutritional information on all relevant products to help our customers make sensible choices about their diets. Eating a balanced diet along with taking regular exercise is key to well-being. A balanced diet, eaten in moderation, will supply the hundred or so essential components that we need to stay healthy and our sugar is a useful component of a good diet. We always market our products in a responsible way, following the accepted codes of practice that exist at global, regional and national levels.

Illovo Health Case Study

The Illovo Sugar Group provides medical care to our employees and their dependants either through our 28 on-site clinics and 4 hospitals or through subsidised medical insurance. Our facilities are staffed by 18 doctors, 150 nurses and 135 auxiliary personnel and serve 30,000 employees and 70,000 dependents. During 2008 approximately 550,000 patient visits were paid to these facilities. Our medical services are free to all employees not covered by medical aid (the vast majority) and this includes the dependants of the permanent employees.

Across the Illovo Group, communicable diseases in the form of HIV / AIDS and tuberculosis have been the main focus of health care awareness and education.

HIV / AIDS

A written HIV / AIDS Policy has been in place since 1990 and conforms to world wide best practice. Practical HIV managed care is delivered through the Awareness and Wellness Programmes. These Awareness Programmes focus on education about HIV, counselling and voluntary testing. The Wellness Programme deals with those found to be HIV Positive by providing support, regular monitoring, treatment of opportunistic infections and acquisition of antiretroviral (ARV) drugs when these are required. ARVs are provided free of charge, thanks to donors such as the Gates Foundation.

Illovo management has supported the drive for annual voluntary counselling and testing and has set targets to test 50% of the permanent work force for this current year. Last year's target of 40% was achieved across the Group. A further target to ensure at least 50% of those testing HIV positive attend the Wellness Programme is being pursued.

Every Illovo medical facility actively promotes voluntary counselling and testing both at routine consultations

and on specific HIV Awareness days. Such interventions have gone a long way to break down the barriers of fear and stigma associated with this illness.

Malaria

Climatic conditions which favour the growth of sugar cane (high temperatures and abundant water) also favour mosquito breeding. Measures to eliminate the specific mosquitoes which transmit the malaria parasite to man have been successful in South Africa. However, at all the other Illovo sites, the vector mosquitoes are present and strict malaria control programmes are in place.

Vector mosquito control starts by the elimination of breeding sites, either by filling in areas of stagnant water or by chemical spraying of those water bodies not amenable to filling. Here too, an educational role is important for the villagers as the keeping of old tins and motor car tyres are perfect breeding sites for these mosquitoes.

All our estates (excluding South Africa) have an indoor residual house spraying programme following the National Malaria Control Programme of the specific country, and this is the backbone of malaria control. In Swaziland, the correct execution of indoor spraying has almost completely eradicated malaria on our operations there.

Insecticide treated bed nets complement the spraying efforts and are given free to pregnant mothers and children, and at a highly subsidised price to others.

Equally important is the early diagnosis and treatment of malaria. The disease can be diagnosed within minutes of receiving a blood smear and the treatment started immediately on site at our hospitals.

Clean Water

On our African cane estates we extract raw water from rivers and lakes which, at that stage, is not fit for drinking. Therefore we provide the necessary physical and chemical treatment so that the water which we supply for drinking is safe and clean. Firstly we settle out the heavy solids, filter the water and then sanitize it with chlorine. Each estate has dedicated water purification plants which are monitored hourly to guarantee a consistently safe potable water supply. This purification process greatly reduces the risk of our people and their families contracting diarrhoeal diseases which would otherwise be a real threat to their health.

Environmental Performance

ABF places a high importance on legal compliance, the efficient use of natural resources and the minimisation of impacts from our operations on the communities and physical environment in which we operate.

The principal environmental impacts of our operations are: energy use and the resultant emission of carbon dioxide, other emissions to air, water use, the treatment of waste water and the generation and disposal of waste.

During 2008 our total environmental impacts grew due to the acquisition of the majority shareholding in 12 sugar beet factories in northern China. Our technical and financial investments are making these factories far more efficient and will reduce significantly their environmental impacts.

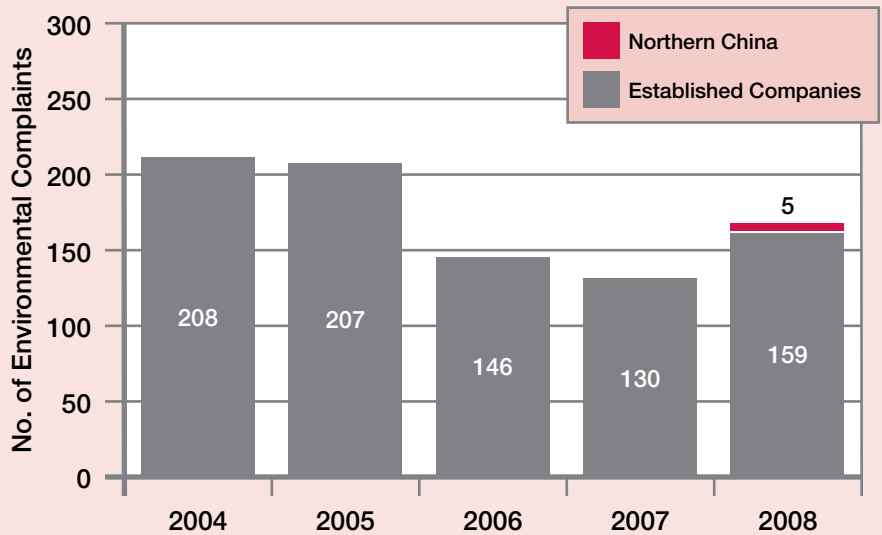
Environmental Complaints

In 2008 the established companies received 159 environmental complaints.

The number of complaints varies year on year and tends not to reflect the actual number of events causing complaint due to multiple responses to the same event.

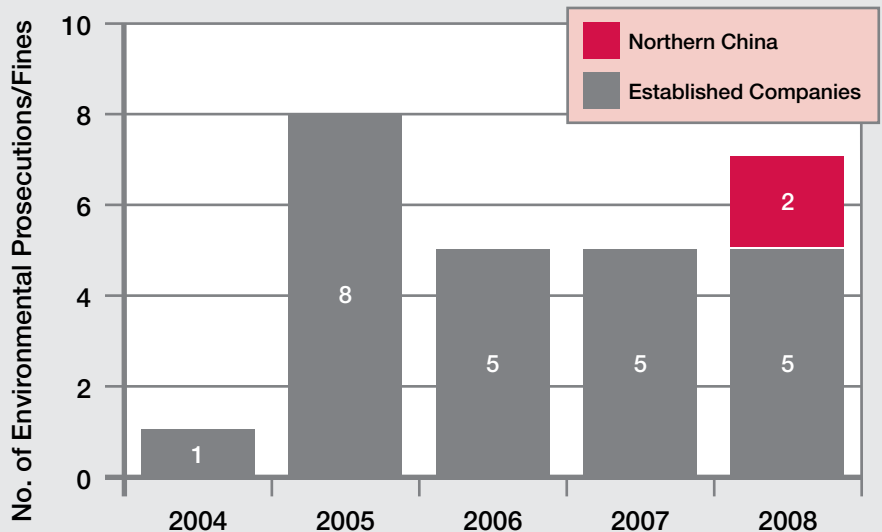
There were various causes of complaints including factory noise, traffic movements, particulate emissions and odours, but there were no clear trends. As the complaints related to site-specific issues they were addressed locally.

The absolute number of complaints should be considered in the context of a large and growing business. The companies involved very much regret any inconvenience caused to our communities. We are always seeking to eradicate the causes of any similar events.



Environmental Prosecutions/Fines

In 2008 there were seven environmental fines totalling £80,000. These were imposed by the authorities in America, China and India relating to effluent standards, uncontrolled releases to air and emissions of noise and dust.



Energy

Efficient energy usage is a central plank of our environmental policy and a key business concern. Improving our energy efficiency not only reduces the use of natural resources and emissions of carbon dioxide and other pollutants, it usually leads to a reduction of operating costs and hence improves our profitability.

Operating in many countries we are exposed to a wide range of energy supply constraints and commercial pressures. Therefore we deliberately operate a policy of using multiple fuels to ensure the strategic imperatives of continuity of supply and business growth.

In 2008 we used 25.4 Terawatt hours of energy, an increase of 4.2 Terawatt hours over 2007. This reflects the fact that ABF is a large and growing international business and includes for the first time the data from the Chinese beet factory operations.

The significant change in 2007 was the inclusion for the first time of the data from Illovo Sugar's operations. The growth in energy use in 2008 by the established companies was due to the organic growth of the company; we produced 850,000 tonnes of additional product.

Irrespective of the amount of energy used in any of our factories it is a core principle that all energy must be used efficiently. Twenty of our European sites are subject to the EU's Pollution Prevention and Control regime and are under a statutory duty to minimise energy consumption by the use of best available techniques.

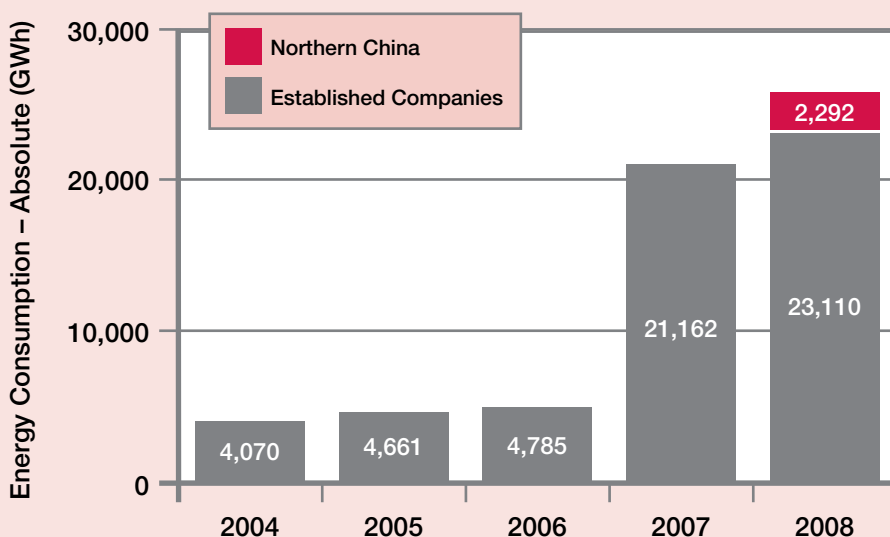
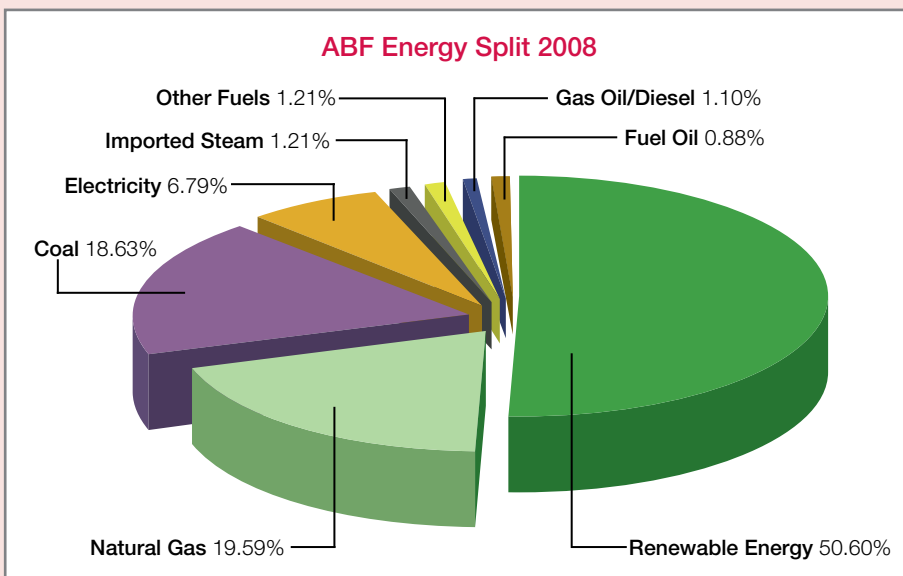
Our UK manufacturing operations participate in the UK government's Climate Change Agreement Scheme. The sugar sites in the UK and BSO Poland participate in the EU Emissions Trading Scheme which allows us to reduce energy consumption and therefore reduce emissions of carbon dioxide cost-effectively.

Our sugar operations account for 84% of our global energy usage. Sugar factories require energy to separate the sugar from the sugar beet and sugar cane, to concentrate by evaporation the sugar solution and then to crystallise out the sugar. The evaporation stage uses approximately 75% of the total energy used in a sugar factory. To minimise that energy, the sugar factories employ multiple-effect evaporators so that one tonne of steam evaporates around four tonnes of water from the sugar solution.



Multiple effect evaporators at the BoTian Sugar factory in Zhangbei, northern China.

Our energy experts work to drive up energy efficiency and drive down energy consumption. As an example, in 2008 the Illovo Sugar mill at Sezela in South Africa carried out a full-site energy analysis, which revealed opportunities to improve their energy economy. As a result the site reduced its coal consumption by over 9,000 tonnes and is targeting even higher savings next year.



Energy continued

To date most of the efforts to enhance energy efficiency have focussed on beet processing. The next phase involves transferring the knowledge we have gained at the beet sites to drive further improvements and best practice in process efficiencies at all sites. To aid the process British Sugar has set up a group development resource, which includes energy experts. This team conducted a series of energy audits across the group's

sites and produced a benchmarked rating based on current efficiency levels. Improving efficiencies across our cane factories provides us with the ability to use the surplus steam to generate substantial amounts of renewable electricity. This clean electricity is more than is required for factory operations. The surplus can be sold to local electricity networks effectively replacing energy currently produced by fossil fuels. Last year ABF's global sugar factories, both beet and cane, supplied a total of 763 Gigawatt hours of this surplus electricity to other users, typically to the

national electricity distribution networks. This quantity of electricity would be sufficient to power around 100,000 UK houses.

We view energy usage as a strategic issue and it receives the operational and commercial focus which this merits. Each operating company has a named Director and a named senior manager who are accountable for the environmental performance of their company. Many of the larger companies have appointed technical specialists to lead energy reduction teams.

Carbon

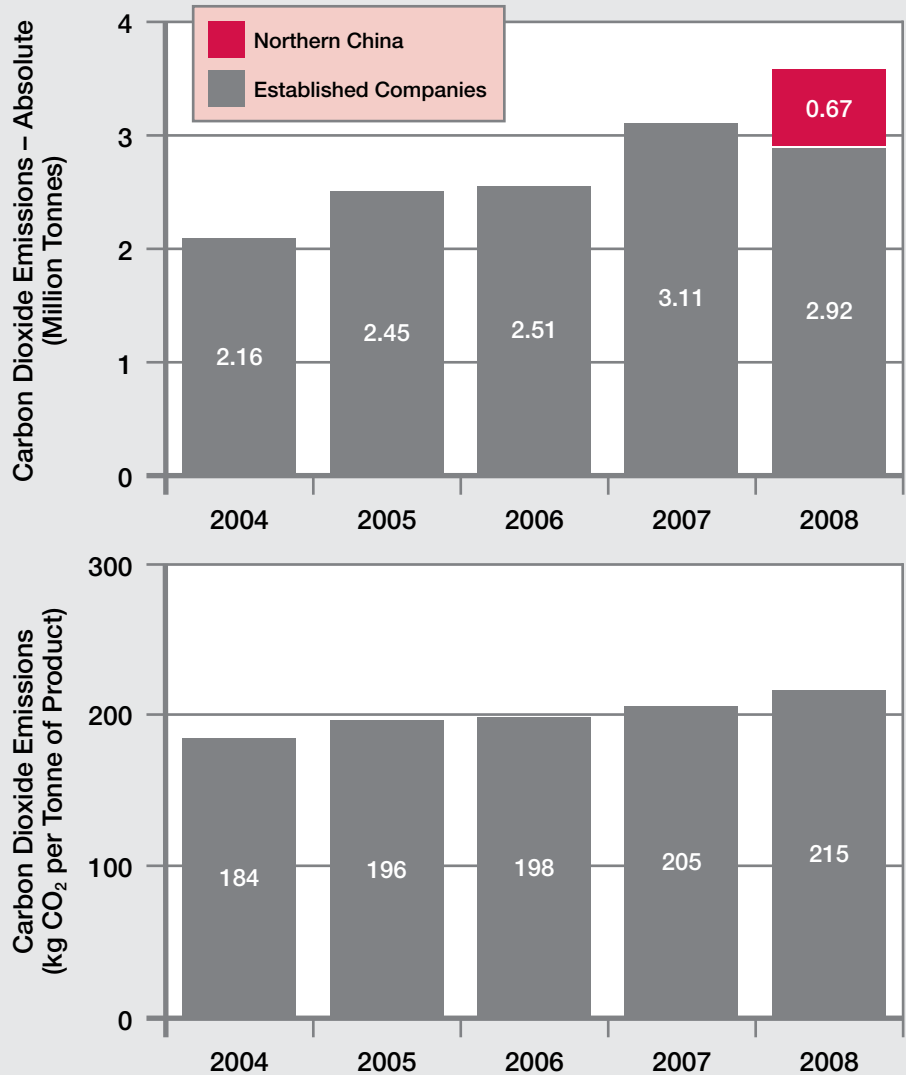
Using energy results in emissions of carbon dioxide to the atmosphere either directly from the burning of fuel at our operational sites or indirectly from the power stations from which we purchase electricity. We calculate the quantity of carbon dioxide emitted using the internationally recognised factors published by the Greenhouse Gas Protocol.

In 2008, the UK government published updated factors to be used for calculating the quantity of carbon dioxide emitted as a consequence of the electricity generated by the UK national power network. The factors for 2006 and 2007 were also revised upwards slightly. Therefore the number of tonnes reported for 2006 and 2007 in this Report are higher than previously reported. This is not an error on our part, simply a recalculation using the updated factors.

In 2008, ABF emitted, or caused to be emitted, 3.59 million tonnes of carbon dioxide, of which 2.92 million tonnes came from our established factories, a reduction of 210,000 tonnes over 2007 dominantly due to increased use of renewable (carbon neutral) fuels.

Another indicator of CO₂ emissions is the amount of carbon dioxide emitted as a proportion of the tonnage of products which ABF manufactures. This is expressed as kilogrammes of CO₂ per tonne of product.

The 2008 data includes the Chinese factories and represent ABF as a whole. Over the years there has been a gradual



increase in the emissions of CO₂ per tonne of product. This is mainly as a result of changing the mix of our product range and latterly the use of coal in northern China to produce sugar. In all cases we are investing, and will continue to invest

over the coming years, to make our manufacturing operations considerably more efficient, which will improve our business position and will reduce our consumption of fossil fuels and will reduce the resultant emissions.

Carbon Footprinting

British Sugar in the UK is the first sugar manufacturer to assess the carbon footprint along its supply chain using the new standard PAS 2050. Until other producers publish their carbon footprints it is not possible to make accurate comparisons but the indications are that we are very likely to have the lowest carbon footprint in Europe for our retail bags of beet sugar. The average figure for our industrial bulk sugars across all our plants is 592 kg CO₂ per tonne, which we believe to be lower than our European beet sugar competitors and compares very favourably with other foods.

We have played a key role in supporting the development of this important new footprinting methodology. Since February 2008, the company has been a pilot partner with the Carbon Trust to develop its new standard, in conjunction with the Department for Environment, Food and Rural Affairs and BSI British Standards.

Since 1980, British Sugar UK has reduced the energy required per tonne of sugar by 40%, and we will use the information gathered in this footprinting analysis to continue to seek further reductions in our carbon impact.

Our work on carbon footprinting comes at a time of increased demand for information on climate change from consumers and customers. British Sugar UK and Silver Spoon will launch new areas of their websites for consumers and customers, explaining the carbon footprinting methodology, alongside details of their carbon-saving initiatives.

AB Agri has been working with Sainsbury's, their milk suppliers (Dairy Crest and Robert Wiseman Dairies) and farmers in the Sainsbury's Dairy Development Group to set up a sophisticated database to calculate the carbon footprint of dairy farms. The model is the first of its kind to achieve accreditation by the Carbon Trust. The programme, run by AB Agri's subsidiary White Gold on behalf of Sainsbury's, will help provide the impetus for participating farmers to steadily reduce their carbon footprint while also securing on-farm savings from the implementation of best practices.

Biofuels

The European Union aims to source 10% of transport fuel from renewable biofuels by 2020. As part of ABF's contribution to achieving this goal, in November 2007 DEFRA minister, Lord Rooker, formally opened the UK's first bioethanol plant at British Sugar's Wissington factory in Norfolk. This has a capacity to produce 70 million litres of bioethanol per year from sugar beet.

Because crops absorb as much carbon in their growth as they release when they are burned for fuel, biofuels contribute to reducing greenhouse gas emissions and the use of fossil fuel reserves. We believe that bioethanol from sugar beet is a model example of a "good" biofuel which alleviates climate change, is environmentally sustainable and contributes to national fuel security. Our research shows the following:

Reducing Carbon Emissions

The use of our bioethanol results in a CO₂ emissions saving of 71% relative to petrol when measured on a full life-cycle basis. This includes all direct and indirect emissions associated with growing, producing, distributing and using the fuels. Research released by the UK's Renewable Fuels Agency in 2008 showed the emissions savings from UK sugar beet to be significantly higher than those from biofuels made using palm, soy or oil seed rape.

Our Wissington bioethanol plant is supplied by a gas fired Combined Heat and Power (CHP) unit, which delivers 85% energy efficiency (this compares to around 40% efficiency for coal-fired power stations). Energy consumption at the plant has been reduced by 17% in the last 10 years.

Carbon savings are also made as the sugar beet is sourced locally, with an average transport distance of only 50km, thereby minimising "food-miles".

Food Prices and Land Use Change

Sugar processed at Wissington is sourced entirely from established UK arable farmers and is not associated with land use change or deforestation. A combination of increased yields (50% improvement since 1987) and rationalisation of the industry driven by reform of the EU sugar regime has caused a substantial net reduction in the area used to grow sugar beet in the UK – 65,000 hectares (40%) less than 10 years ago. Accordingly there is no evidence that Wissington bioethanol has any adverse effect on food production or prices.

Agricultural Standards and Biodiversity Protection

Sugar beet meets the standards of the Assured Combined Crops and Sugar Beet Scheme (ACCSBS). It enhances soil fertility, reduces fertiliser and pesticide inputs and enhances biodiversity in following cereal crops when acting as a "break crop" in arable rotation. Nitrogen fertiliser use has been reduced by over 30% and pesticides by over 60% since 1980. The RSPB and Natural England have recognised sugar beet as being of considerable value for biodiversity and birdlife.

Sustainable Use of Water

The use of irrigation is minimal as over 95% of the crop is rain-fed. Water abstraction from the River Wissey has been cut by 30% in the last 5 years and, because water is a by-product of beet processing, the Wissington bio-refinery produces almost three times as much water as it consumes.

Expansion

In June 2007, ABF, in collaboration with BP and DuPont, announced plans for a larger bioethanol plant which will use wheat as a feedstock. This plant will have an output of 330,000 tonnes per year of bioethanol – equivalent to one-third of Britain's requirements under the Renewable Transport Fuel obligation from 2010 onwards.

Other Emissions to Atmosphere

Most ABF manufacturing sites, with the exception of our sugar factories, only have single points of release to air from relatively small steam boilers. As such the emissions to air from most of our factories are not significant and do not impact on local, national or transboundary air quality.

The main emissions from our sugar factories are dust particles, acid gases (oxides of sulphur and nitrogen) and odours. These emissions have to comply with local environmental standards. The emissions from those large boilers, which are subject to the EU's Pollution Prevention and Control regime, are stringently limited by statutory controls.

Our companies are very conscious of their responsibilities towards their neighbours and work hard to prevent any nuisance.

Energy Case Study 1 – Reducing Food Miles and Vehicle Emissions at Ryvita

Ryvita buys over 25,000 tonnes of rye from over 100 growers throughout the UK causing the average distance travelled by the delivery vehicles to be 167 road miles, with only 6% of the rye being sourced within a 60 mile radius of the factories. This results in high transport cost and causes the vehicles to use a significant amount of fuel.

This year we set our suppliers the challenge of growing rye nearer to us. The result was a 40% reduction in the average road miles travelled by the delivery vehicles.

using three combine harvesters and 40 hectares a day using one combine harvester, with the associated fuel and energy savings.

Ryvita technical specialists have also been working closely with the rye growers on crop quality. The aim has been to reduce the height of the crop and thus the volume of straw. This allows the crop to be harvested much more quickly, significantly reducing the time and fuel and can be key to preserving rye quality within a narrow weather window. These crop developments can make the difference between harvesting five hectares a day



Energy Case Study 2 – British Sugar

At Wissington Sugar Factory only 35% of the waste heat from our CHP plant was being captured, unlike the 100% usage at the other British Sugar factories in the UK.

A full study was undertaken in conjunction with a major European sugar technology design consultant to identify further opportunities for improved use of the waste heat. As a result of this study a number of areas for improvement were identified resulting in a £10 million capital investment to install new process plant. The new plant included:

- Two heat exchangers to transfer heat from the process juices to the incoming cold sugar beet
- Additional pan vapour heaters and other heat exchangers to allow the cold raw sugar juice to be heated by low temperature steam from elsewhere in the process
- Additional heating area added to the sugar evaporators (a major user of steam) to allow more effective heat transfer and reduce the steam demand from the boiler house.

The combined effect of installing this plant was to save 160,000MWh per year of energy, preventing 30,000 tonnes of carbon dioxide being emitted and saving £2.85m in fuel costs.

This energy saving allowed the site's bioethanol plant to operate without any expansion of the boilerhouse.



The new pan vapour heaters on the roof of the factory.

Water

It is ABF's policy that our operating companies must use all natural resources, including water, efficiently so that we are not wasteful. Half of the water we bring onto our sites is abstracted from rivers but we also source from municipal treated water supplies and from boreholes. We have investigated our usage and found that, although some of our products contain water – for example bread and cooking sauces, slightly over half of the water we use is for cooling. The cooling water, which is nearly always abstracted from a river or a borehole, is circulated around hot process equipment then returned to a river clean, but a few degrees warmer.

The two major product categories which generally have the highest water usage per tonne of product are sugar and yeast. Primark, being a retail operation, has the lowest water intensity.

Compared with last year we have been able to reduce the amount of water brought into our established factories by 9.5 million cubic metres.

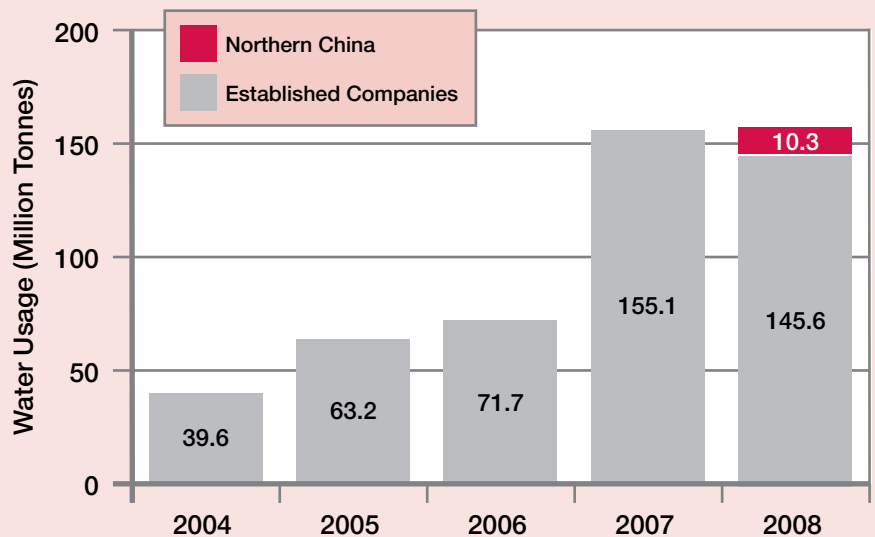
The processing of sugar beet results in more water being discharged from our wastewater treatment systems than is abstracted from the river. The reason is that sugar beet contains over 75% water, which is released when the sugar is extracted.

Similarly the processing of sugar cane in southern China and in Africa releases the water stored within the cane. The wastewater from the beet and cane factories is mechanically and biologically treated within the factories before being discharged into the local rivers.

Beet fields are irrigated using water abstracted from local sources under strict legal controls and limited in quantity by the national environmental regulators to ensure that the abstraction is not prejudicial to the water capacity of the local rivers and aquifers.

The cane growing fields owned and operated by Illovo Sugar in Africa are either rain-fed or are situated adjacent to major rivers from which the irrigation water is abstracted. The cane is grown in these locations specifically because water is plentiful and the company is very careful to ensure that people and biosystems downstream are not affected.

We are pleased to report that the UK's Ecumenical Council for Corporate Responsibility review our water management policies and practices and ranked us fourth from 15 leading UK and Irish companies.



Water Case Study 1 – BSO China

British Sugar Overseas has four sugar processing factories in the Guangxi Province of southern China, with a fifth under construction. The principal raw material is sugar cane and the products are sugar, molasses and bagasse. Once the sugar has been removed from the cane the fibrous residue, bagasse, is burned in boilers to generate high-pressure steam for electricity production and lower-pressure steam for the sugar process. Any unburned bagasse is sold to make paper.

Over the last two years, BSO China has reduced the amount of water used to extract sugar from the cane by around 25%. This has reduced the amount of water to be evaporated, reducing energy demand. Moreover, the cane crushing and extraction stages have been improved to give drier bagasse, so that less bagasse is needed to power the boilers. This combined with better control systems and operator training has led to a reduction in energy requirements of 10% over the past two years and increased sales of bagasse to the paper mills. The new factory being built has incorporated these improvements into its design.

Water Case Study 2 – AB Mauri

Mauri La Nga is a joint venture company in Vietnam which produces fresh and dry yeast and bakery ingredients. The company recently invested £3 million to upgrade its waste treatment facilities, which will both improve the standard of the waste water discharged to the environment, and reduce greenhouse gas emissions. As a result, the project qualifies as a Clean Development Mechanism project under the Kyoto Protocol.

The first stage of this new treatment system uses anaerobic digesters to process the waste water generated in the production of food yeasts. Biogas (methane) is produced, which is then used to power the factory boiler to produce steam. Using biogas instead of oil is expected to reduce fuel costs by £0.75 million and emissions of greenhouse gases by 21,700 tonnes of CO₂ per year. Moreover, treating waste water in this way improves the quality of

the water discharged, protecting the local reservoir. We expect 12 jobs to be created to run the system.

A similar approach is being implemented in a number of AB Mauri yeast operations around the world.



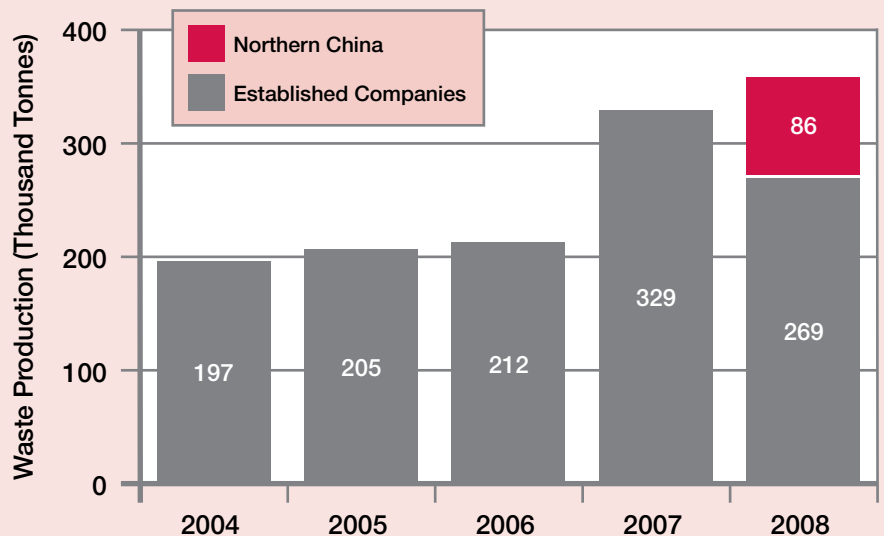
The reverse osmosis ultrafiltration units.

Waste

Managing our wastes is a two-stage process. Firstly, we always seek ways to minimise the quantity of waste produced as this makes good environmental sense and has commercial benefits. This applies not only to inert and non-hazardous wastes such as production residues, spoilt finished products, paper, cardboard and plastic packaging materials, but also to the small quantities of hazardous substances such as unwanted laboratory chemicals, used lubrication oils and asbestos removed from buildings.

Second, we ensure that any waste is stored, handled, transported and finally disposed of at appropriately engineered and licensed facilities under a strict duty of care. We seek opportunities to use the intrinsic value in the waste and to recycle. In fact, in 2007 our UK operations recycled 41,000 tonnes of packaging, mostly paper and plastic.

In 2008 ABF's operations generated 355,000 tonnes of waste for disposal of which just over 17,500 tonnes were classified as hazardous waste. The graph indicates the total amount of waste produced by our factories.



Waste Case Study 1 – Ryvita, UK

Until late 2007, Ryvita's Stockport facility had seven different waste contractors and was spending £69,000 on waste disposal each year, with no revenue from any waste stream. In December 2007 Ryvita transformed this approach by employing just one waste contractor, Nutrafeed, which offered a radical new approach. Since then, waste sent to landfill has been reduced by 96%, waste costs reduced from £69,000 to £20,000, and the sale of the material which has been recycled raises £40,000 – a net benefit of £90,000 each year.

This transformation has been achieved by recycling packaged food products into constituent parts, namely food, cardboard and plastic. The food element is removed from its packaging by a series of mechanical processes, and typically ends up in animal feed products. Packaging is separated in-house and recovered at Nutrafeed using "jet shredder" waste technologies which separates film/carton/foodstuffs, all of which can then be recycled separately. All plastics are recovered for recycling as well as metals and hazardous waste such as phosphorous lighting tubes. Nutrafeed installed £100,000 of new equipment at our site, including waste compactors and waste segregation bins. The new system

has also reduced manual handling within the factory, thereby reducing the risk of back injuries. The site expects to reach zero landfill in the near future.

"The benefits delivered have surpassed all our expectations. We were able to convert a waste management cost into a by-product revenue stream. We have reduced our waste to landfill by some 96%, dramatically reduced transport, and we receive income for food products, card, plastic and metal. Only 0.9% of our waste goes to landfill – and we are working on that last 0.9%!"

Terry Reynolds, **General Manager, Ryvita Stockport**

Feedback

We very much value the contribution that our stakeholders can make. So if you would like to comment on this report please email:

ABFinfo@abfoods.com

Packaging

In order to reduce consumption of raw materials and to prevent waste, we minimise the packaging for our products where possible while still guaranteeing product integrity.

For example, over the last two years, Twinings has reduced the weight of packaging per tonne of tea from 0.67 to 0.57 kilos. We are also launching a new range of packaging using board with a minimum 45% recycled content, and have started moving from using bleached to unbleached paper in packaging. 80% of Twinings packaging is now recyclable.

British Sugar reduced the weight of paper and plastic in the packaging of their 25kg sacks and 1 tonnes bags of sugar saving over 85 tonnes of packaging.

Independent Assurance Report to Associated British Foods plc (ABF)

ABF appointed Environmental Resources Management Limited (ERM) to provide independent assurance on selected performance data in its Safety and Environment Report 2008 (the Report).

Scope of our work

We designed our engagement to allow us to conclude as to whether ABF has appropriately reported the following selected safety and environment performance data:

- Number of fatalities
- Number of reportable injuries
- Number of H&S enforcement notices and prosecutions/fines
- Cost of H&S fines (in GBP)
- TWh of energy consumed
- Tonnes of carbon dioxide (CO₂) equivalent released
- Volume of water used (cubic metres)
- Tonnes of non-hazardous and hazardous, wastes disposed
- Number of environmental prosecutions/fines
- Cost of environmental fines (in GBP)

Objectives, basis of our work and limitations

We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions as to whether the selected safety and

environment performance data in the Report are appropriately reported. We undertook assurance work at ABF Group corporate level and at a selection of ABF Operating Companies (OpCos) and manufacturing sites.

If we had been asked to conclude on whether the selected performance data are materially accurate, we would have needed to conduct more work on the source data at operational level and gather further evidence to support our assurance opinion.

The reliability of safety and environment performance data is subject to inherent uncertainties given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Reporting criteria and assurance standards

ABF applies its own reporting guidelines for reporting the safety and environment performance data presented in this Report. A brief description of each performance data topic is included at the beginning of each section within the Report.

We performed our work in accordance with ERM's assurance methodology which is based on the following international assurance standards: ISAE 3000, ISO 19011 and where appropriate to the scope of our work, AA1000AS.

Respective responsibilities and ERM's independence

ABF Group is responsible for establishing appropriate safety and environment data management systems, determining its Safety and Environmental objectives and targets, and for preparing the Report and collecting the information included in it. ERM's responsibility is to express our assurance conclusions on the selected scope of work agreed with ABF.

During 2008, ERM has worked with ABF on other consulting engagements. ERM operates strict conflict checks and has confirmed its independence to ABF for delivering this assurance engagement.

ERM Assurance Statement  continued overleaf

Our team and assurance activities

A multi-disciplinary team of health, safety, environment, food and retail sector and assurance specialists performed the engagement.

We conducted the following assurance activities:

- Obtained an overall understanding of ABF safety and environment strategy, governance structure, safety and environment management systems, key challenges and achievements during the reporting period;
- Visited a selected sample of 24 manufacturing sites globally, nine of which were sites that were visited in our 2007 assurance programme. The sites visited were selected based on their geographical location, contribution to the ABF Group data totals, previous years' assurance findings and with an aim to get good ABF OpCo representation. The sites visited were located in Australia, Brazil, Canada, China, Germany, Italy, Malaysia, Malawi, Poland, South Africa, Swaziland, Thailand, UK and the USA;
- At each site visited, interviewed relevant management representatives, reviewed and sample tested data collection, aggregation and reporting procedures;
- Interviewed corporate safety and environment representatives from eight out of a total of 24 ABF OpCos and reviewed supporting documentation. The eight OpCos selected represent the largest in the ABF Group and have the largest contribution on the ABF Group data totals. The scope of these interviews was to understand and assess the robustness of internal controls in detecting and correcting data errors and omissions over the data reported by sites;
- For the selected safety and environment performance data, reviewed the effectiveness of the data aggregation process and quality of aggregated data at ABF Group corporate level and ABF OpCo level for the ABF OpCos visited. This included an analytical review of the total group data, trends analysis compared to prior years' data and understanding data in the context of overall business performance during the year;
- Reviewed the presentation of the selected safety and environment performance data in the Report to ensure consistency with our findings;
- Reported our assurance findings to management as they arose to provide them with the opportunity to address them prior to finalisation of our work.

Our conclusions

Based on the work undertaken as described above, we conclude that in all material respects, the selected safety and environment performance data are appropriately reported, with the exception of volume of water used (cubic metres) data and tonnes of non-hazardous and hazardous wastes disposed data, which are subject to the limitations presented by management in the reliability section of this Report.



Environmental Resources Management Limited

London, UK, November 2008

ERM is an independent global provider of environmental, social and corporate responsibility consulting and assurance services.

Over the past 5 years we have worked with around 60% of the global fortune 500 companies, in addition to numerous governments, international organisations and NGOs.

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