

# AB World Foods Limited

## Section 172 Statement – Extract from 2020 Strategic Report

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### **Engaging with our stakeholders – Section 172 Statement**

The directors are required to act in a way which they consider, in good faith, is most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

The company is a subsidiary of Associated British Foods plc and, as such, the company has adopted and directors have due regard to applicable group policies and procedures which impact on the company's stakeholders, including those referred to on page 72 of the Associated British Foods plc Annual Report and Accounts 2020.

The following section serves as AB World Food's section 172 statement and describes how the directors take into account such stakeholder and other matters in carrying out their duties and the impact on decision-making. Regardless of the legal duties, the directors consider regular engagement with stakeholders to be part and parcel of our value of progressing through collaboration and to be fundamental to the success of the Company.

### **Board structure and engagement with stakeholders**

The statutory board is comprised of the Managing Director, Supply Chain Director and Grocery Finance Director. The board regularly reviews the business' principal stakeholders and how we engage with them. The sections below set out a more detailed summary of the Company's relationships with its key stakeholders and how the business engages with those stakeholders.

In addition to the statutory Board, there is a local board made up of members of the Senior Management team; including the Sales Director, the Finance Director, HR Director, Marketing Director and General Managers of Sales regions. They meet at least monthly and work in close proximity with each other. Feedback from various business areas, with focus on specific stakeholder groups, is fed back to the wider Board.

The outcome of stakeholder engagement, as fed back to the Board via the channels referred to above and below, influences the formulation and on-going review of our long-term strategy and financial planning. This ensures our approach continues to deliver sustainable returns and promotes reputational reward.

The Directors aim to take the needs and priorities of each stakeholder group into account as part of their decision-making processes, recognising that the appropriateness of a stakeholder group may vary depending upon the matter under discussion.

### **Key Stakeholders**

The Board has identified the following stakeholder groups with whom engagement is fundamental to the group's ongoing success:

#### **Consumers/Customers**

The buyers of our safe, nutritious, affordable food that is great value for money. We are proud of the heritage, quality and relevancy of our brands and we apply insight, knowledge, experience and care to meet and exceed consumer needs both now and in the future.. We continue to strive to improve our products recipes and ranges as we try to understand our customers and the different market's we operate in. We always look to offer our products at competitive pricing levels to provide the opportunity for more consumers to be able to experience a variety of world foods.

#### **Suppliers**

Our Supplier Code of Conduct, which applies to all companies in the Associated British Foods group and which can be found on the Associated British Foods website, sets out our values and standards on how we work and engage with our suppliers on ethical, environmental and other relevant matters including on key issues such as payment practices, responsible sourcing, supply chain sustainability and human rights and modern slavery.

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The Board understands the importance of our suppliers and invests in collaborative and long-term relationships. Payment terms are fair and we have significantly improved payment practices in line with our commitment under the Prompt Payment Code.

### **Employees**

During the COVID-19 lockdown period it has been even more important to keep conversations and connections alive within the business. To this extent we have had regular COVID-19 updates and Q&A sessions, Leadership catch-ups and monthly company briefings and workshops. We have also provided two x 10-week positive Well-being virtual sessions which have been well attended. This is on top of the on-going investment in our people with leadership training activities.

### **Local Community and Environment**

AB World Foods continues to invest in the local community by focussing on our carbon footprint and providing employment opportunities for local people. The Company engages with its consumers through surveys, social media and information lines, ensuring their feedback is properly taken into account.

### **Governments**

The Company can be impacted by changes in laws and public policy including issues such as COVID-19 and Brexit. To mitigate the Company's exposure to such risks the directors engage with government authorities either directly, or through being part of the broader Associated British Foods group, to contribute to, and anticipate, important changes in public policy.

### **Shareholders**

The Board regularly engages with its immediate Grocery reporting division and parent company, Associated British Foods plc, throughout the financial year including the provision of monthly reporting items, annual budgeting and forecasting cycles and reporting on results and risks and opportunities.

### **Other ABF group entities**

The Company forms part of the group of companies headed by Associated British Foods plc and the Company's accounts are consolidated into the Associated British Foods plc accounts. Group companies can provide financial and other support to the Company and the sharing of best practice and know-how between the businesses within the broader group is actively encouraged.

### **Principal decisions**

#### **Protecting our Workforce**

At our Food production sites working practices have been adapted to protect our workforce, and production was increased even with higher absenteeism due to shielding or isolating. It was of vital importance that our business continued to produce food safely, and in sufficient quantities to meet the exceptional demand in retail.

#### **COVID-19 and impact on supply chain**

As the COVID-19 pandemic continues to be a worldwide crisis and the situation is still uncertain, our Supply Chain have engaged with suppliers and Industry Professionals in the fields of Customs and Supply Chain to continue to target an uninterrupted supply of goods to our customers.

#### **Acquisition of Al Fez**

The Directors took the decision to purchase the Middle Eastern brand "Al'-Fez" to complement the existing portfolio of brands. Al' Fez offers North African and Middle Eastern inspired products which were deemed to complement the existing brands and product ranges