Annual statement by the Remuneration Committee Chair

Graham Allan
Remuneration Committee Chair

In this section

The Annual Remuneration Report is subject to an advisory vote at the 2023 AGM.

Dear shareholders

In this first letter as the new Remuneration Committee Chair, I am pleased to present the Directors' Remuneration Report for the year to 16 September 2023. I would like to acknowledge Ruth Cairnie's extensive work as the previous Committee Chair and to thank her for her support with the transition.

Work of the Committee in 2022/23

The role of the Committee includes incentivising strong business performance and appropriately rewarding contributions to the Company's long-term success. We are pleased that the 2022 Remuneration Policy, which was based on these principles, received support from more than 92% of shareholders at the 2022 AGM.

The Committee has, as part of its regular work, reviewed the policy based outcomes under the annual short-term incentive plan (STIP) and the long-term incentive plan (LTIP), as well as consulting with shareholders on the proposed restricted share plan (RSP) award level for the Chief Executive for 2023-26 onwards.

Incentive Plan Outcomes for 2022/23

At the beginning of the year, the Company was facing extreme market volatility, as well as significant cost inflation at Primark and in most of the food businesses. Given the challenging trading environment, adjusted operating profit and adjusted earnings per share were, at that time, expected to be lower than in 2021/22. During the course of the year, however, the Company successfully navigated these headwinds and outperformed against both expectations and the prior year. At Primark, well-received ranges, good results from new stores, and selective price increases generated a solid sales and profit outcome. Several other businesses had impressive sales growth, particularly in Grocery and Ingredients, and international brands performed well. In Sugar, performance was slightly better than expected and adjusted operating profit was moderately above last year. For the Group overall, this strong all-round performance resulted in adjusted operating profit finishing ahead of last year. The remuneration outcomes for 2022/23 reflect these results.

Short-Term Incentive Plan (STIP) 2022/23

Underpinned by year-on-year sales growth, operating profit exceeded the maximum target established under the STIP. However, working capital levels were impacted by supply chain challenges and inflationary pressures and the threshold for the working capital modifier was not met. Accordingly, the overall outcome under the financial performance measures for this year is 66.67% of maximum.

Last year, as part of our review, the personal element of the STIP was replaced with strategic KPIs, with a weighting of 15%. This year our strategic KPIs were all related to ESG. The diversified nature of ABF means that ESG targets are developed by division, with the centre having a key role in governance, overseeing progress and ensuring accountability for performance. Our scorecard of measures for the year incorporated both the key ESG priorities within the divisions and the evolution of our governance model. For the 2022/23 STIP, against a broad scorecard of measures, the Committee assessed the overall score at 21/30.

Combining these measures, the overall formulaic outcome for the 2022/23 STIP was 67.17% of maximum.

Long-Term Incentive Plan 2020-23

Reflecting the Group's strong post-COVID recovery, EPS performance for the 2020-23 LTIP was broadly in line with the target set back in 2020. The Group three-year average ROACE without Sugar exceeded the maximum level. The four-year average Sugar ROACE outcome was just below the maximum level. Note that the Group ROACE without Sugar modifier and the Sugar ROACE modifier act only as downward modifiers to the calculated incentive outcomes.

Based on these results, the overall formulaic outcome for the 2020-23 LTIP was 58.46% of maximum.

The Committee believes that the STIP and LTIP outcomes are appropriate, taking into account the performance of the Company in the year and the strong recovery of the business over the three-year LTIP performance period.

Appointment of Eoin Tonge

In the year, the Committee finalised the terms of buy-out awards in place of awards forfeited by Eoin Tonge at his previous employer, Marks and Spencer ('M&S'), upon his appointment as Finance Director of ABF. These awards, along with their terms, were disclosed in last year's Directors' Remuneration Report. Three of these awards vested in July 2023. Details of these can be found on page 111.

Remuneration decisions for 2023/24

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. We assess that our average UK salary increases will be 9.2% including hourly-paid Primark staff, and 4.7% if hourly-paid Primark staff are excluded. In this context, the Committee has determined that for 2023/24, the executive directors will receive salary increases of 4.5%, below the average increase for the wider employee population.

STIP 2023/24

For 2023/24, the financial measures under the STIP remain the same as those used in 2022/23, with a modest rebalancing towards EBIT performance versus working capital. Strategic measures, focused on ESG, will continue to represent 15% of the total measures.

Restricted Share Plan (RSP) 2023-26

The shareholder-approved 2022 Remuneration Policy included a move from LTIP awards to RSP awards for those in Group roles. In line with shareholder expectations, the RSP awards represent a 50% reduction in award opportunity compared to the previous LTIP awards.

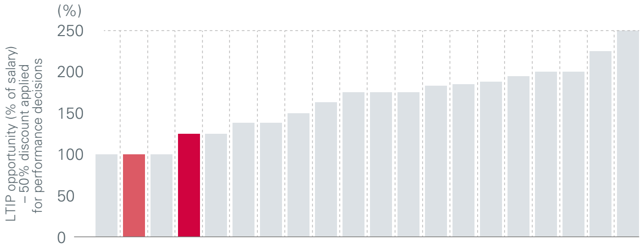
ABF has operated a conservative overall incentive quantum for many years, with the maximum LTIP award level having been set at 200% of salary since 2010. Recognising the modest level of our incentive packages, the 2016 and 2019 remuneration policies included headroom for LTIP awards to be increased up to 300% of salary for new hires.

As disclosed last year, the recruitment of Eoin Tonge as Finance Director afforded an opportunity to test the competitiveness of senior level remuneration at ABF. As anticipated, use of the policy headroom was required and an LTIP opportunity of 250% of salary was needed to secure Eoin in the role. Under the 2022 Remuneration Policy, this translated to an RSP award of 125% of salary.

Reliance on this policy headroom to successfully recruit a new Finance Director caused the Committee last year to consider an increase in the maximum opportunity for the Chief Executive to an LTIP of 250% or an RSP award of 125% of salary. At that time, the Chief Executive requested that this increase be deferred. As a result, his RSP opportunity for 2022-25 was 100% of salary.

This year, the Committee again reviewed market data and internal relativities, and concluded that it would be inappropriate to continue awarding RSP awards to the Chief Executive at a lower level than those awarded to the Finance Director. Recent market data reveals that an RSP award of 100% of salary is not competitive, with ABF having the joint lowest opportunity within a comparator group of similar sized UK listed companies.

The chart below shows the LTIP opportunities in the FTSE 15 – 45 (excluding Financial Services) with awards subject to performance conditions discounted by 50% to allow for ready comparison to the RSP, alongside the current and proposed opportunities at ABF:



From 2023/24 onwards, we plan to make RSP awards at 125% of salary to both executive directors. This remains modest compared to other companies of our scale.

As part of the normal consultation process we engaged with 22 of our largest shareholders on this proposal. No significant concerns have been raised with the Committee in the course of these consultations.

Consideration of wider workforce views and remuneration approaches

The Group is geographically dispersed and subject to quite different employment market conditions, both of which complicate meaningful comparisons against wider workforce compensation. However, 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 Committee. We have also created 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.

2023 AGM

This year the Committee has maintained its approach of aligning compensation with business performance and the shareholder experience. I hope that you will feel able to support our Directors' Remuneration Report at the 2023 AGM.

Graham Allan
Remuneration Committee Chair

Remuneration summary/at a glance

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. 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 & 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 last year, 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 ABF's size and scale	The Chief Executive will opt out of his current EFRBS and will not receive a cash allowance thereafter The Finance Director receives a cash allowance of 10% of salary aligned 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 2 years after leaving employment

The policy worked as intended this year and outcomes are in line with performance. The full Remuneration Policy wording is set out in the 2022 Annual Report and Accounts which is available on the Company's website https://www.abf.co.uk

Time horizons for STIP and RSP awards

	2022/23	2023/24	2024/25	2025/26	2026/27
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 Vest at end of year three			Two year holding period	

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 working capital) 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 (ROACE), alignment with shareholders (dividends), 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.

Shareholder voting and engagement

We were pleased last year that 92.37% of those voting supported our new remuneration policy and that 99.11% 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 2022	December 2022	99.11%	0.89%	928,042

During the year, the Committee engaged with its major shareholders on the proposed increase to the Chief Executive's RSP award level. See page 101 for more information on this consultation.

Annual remuneration report

Single total figure of remuneration for the executive directors (audited)

		George Weston		Eoin Tonge		John Bason	
		2023 £000	2022 £000	**2023 £000**	2022 £000	**2023 £000**	2022 £000
Fixed pay	Salary	**1,118**	1,084	**446**	–	**478**	748
	Benefits	**18**	17	**17**	–	**11**	17
	Pension	**0**	101	**45**	–	**81**	187
	Total fixed remuneration	**1,136**	1,202	**508**	–	**570**	952
Variable pay	STIP cash	**1,167**	1,084	**449**	–	**484**	745
	STIP deferred shares	**469**		**253**		**194**	
	LTIP	**1,328**	0	**-**	–	**756**	0
	Other	**–**	–	**2,372**	–	**–**	–
	Total variable remuneration	**2,964**	1,084	**3,074**	–	**1,434**	745
Single total figure		**4,100**	2,286	**3,582**	–	**2,004**	1,697

Notes to single total figure of remuneration for the executive directors

Salary

For George Weston, the salary paid is reduced for pension-related salary sacrifices. The benefit of these salary sacrifices is captured in the increase in pension entitlements for which a remuneration value is shown in the pensions row.

Benefits

The value of benefits for George Weston comprised £15,656 taken in cash and £2,114 taxed as benefits-in-kind; for Eoin Tonge comprised £15,197 taken in cash and £1,363 taxed as benefits-in-kind; and for John Bason benefits comprised £9,725 taken in cash and £1,001 taxed as benefits-in-kind.

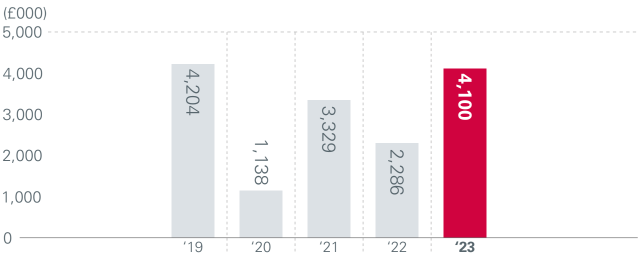
Pension

In 2022/23 George Weston 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 2/3rds 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 is provided under an 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 16 September 2023 was £754,991 per annum. George Weston will opt out of the EFRBS on 31 December 2023.

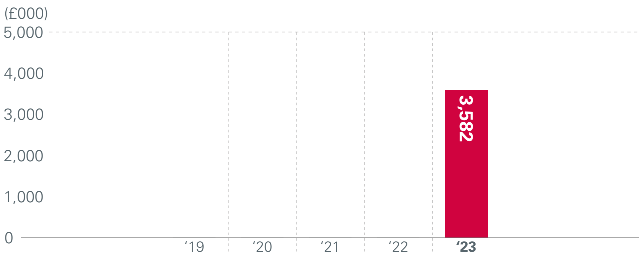
While the nature of George Weston's pension benefits has not changed during the year, the pensions number for remuneration purposes is £0 as inflation exceeded salary increases in the year.

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. Between 24 April 2019 and 31 December 2022, John Bason received a cash supplement of 25% of salary in lieu of pension contributions. This reduced to 10% of salary from 1 January 2023.

George Weston total remuneration



Eoin Tonge total remuneration



Annual Remuneration Report

STIP 2022/23

Achievement against financial targets

This table details the financial performance ranges for STIP 2022/23 and the calculated outcome for the cash element of the STIP.

	Cash element			
	Cut In	Target	Maximum	2022/23 STIP outcome
Adjusted operating profit £m	1,130	1,255	1,380	1,513.19
STIP based on profit (as % of salary)	15.94%	63.75%	106.25%	106.25%
Working capital as % of 3rd party sales	15.40%	14.39%	13.38%	15.88%
% modifier to Profit element	80%	100%	120%	80%
Total STIP cash financial element (as % of salary)	12.75%	63.75%	127.5%	85%

At the start of the year, the Company was facing extreme market volatility and significant cost inflation. Given the challenging trading environment, adjusted operating profit was expected to be lower than in 2021/22. As explained on page 100, the Company successfully navigated these headwinds. For the Group overall, this strong all-round performance resulted in adjusted operating profit finishing ahead of last year and ahead of the maximum of the STIP performance range. However, working capital levels were impacted by supply chain challenges and inflationary pressures and the threshold for the working capital modifier was not met. Accordingly, the overall outcome under the financial performance measures for this year is 66.67% of maximum.

Achievement against ESG strategic KPIs

This year our STIP strategic KPIs were all related to ESG. In our diversified Group, ESG-related targets are set by the businesses based on their material risks and what is relevant and achievable for them. As detailed in our TCFD report, our most material businesses each have their own emissions reduction targets.

We are committed to a range of sustainability goals, including reaching net zero by 2050, and believe that the best way to incentivise management to deliver this is by setting targets in their short-term incentive plans linked to the delivery of key projects. In our TCFD report we have included transition plans for ABF Sugar and Primark as they contribute most significantly to adjusted operating profit and total GHG emissions.

In line with our governance model, we have assessed the STIP outcome taking into account progress in four key areas, as set out in the table below. The targets set were demanding and tightly-aligned with our approach to ESG. Against a scorecard of measures, the overall score achieved was 21/30, 70% of the maximum for this element.

The Committee also considered our progress on ESG in the round, ensuring that our ESG governance approach is robust, that each operating division has its own ESG framework and increasing understanding of future legislation and implications for reporting. The Committee concluded that progress had been good and was therefore satisfied that 21/30 (70%) was a fair outcome.

	Score	Commentary and performance outcome
Primark sustainability	5/6	• 55% of clothing made from recycled/more sustainably sourced material, up from 45% in 2022. • 46% of cotton clothing units sold contained organic, recycled or Sustainable Cotton Programme (PSCP) cotton, up from 40% in 2022. • Over 299,000 farmers trained or currently in PSCP.
People and community	6/9	• Primark Phase 2 pilot completed using Fair Labour Association (FLA) tool to assess wage data in 30 factories compared with the Global Living Wage Coalition benchmark. • Social and supply chain risks documented to same level as environmental risks – significant progress made. • Further review of the human rights risks across 15 key commodities is underway. • Board Diversity Policy introduced with principles applied across the Group. • Health, Safety and Wellbeing Policy updated to reflect focus on mental health and wellbeing.

Carbon	6/8	• Progress on key Sugar projects in the UK designed to reduce carbon emissions including:
		  • modifications to driers to enable them to run on natural gas rather than coal; and
		  • removing calcium from juice to enable evaporators to operate more efficiently.
		• For further information please refer to page 65.

Water	4/7	• Around half of Illovo abstraction sites have >95% instrumentation accuracy and capital plans are in place to ensure remaining sites are at this level by the end of 2024. • Carried out annual water risk assessments for our operations using internationally recognised methodologies to identify sites in water-stressed areas. • 25% of water abstracted was reused before being returned to watercourses.

Overall achievement

The overall outcome for the STIP cash element was 100.75% of salary (67.17% of maximum) as shown in the table below.

	Cut In	Target	Maximum	Actual
STIP financial element	12.75%	63.75%	127.5%	85%
STIP ESG/KPI element	2.25%	15%	22.5%	15.75%
STIP cash total				100.75%

The 2022-25 STIP shares element was subject to the same performance conditions as the cash element. 67.17% 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 111.

STIP amounts included in the single total figure table

For 2022/23, 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 2022/23 financial year, calculated based on the average mid-market closing price over the last quarter of the financial year of 2,008.02p. These shares are subject to a two-year deferral period. 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. No value is included in respect of the STIP deferred shares based on performance in 2020/21 and vesting in November 2023 as these values were required to be reported in the 2020/21 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 2021/22, this figure comprises the annual cash bonus, which was paid in December 2022 in respect of the preceding financial year, and the value of deferred share awards, earned for performance in the 2021/22 financial year, calculated based on the average mid-market closing price over the last quarter of the 2021/22 financial year of 1,580.52p. 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. None of this value is attributable to share price appreciation as the share price decreased in the 2021/22 financial year. 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 2020–23

Boosted by a strong post-COVID recovery, the EPS performance for the 2020-23 LTIP was just ahead of target. The Group three-year average ROACE without Sugar exceeded the maximum level. The four-year average Sugar ROACE outcome was just below the maximum level. Note that the Group ROACE without Sugar modifier and the Sugar ROACE modifier act only as downward modifiers to the calculated incentive outcomes. The overall formulaic outcome for the 2020-23 LTIP was 58.46% of maximum, as shown in the table below.

		Threshold	Target	Maximum	Performance	Calculated outcome
100% of award	Group adjusted earnings per share in the non-Sugar businesses	125p	132p	142p	133.7p	58.5%
	3-yr ROACE in the non-Sugar businesses downward modifier	10%		12%	13.07%	100%
	4-yr Sugar ROACE downward modifier	5%		8%	7.99%	99.93%
	Vesting as % of maximum					58.46%

LTIP amounts included in the single total figure table

The numbers in the single total figure table reflect the number of shares vesting. George Weston will receive 63,063 shares and John Bason will receive 35,870 shares. As required by UK regulations, the vesting value for 2020–23 has been estimated using the mid-market closing price over the last quarter of 2022/23 of 2,008.02p. Vesting will be on 20 November 2023 and a figure recalculated for the share price on that date will be presented in the 2023/24 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 £62,054 and for John Bason is £35,296. None of the amount shown is in respect of an increase in share price as the price used in the calculation is below the allocation price.

None of the shares under the LTIP for 2019–22 vested in November 2022.

Other

The values shown for other remuneration in the single total figure table for Eoin Tonge are:

- the buyout awards made to replace awards that he held in M&S of 96,210 shares, which vested on 3 July 2023 at a price of 2,006.7p; and
- £440,605 in cash made as a buyout award in respect of the M&S STIP he forfeited on joining ABF.

Implementation of policy in 2023/24

Base salary

Salaries for the executive directors will increase as shown below in December 2023. Estimated average UK salary increases are expected to be 9.23% including hourly-paid Primark staff, and 4.68% excluding them.

	Increase	Salary from 1 December 2023
George Weston	4.5%	£1,210,000
Eoin Tonge	4.5%	£757,500

Pension

The Group has a wide variety of pension arrangements in place and a history of honouring the commitments we make to individuals at appointment. Our UK defined benefit pension scheme remains open to future accrual for members who joined the Group before it closed to new members.

George Weston participates in an EFRBS designed to replicate benefits under the UK defined benefit scheme. Whilst this is consistent with others who joined the Group at a similar time, it is different from the wider workforce of more recent recruits who participate in a defined contribution scheme.

In 2021/22 George Weston agreed that his EFRBS participation would end on 31 December 2023. He will then opt out of the EFRBS and become a deferred member of the Scheme. Thereafter he will receive no further EFRBS accruals from the Group, nor will he receive a cash allowance in lieu of pension contributions.

Eoin Tonge will receive a cash supplement of 10% of salary in lieu of pension contributions, in line with the approach for the wider ABF UK workforce.

STIP 2023/24
150% of salary in cash
50% of salary in shares

	EBIT (% of salary)	Modification based on average working capital	Total financial element (% of salary)	ESG and strategic measures (% of salary)	Total STIP (% of salary)
Maximum	147.83%	x1.15	170%	30%	200%
On-target	85%	X1	85%	20%	105%
Threshold	20%	x0.85	17%	3%	20%
Below threshold	0%	x0.85	0%	0%	0%

The financial measures remain the same as in 2022/23, with a modest rebalancing in weighting towards EBIT performance.

STIP share awards will be granted in November 2023 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.

Malus and clawback provisions apply to STIP awards for up to two years after being paid.

RSP 2023-26
125% of salary in shares

Restricted share awards will be granted in November 2023. At the Committee's discretion, vesting may be reduced if the following underpins are not met:

- ROACE above the weighted average cost of capital;
- dividend payments maintained;
- consideration of whether the right actions have been taken to strengthen ABF'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).

A two-year post-vesting holding period applies to net of tax shares. Malus and clawback provisions apply for two years post-vesting.

Shareholding requirement 250% of salary

George Weston's shareholding very significantly exceeds the 250% of salary requirement.

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.

NED Fees

Non-executive directors' fees will increase from £78,250 to £81,750 in December 2023.

The fee for the Senior Independent Director will increase from £24,500 to £25,000 in December 2023.

The fee for responsibility for workforce engagement will increase from £23,500 to £25,000 in December 2023.

The Chairman's fee will increase from £440,000 to £459,800 in December 2023.

Wider Workforce Remuneration

Fair pay

Associated British Foods is a diversified business that currently operates in 55 countries and employs 133,000 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.

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 pages 100 and 101 for more information on how the Committee communicates with the wider workforce.

Inflation and wider workforce remuneration

This year has seen exceptionally high inflation in the UK, with the lowest paid workers disproportionately impacted. In our decentralised model, the salary management approach varies from business to business but all have targeted higher rates of salary increase to our more junior employees. Many have also paid temporary allowances or made specific additional payments to lower paid colleagues to assist them with the additional costs they are facing.

This year we have updated our Health, Safety and Wellbeing Policy to include a greater focus on mental health and wellbeing. In addition, many of our businesses have reviewed their financial wellness activities to help protect employees from financial shocks. 96% of our people have access to an EAP to support their wellbeing. More information on the actions our businesses take to support employees' wellbeing can be found in our Responsibility Report.

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 Policy for directors. The table below summarises the remuneration structure for the wider workforce.

	Below the Board	Executive directors
Salary	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. We review the ratio of the Chief Executive's pay to that of our UK employees on page 109	Salary increases as a percentage of salary are normally aligned with, or lower than, those of the wider workforce. Consistent with the wider workforce, salaries are set competitively against peers in support of the recruitment and retention of executive directors.
STIP	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. Key performance measures of adjusted operating profit, working capital, ESG targets and personal performance are commonly used across the Group. As employees progress and are promoted, their target and maximum bonus opportunities increase.	The STIP for executive directors is primarily based on the financial performance of the Company. 15% of the STIP is based on ESG performance. 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.
LTIP	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. The performance measures for around a third 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. 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. 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.	Executive directors' LTIP grants up to 2021 were subject to achievement of EPS and ROACE performance conditions. From 2022 the LTIP was replaced with an RSP, granted by reference to a percentage of salary that is half the amount of an equivalent LTIP award and which vest provided underpins are met. Vested shares are subject to a two-year holding period.
Pension	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. In the UK, newly appointed employees and executives of all 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. 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.	Newly appointed 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.
Benefits	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 the 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.	Executive directors receive benefits which consist primarily of the provision of a company car/allowance and health cover. In addition, executive directors are eligible for benefits available to the wider head office workforce.

CEO Pay Ratio

Year	Methodology used	Lower quartile	Median	Upper quartile
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 2023 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.

Those at the lower quartile data point are Primark and Allied Bakeries employees, at median they are from Primark, Speedibake and Vivergo and at upper quartile they are from Speedibake, Primark, Allied Bakeries, Westmill and SilverSpoon.

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 11.7% 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	£19,898	£23,031	£29,406
Single figure of total remuneration for GB-based employees	£20,957	£24,655	£31,390

Annual percentage change in remuneration of directors and employees

	% change in salary/fees				% change in benefits[5]				% change in cash STIP[6]			
	2023	2022	2021	2020	**2023**	2022	2021	2020	**2023**	2022	2021	2020
George Weston[1]	**3.14%**	0.15%	33.09%	(23.52)%	**5.88%**	5.45%	0%	0%	**33.8%**	0.04%	100%	(100)%
Eoin Tonge	**–**				**–**				**–**			
John Bason[1]	**(36.10)%**	0.60%	34.30%	(21.19)%	**(35.29)%**	4.91%	0%	(23.81)%	**(19.7)%**	1.35%	100%	(100)%
Michael McLintock[3]	**3.56%**	0.96%	15.19%	(11.49)%	**n/a**	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a
Ruth Cairnie[2,4]	**(11.67)%**	0%	17.65%	(8.11)%	**n/a**	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a
Richard Reid[2,4]	**3.52%**	(2.07)%	42.16%	(8.11)%	**n/a**	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a
Graham Allan[2]	**15.79%**	1.33%	15.38%	(12.16)%	**n/a**	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a
Heather Rabbatts[2]	**14.47%**	1.33%	-	–	**n/a**	n/a	n/a	–	**n/a**	n/a	n/a	–
Emma Adamo[2]	**2.63%**	1.33%	15.38%	(12.16)%	**n/a**	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a
Wolfhart Hauser[2]	**2.63%**	1.33%	15.38%	(12.16)%	**n/a**	n/a	n/a	n/a	**n/a**	n/a	n/a	n/a
Annie Murphy	**–**	–	–	–	**–**	–	–	–	**–**	–	–	–
Average ABF plc UK employee[7]	**2.1%**	9.5%	4.70%	(0.70)%	**(1.5)%**	15.1%	3.90%	2.90%	**9.3%**	13.5%	167%	(63)%

1. George Weston and John Bason's salary rates increased by 3.5%, a lower increase rate than for other head office employees, whose standard increase was 6%. The lower increase shown in the table reflects an increase in the number of more junior roles in the head office.
2. The NED fee increased from £76,000 to £78,250 in December 2022.
3. Michael McLintock's fee increased to £440,000 in December 2022.
4. The Committee Chair fee increased from £23,500 to £27,000 in December 2022 and the Senior Independent Director fee increased from £21,000 to £24,500 in December 2022. There was no change to other additional responsibility fees in the period, but the change in base NED fee detailed in note 2 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 103 and includes benefits in kind and benefits taken in cash but excludes any pension allowances. The reduction in benefits for the average employee reflects a reduction of the number of employees eligible for a company car.
6. Includes cash STIP payments only.
7. The numbers for 2022 have been restated to correct an error in the 2022 disclosure, which led to the salary and benefits increases being understated and the STIP increase overstated for the average employee.

2023 Gender pay gap reporting

Women comprise 55% 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 2023. However, more than half of our workforce is employed outside Great Britain and is not included in this analysis. Consistent with last year we have presented data for the whole Group and for the Group without Primark.

ABF Group businesses in GB	2023	2022	ABF Group businesses in GB (excluding Primark)	2023	2022
Women's mean hourly pay rate is **below** that of men by	**28.2%**	31.6%	Women's mean hourly pay rate is **above** that of men by	**3.6%**	4.0%
Women's median hourly pay rate is **below** that of men by	**18.9%**	22.6%	Women's median hourly pay rate is **above** that of men by	**10.2%**	9.0%
Women's mean bonus pay rate is **below** that of men by	**27.0%**	34.1%	Women's mean bonus pay rate is **below** that of men by	**24.1%**	34.0%
Women's median bonus pay rate is **above** that of men by	**21.8%**	25.9%	Women's median bonus pay rate is **above** that of men by	**29.8%**	30.0%
Percentage of men who received a bonus	**26.6%**	26.5%	Percentage of men who received a bonus	**50.8%**	48.0%
Percentage of women who received a bonus	**7.9%**	7.2%	Percentage of women who received a bonus	**66.5%**	61.3%

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 pay gap has improved, though it remains in favour of men. A significant number of female employees work as retail assistants, with 77.2% of roles in the lower pay quartile taken by women. Whilst men take up more of the highest paid roles, we are pleased that the proportion of women in the upper quartile is increasing, reducing the pay gap.

One of the Company's strengths is that business leaders have detailed knowledge of every aspect of their organisation. That knowledge often comes from many years in role. Institutional memory is critical in our decentralised operating model.

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.

Non-retail businesses

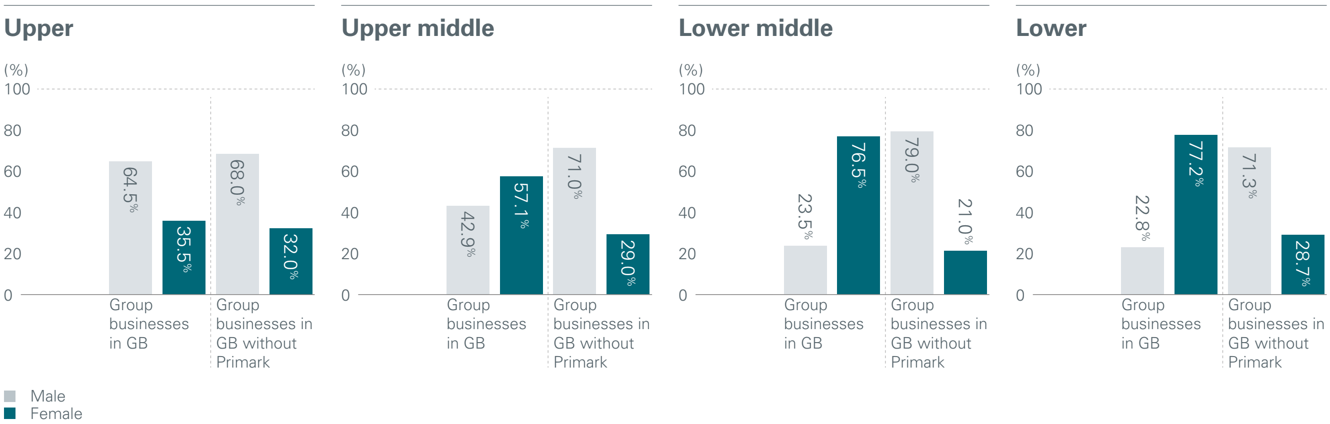
In the non-retail businesses the pay gap remains in favour of women as we have a significant majority of male employees in the food businesses who work in a manufacturing environment. These employees are being compared to women who, on average, work in middle management.

Primark

The Primark gender pay data can be found on their website. At median we have only a 1.4% pay gap in Primark.

For more information on our approach to DEI, please refer to our Responsibility Report.

Proportion of men and women in each pay quartile



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 16 September 2023. 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. A further two-year post-vesting holding period applies to net of tax shares. The RSP is expected to vest in full, subject to meeting performance underpins.

			Maximum award				Shares vesting			
	Scheme	Award date	% of salary	Face value at grant £000	Market price at grant[1]	End of performance period	Maximum	Target (50% of maximum)	Threshold (10% of maximum)	Release date
George Weston	LTIP									
		20/11/20	200%	2,180	2,020.9p	16/09/23	107,873	53,937	10,787	20/11/23
		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
John Bason	LTIP									
		20/11/20	200%	1,440	2,020.9p	16/09/23	71,255	35,628	7,126	20/11/23
		19/11/21	200%	1,440	1,974.7p	14/09/24	74,381	37,191	7,438	19/11/24
	RSP	09/12/22	100%	152	1,665.3p	13/09/25	9,113	N/A	N/A	17/11/25
Eoin Tonge	RSP	03/03/23	125%	906	1,665.3p	13/09/25	54,420	N/A	N/A	17/11/25
	Vested M&S buyout awards[2]									
	STIP 22/23 buyout[3]	03/07/23	–	441	1,604.6p	N/A	27,459	N/A	N/A	03/07/23
	RSP buy out[4]	03/03/23	–	364	1,604.6p	N/A	22,656	N/A	N/A	03/07/23
	PSP 20-23 buy out[5]	03/03/23	–	1,450	1,604.6p	16/09/23	90,383	–	18,077	03/07/23
	Unvested M&S buyout awards									
	DSBP buy out[4]	03/03/23	–	570	1,604.6p	N/A	35,511	N/A	N/A	01/07/25
	PSP 21-24 buy out[6]	03/03/23	–	1,358	1,604.6p	14/09/24	84,611	42,306	8,461	01/11/24
	PSP 22-25 buy out[7]	03/03/23	–	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. None of the buyout awards is pensionable.
2. These awards were allocated and vested this financial year. The beneficial ownership shown on page 112 is the amount of shares retained from those that vested in July 2023 after selling sufficient to cover tax and National Insurance due.
3. All of these shares vested in July 2023 and are to be retained until 01/07/26.
4. All of these shares vested in July 2023 and are to be retained until 06/07/25.
5. 46,095 of these shares vested in July 2023 after applying the performance conditions that applied to the M&S 20-23 PSP award. Net vested shares to be retained until 01/07/25.
6. Performance will be assessed 30% against ABF 21-24 EPS targets, 30% against ABF strategic KPIs and 40% against ABF average STIP as a percentage of maximum for 2022/23 and 2023/24.
7. Net vested shares to be retained until 01/07/27, underpins apply in line with those on the 22-25 RSP award.

STIP – shares

The value of deferred STIP shares released is determined based on the achievement of the STIP performance conditions.

			Maximum award					Deferred awards		
	Scheme	Award date	% of salary	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	20/11/20	50%	545	2,020.9p	18/09/21	26,968	13,484	13,484	20/11/23
		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
Eoin Tonge	Deferred awards	03/03/23	50%	312	1,665.3p	16/09/23	18,745	6,154	12,591	17/11/25
John Bason	Deferred awards	20/11/20	50%	360	2,020.9p	18/09/21	17,814	8,907	8,907	20/11/23
		19/11/21	50%	360	1,974.7p	17/09/22	18,595	9,589	9,006	19/11/24
		09/12/22	50%	240	1,665.3p	16/09/23	14,421	4,734	9,687	17/11/25

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 were made at the same share price as those for the main award.

Executive Directors' shareholding requirements (audited information)

The interests below as at 16 September 2023 remained the same at 7 November 2023. George Weston has met our shareholding requirement. Since joining the business this year, Eoin Tonge has begun to build a holding of ABF shares.

	Holding requirement	Beneficial	Beneficial as % of salary[1]	LTIP/RSP/buyout awards subject to performance condition/ underpins	Unvested deferred STIP/ buyout awards	**Total 16 September 2023**	Total 17 September 2022[4]
George Weston[2]							
Wittington Investments Limited, ordinary shares of 50p	n/a	15,060.5	n/a	n/a	n/a	**15,060.5**	6,328
Associated British Foods plc, ordinary shares of $5^{15}/_{22}$p	250% of salary	3,795,585	6,821%	287,807	50,204	**4,133,596**	4,127,648
Eoin Tonge							
Associated British Foods plc, ordinary shares of $5^{15}/_{22}$p	250% of salary	50,855	146%	146,099	48,102	**245,056**	–
John Bason							
Associated British Foods plc, ordinary shares of $5^{15}/_{22}$p	250% of salary	229,369[3]	612%	154,749	27,600	**411,718**	446,758

1. Calculated using share price as at close of business on 15 September 2023 of 2,081p and rate of base salary as at 16 September 2023.
2. George Weston is a director of Wittington Investments Limited which, together with its subsidiary Howard Investments Limited, held 431,515,108 ordinary shares in Associated British Foods plc as at 16 September 2023.
3. Beneficially owned shares are shown as at retirement date.
4. Prior year restated to reflect revised approach of including only the element of STIP shares that is subject to a holding condition. Adjustment for George Weston is 4,177,101 shares minus 76,303 (the full amount of STIP shares shown on page 143 of the 2022 Annual Report) plus 26,850 (the number of STIP shares subject to a service condition). Adjustment for John Bason is 479,612 shares minus 50,767 plus 17,913. This methodology is then consistent with the numbers shown for unvested deferred awards and total shares for 2023.

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
Wolfhart Hauser	14/01/15	14/01/15	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

Copies of service contracts are available for inspection at the Company's head office.

Executive Director departures and appointments

Appointment of Eoin Tonge as Finance Director

Our approach to remuneration for Eoin Tonge was set out in detail on page 146 of the 2022 annual report. The details of RSP and buyout awards made to him can be found in the share allocation tables on page 111.

Retirement of John Bason as Finance Director

John Bason retired on 28 April 2023 and was determined to be a good leaver. He remains subject to the following shareholding requirements:

- any shares vesting under the LTIP need to be retained, net of tax, for a further two years from the vesting date; and
- a personal holding of ABF shares to the value of 250% of salary must be maintained until 28 April 2025. Shares that are subject to a holding period post-vesting count towards this 250% shareholding requirement.

Details of the approach applied for incentive awards can be found on page 147 of our 2022 Annual Report.

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 noted above in respect of his participation in incentive schemes up to his leaving date.

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	
	2023 £000	2022 £000	**2023 £000**	2022 £000	**2023 £000**	2022 £000	**2023 £000**	2022 £000
Michael McLintock	**436**	421	**436**	421	**–**	–	**436**	421
Ruth Cairnie[1]	**106**	120	**106**	120	**–**	–	**106**	120
Richard Reid	**147**	142	**147**	142	**–**	–	**147**	142
Emma Adamo	**78**	76	**78**	76	**–**	–	**78**	76
Wolfhart Hauser	**78**	76	**78**	76	**–**	–	**78**	76
Graham Allan[2]	**88**	76	**88**	76	**–**	–	**88**	76
Heather Rabbatts[3]	**87**	76	**87**	76	**–**	–	**87**	76
Annie Murphy[4]	**6**	0	**6**	0	**–**	–	**6**	0

1. Ruth Cairnie stepped down as Senior Independent Director and Remuneration Committee Chair on 1 May 2023 and left the Board on 31 August 2023.
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.

Non-executive directors' remuneration

Non-executive directors' fees were reviewed during 2023 and it was determined that increases should be made as shown below.

	Fees effective 1 Dec 2023	Fees effective 1 Dec 2022
Chairman	**£460,000**	£440,000
Additional fee for Senior Independent Director responsibilities	**£25,000**	£24,500
Additional fee for Committee Chair (Audit/Remuneration only)	**£27,000**	£27,000
Additional fee for responsibility for workforce engagement	**£25,000**	£23,500
Additional fee for chairing Primark Finance and Risk Committee	**£19,000**	£19,000
Director	**£81,750**	£78,250

NED 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 7 November 2023.

	Total 16 September 2023	Total 17 September 2022	2023 total holding as % of annual fee[3]
Michael McLintock	**24,000**	24,000	114%
Ruth Cairnie[1]	**5,223**	5,223	84%
Richard Reid	**3,347**	3,347	47%
Emma Adamo[2]			
Wittington Investments Limited, ordinary shares of 50p	**1,011**	1,322	–
Associated British Foods plc, ordinary shares of $5^{15}/_{22}$p	**511,234**	511,234	13,596%
Wolfhart Hauser	**7,161**	7,161	190%
Graham Allan	**10,000**	10,000	198%
Heather Rabbatts	**–**	–	0%
Annie Murphy	**–**	–	0%

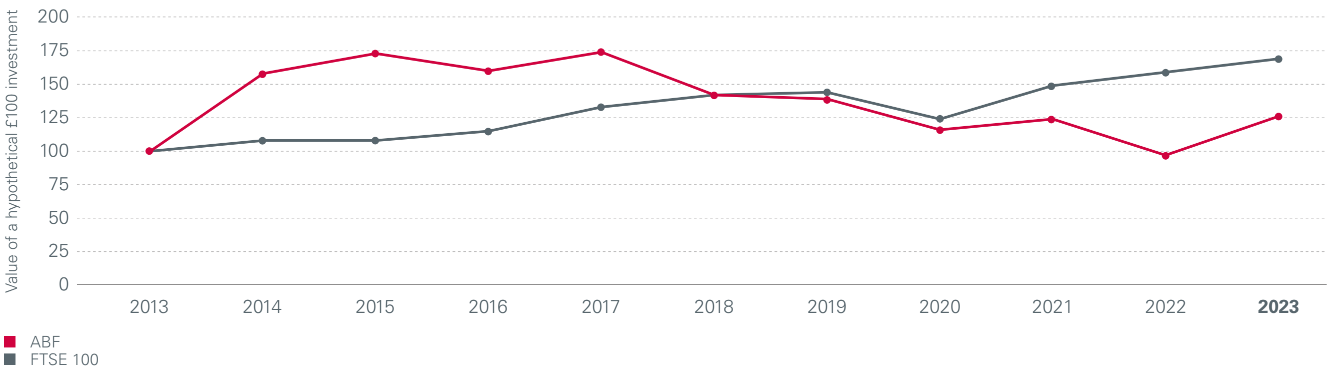
1. Shareholding at 31 August 2023 when Ruth Cairnie's appointment ended
2. Emma Adamo is a director of Wittington Investments Limited which, together with its subsidiary, Howard Investments Limited, held 431,515,108 ordinary shares in Associated British Foods plc as at 16 September 2023.
3. Calculated using share price as at close of business on 15 September 2023 of 2,081p and fee rate as at 16 September 2023.

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 2013 to September 2023 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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Single total figure remuneration (£'000)	7,470	3,056	3,133	4,849	3,843	4,204	1,138	3,329	2,286	**4,100**
Annual variable element – STIP (% of maximum before share price impacts)	59.49%	44.46%	86.75%	97.47%	50.34%	73.37%	0%	52.50%	51.09%	**67.17%**
Long-term variable element – LTIP (% of maximum)	100%	18.54%	0%	51.02%	100%	57.13%	0%	40.00%	0%	**58.46%**

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.

	2023 £m	2022 £m	Change %
Pay spend for Group	**3,156**	2,812	12%
Dividends relating to period	**459**	345	33%
Taxes paid	**341**	304	12%

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
Ruth Cairnie	Chair (until May 2023) then member	Senior (until May 2023) Independent Director	2014	3/3
Wolfhart Hauser	Member	Independent Director	2015	4/4
Richard Reid	Member	Independent Director	2016	4/4
Michael McLintock	Member	Chairman	2017	4/4
Graham Allan	Member then Chair (from May 2023)	Independent Director	2018	4/4
Heather Rabbatts	Member	Senior Independent Director (from May 2023)	2021	4/4
Annie Murphy	Member	Independent Director	2023	1/1

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. 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 £76,500.

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 UKLA Listing Rules.

The Directors' Remuneration Report was approved by the Board and signed on its behalf by

Paul Lister
Company Secretary

7 November 2023