

British Sugar Our Vision



BritishSugar

An AB Sugar company

British Sugar – Our Vision

Partnering with over 3,000 British farmers, we are building a homegrown beet sugar industry that works for Britain. We grow, process and deliver high quality sugar to around 50% of the UK market, and export across the world. We support 9,500 jobs across the country.

At the same time we're operating our business at a challenging time. EU and world sugar prices have fallen faster and more significantly than expected and we need to continue to make our operations as low-cost as possible and focus on how we can drive further efficiencies in our business - making a profit will not be easy.

Our vision is to work in partnership with customers, farmers, government, scientists and researchers to develop our industry for the future delivering even greater efficiency, innovation and sustainable growth.

Over the next decade we will:

- Work with our growers to continue to boost yields while minimising impacts on the environment
- Invest in our four factories to reduce both the cost and the environmental impact of our operations
- Invest in the way we serve our customers – from greater automation at our factories to more agile exporting capability

Ours is a great industry – one that has stood strong for over 100 years and is ready for the next 100. This document sets out where we want our industry to go. Our vision is for a:

- 1 Post-Brexit trade policy which ensures that our industry can continue to compete on an equal footing with any sugar producer in the world
- 2 Integrated, evidence-based approach to tackling obesity
- 3 Policy framework that rewards sustainable and productive industries
- 4 Mutual ambition with Government and industry to enable growth through investment and innovation
- 5 Positive business environment that supports us to continue to attract and train a skilled workforce

1. Our vision is for a level playing field with our global competitors after Brexit

The British beet sugar industry is one of the lowest cost sugar producers in the world. This position has been hard earned, through decades of investment and a focus on productivity and efficiency.

British Sugar supplies around 50% of the UK market for sugar. The rest is served by imported beet sugar (25%) and imported cane sugar, which is refined in the UK (25%). In 2017/18 we exported more sugar than ever before.

As the UK Government looks to develop its trade policy and future trading relationships post-

Brexit, it is important that our domestic sugar industry is not undermined.

The world sugar market is currently dominated by sugar from the USA, Brazil, Thailand, Australia, India and the EU, each producing a substantial portion of the world's supply. These countries operate a mix of policies and subsidies to support domestic production. As the UK prepares to leave the EU, understanding the complexity of the trading landscape is critical. This must be taken into account to ensure UK sugar beet growers are not placed at a disadvantage.

To deliver our vision of a fair, level playing field – we’re asking for three things:

- Ensure reciprocity of tariffs and standards on sugar with the EU 27
- Allow us to compete on an equal footing – there should be no unilateral reduction of tariffs. The world sugar market is highly distorted with the six major sugar producing and exporting countries benefiting from state support
- Maintain duty and quota free access for Least Developed Countries (LDCs) and African Caribbean and Pacific countries (ACPs) to the UK. Many of these countries use tariff free access to the UK market to drive positive development outcomes

2. Our vision is for a holistic approach to tackling obesity

We launched ‘Making Sense of Sugar’ in 2014 to inform people about the role sugar can play as part of a healthy balanced diet. Our aim is to provide information based on robust science, so that we can all make informed choices about what we choose to consume.

The latest Government statistics show that sugar consumption is falling while obesity rates continue to rise. It is clear therefore that tackling obesity is a complex challenge – there is no silver bullet.

We recognise the focus on the food industry and our ingredient, and we are actively contributing to the debate about the role sugar can play in the diet. We have supported independent research into the causes of obesity, and provided funding to the British Nutrition Foundation to deliver classroom materials and develop pilot teaching kits on food and nutrition.

We want to see a holistic approach to tackling obesity – one which focusses on the evidence. Solutions should consider that:

- Research shows educating children and parents on nutrition and a balanced lifestyle is crucial
- Policy making should be based on robust evidence and look at the issue holistically
- A thorough review of the effectiveness of the Soft Drinks Industry Levy is required before an extension or additional levies are considered

3. Our vision is to do more with less

We focus on using all our resources responsibly. We use 99% of the waste outputs from the sugar making process and turn them into a wide range of co-products – from topsoil to energy. We’ve created improvements at our factories through years of sustained investment. Our energy production is highly efficient with Combined Heat and Power (CHP) at two of our factories providing heat and power and even exporting energy back to the grid; and we’ve invested in an anaerobic digestion plant at our Bury St Edmunds Factory.

And doing more with less continues across our supply chain. Our growers have worked hard to improve yields while reducing the use

of pesticides and we’re investing in more cost efficient and environmentally friendly haulage solutions.

We believe we’re an excellent example of the Circular Economy in action - as described in BEIS’s plans for clean growth. Focusing on where we go next we recently launched our 2030 sustainability commitments, focusing on reducing our end-to-end supply chain water and CO2 footprints and ensuring all our plastic packaging is reusable, recyclable, biodegradable or compostable.

To support continued investment in innovative solutions British Sugar:

- Urges the government to take a risk-based approach towards permitting the use of plant protection products
- Encourages the Government to design an energy policy that recognises the efficiency and value of industrial energy production both large and small – from flexibility to greater decentralisation
- Calls for certainty after Brexit on our position within the EU Emissions Trading Scheme (EU ETS)

4. Our vision is to grow through innovation

Innovation is vital to our industry – ensuring we remain productive, efficient and competitive in a challenging market. On farm, together with our growers, we've delivered a 25% increase in yields in the last ten years.

We want to see a sustainable, future-proofed agricultural economy driven by data, analytics and techniques like GPS, satellite and drone imagery. This will enable our growers to maximise the value of precision agriculture

– resulting in higher yields, less waste and greater benefits for the environment.

We will continue to drive innovation across our supply chain – from how the sugar beet is harvested and hauled to the best logistics at our factories to ensure that we can always deliver the right product to our customers at the right time. This will involve investment in automation, energy and more efficient transport solutions.

To support continued investment in innovative solutions British Sugar:

- Urges the Government to provide consistent support for innovation through, for example, R&D tax credits

5. Our vision is to attract and retain a talented workforce

British Sugar is an exciting place to work. We are a key employer in the East of England, providing opportunities for schools and colleges close to our sites. In 2017 we invested £1.5m in our graduate and apprentice programmes. 80% of our apprentices stay with us for more than ten years. Almost half of our Operations leadership team started as graduates or apprentices.

We need a business environment which will drive productivity, provide opportunities for the businesses in our supply chain, and support highly-skilled well-paid jobs. This means promoting careers in STEM and investing resources to encourage young people towards a career in agriculture.

To continue to attract and train a skilled workforce, British Sugar:

- Supports the Apprenticeship Levy, but believes a broadening of the scope of what can be claimed, and greater flexibility in the programme would provide greater incentives for running and expanding schemes within individual businesses