TATE & LYLE

Transforming Lives through the Science of Food

Annual Report 2023

What we do

Tate & Lyle is a speciality food and beverage solutions business – a global leader in sweetening, mouthfeel and fortification. We create high-value speciality ingredients and solutions that meet growing global consumer demand for healthier and tastier food and drink.

Purpose-led business

Transforming Lives through the Science of Food is our purpose. Today, the demand for more nutritious food and the desire to live healthier lifestyles are greater than ever. Working with our customers, we reduce calories, sugar and fat in their products, and add fibre and protein, to make people's favourite foods even better. Every day, across the world, millions of people enjoy products containing our solutions.

Science \ Solutions \ Society

At Tate & Lyle, everything we do starts with these three things.

Our commitment to science, solutions and society comes from a deep understanding of our purpose. Everything Tate & Lyle does is rooted in science. It's through research and development – our understanding of the science of food – that we have the greatest impact on people's lives, creating ingredients and solutions that support healthier and more sustainable living.

Read more about our purpose
Visit tateandlyle.com/purpose

Read more about our commitments to Science\Solutions\Society
Visit tateandlyle.com/our-new-brand

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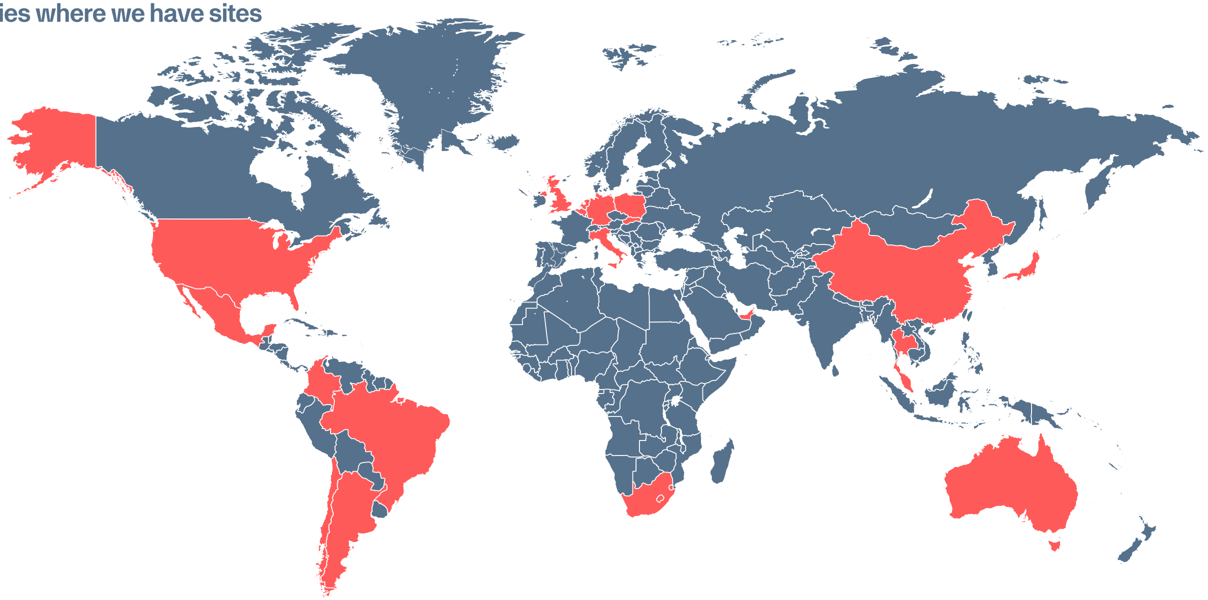
A snapshot of Tate & Lyle

Open any fridge or kitchen cupboard, in any household, in practically any part of the world, and you're likely to find products containing our ingredients and solutions.

We are a global leader in sweetening, mouthfeel and fortification

● Countries where we have sites



People

3,604

Employees[1]

Sites

58

Plants, offices and Customer Innovation and Collaboration Centres[1]

Labs

16

Global network of Customer Innovation and Collaboration Centres[1]

Countries/customers

122

Countries in which we serve customers[1]

1 At 31 March 2023.

Our main production facilities

Corn wet mills[1]
Lafayette, Indiana, US
Koog aan de Zaan, Netherlands
Boleráz, Slovakia

Speciality starches[2]
Van Buren, Arkansas, US
Houlton, Maine, US

Sucralose
McIntosh, Alabama, US

Fibre
Nantong, Jiangsu, China
Jiangmen, Guangdong, China

Tapioca
Dan Khun Thot, Nakhon Ratchasima, Thailand

Stevia
Anji, Zhejiang, China

Locust bean gum
Noto, Sicily, Italy

Blending
Six facilities in US, UK, Brazil, South Africa, Italy and Australia

1 Corn wet mills produce a range of products including sweeteners, starches and fibres.
2 Speciality starches include corn, tapioca and potato; these plants do not have grind capacity and are not classified as corn wet mills.

Our performance

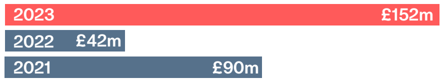
Financial

Group statutory results[1]

Revenue

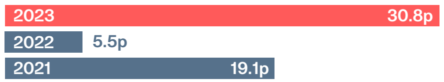
£1,751m

Profit before tax



£152m

Diluted earnings per share



30.8p

Net debt[4]

£238m

Alternative performance measures[2]

Adjusted EBITDA[3]

£320m

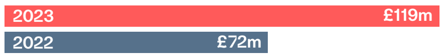
Adjusted diluted earnings per share

49.3p

Return on capital employed

17.5%

Free cash flow



£119m

1 Continuing operations.
2 Adjusted EBITDA, adjusted diluted earnings per share, return on capital employed (ROCE) and free cash flow are non-GAAP measures. Changes in adjusted performance metrics are in constant currency and for continuing operations (for definitions, see Notes 1 and 4). Comparatives for adjusted performance are pro-forma financial information (see Useful information).
3 Earnings before interest, tax, depreciation and amortisation.
4 Net debt is not itself defined by IFRS. It comprises line items that are IFRS-defined terms. See Note 28.

Environmental, social and governance

Environmental

6%

reduction in Scope 1 and 2 absolute greenhouse gas emissions[5]

13%

reduction in Scope 3 absolute greenhouse gas emissions[5]

2%

reduction in water use intensity[5]

92%

waste beneficially used[6]

439,000

acres of sustainable corn supported[6]

5 From baseline of year ended 31 December 2019, continuing operations.
6 In the year ended 31 December 2022, continuing operations.

Social

6.0m

tonnes of sugar removed from diets through low-/no-calorie sweeteners and fibres[7]

3.6m

meals donated through food banks and other charitable partners[7]

44%

women in leadership and management roles[8]

Governance

45%

Board of Directors are women[8]

56%

Executive Committee are women[8]

7 From baseline of 31 March 2020.
8 At 31 March 2023.

Science: Our unique ingredient

We're a team of food scientists, food experts and food lovers. From the lab to the kitchen, our creativity is constantly pushing the boundaries of food innovation.

500

patents granted and around 300 pending

Solutions: Passion for innovation

We're innovators and collaborators. Through our expertise in sweetening, mouthfeel and fortification, we are relentlessly solving challenges and partnering with our customers to make tasty food healthier and healthy food tastier.

80%[1]

consumers make their food choice based on taste

1 IFIC 'Shifting Perspectives on Food and Health' 2012–2022.

Society: A sustainable future for all

All our ingredients come from the natural world, whether it's a leaf of stevia, a kernel of corn, or a grain of tapioca. That's why we care for our planet's natural resources, helping to build a more sustainable world.

55%

reduction in greenhouse gas emissions from our sustainable agriculture programme for stevia in China

Welcome to the

Strategic report

Contents

Chair's statement: A year of performance, progress and re-launch

Gerry Murphy
Chair

Despite another year of economic uncertainty, we delivered a strong performance helped by our focus on 'Science, Solutions, Society'.

To re-launch a business established in 1859 in normal times is no small undertaking. To do it against the backdrop of upheaval in the world economy is an even bigger challenge, and our leadership team and colleagues around the world deserve particular credit for delivering a very good set of financial results and significant strategic progress while at the same time re-launching new Tate & Lyle after the separation from Primient on 1 April 2022.

A new chapter for Tate & Lyle

This year, we began a fresh chapter for Tate & Lyle as a focused speciality food and beverage solutions business looking ambitiously towards growth opportunities in global markets for our ingredients. We've done this in the knowledge that the demand for our products and our scientific capabilities, which together help create solutions that make food and drink healthier and tastier, has never been greater.

As we set out on our journey as a newly re-positioned and highly focused business, our corporate compass is defined by the three key elements of our new brand, which we launched in early 2023 – 'Science, Solutions, Society'. Our commitment to 'Science, Solutions, Society' is an expression of our purpose in Transforming Lives through the Science of Food. After all, everything Tate & Lyle does is rooted in science, and it's through R&D – our understanding of the science of food – that we can have the greatest impact, creating ingredients and solutions that support healthier, more sustainable nutrition.

As we worked through the complex separation of Primient, we've been able to devote more of the Board's attention to our innovation and growth agenda, and to what it will take to be a world class customer-centred and science-driven business. We've spent quality time with our R&D, applications, product development, platform and commercial teams throughout the year to make sure we understand where to target our resources and investments to deliver our growth strategy.

Science: investing in the core of our future

Our scientific depth is fundamental to our ability to offer bespoke solutions to our customers and to consumers within the strict confines of evolving food safety regulation. The road to developing and commercialising food products containing new molecules or enzymes, or using novel bioengineering, can be as long and winding as that for developing pharmaceuticals. So our science base must be deep and we must have the patience as well as the flexibility to turn discoveries or ideas into fully fledged ingredients. This year, the Board has been able to spend time with our scientific leadership team, among others, to understand their priorities and investment needs. Our acquisitions of the Quantum Hi-Tech food fibres business in China and, at the smaller end of the scale, plant-based protein developer Nutriati in the US, show how we are investing to accelerate our development of new technologies and expand our solutions offering.

As a Board, we've been impressed by the depth of Tate & Lyle's scientific capabilities in areas such as bio-chemistry and materials science, while also understanding there are areas we need to strengthen, both organically and by acquisition. That includes fast-developing fields like precision fermentation and process technologies that will allow us to create new products or adapt existing ones in a more sustainable way.

Solutions: moving ideas from the lab to solving customer challenges

Science is crucial, but just as important is our ability to take ideas out of the lab and commercialise them at scale. It's this ability to turn science into solutions that transforms a good ingredient provider into a great development and innovation partner for our customers. This is already happening through initiatives around the world as we increasingly work with customers in different ways to turn ideas into solutions and get them to market quickly in their local markets.

As a Board, we've also been listening to our customers to understand what 'good' looks like for them, find out what they're looking for in a strategic technology and service partner, and ultimately why they choose Tate & Lyle. We serve a diverse mix of customers, from innovative market disruptors, to strong regional businesses and large global food and beverage multinationals. It's important we adapt our solutions offering to our different types of customers, and it's been encouraging to see this happen first-hand this year.

> As a Board, we've been listening to our customers to understand what 'good' looks like for them, find out what they're looking for in a strategic technology and service partner, and ultimately why they choose Tate & Lyle.

Society: making a positive impact

For any responsible company, sustainability is a fundamental and existential challenge. Tate & Lyle is no different. That is why the three pillars of our purpose are: supporting healthy living, building thriving communities and caring for our planet. We recognise that our efforts must go beyond compliance and scores on sustainability indices, important though those are for tracking our progress; they must make a positive difference to the world we live in and which our children will inherit.

The climate crisis is already affecting large parts of the world and we are seeing this in our own supply chains, for example, the drought in Europe last summer significantly reducing waxy corn supply. It's our responsibility to do all we can to combat climate change by minimising our environmental impact. So it's good to see progress against our environmental priorities – reducing our carbon emissions, building our sustainable agriculture programme, reducing water use and making sure we use waste beneficially.

Alongside these current and near-term operational initiatives, we're looking at more fundamental and generational challenges including developing future land use scenarios to better understand the full environmental footprint and future of our raw materials. In last year's report, I talked about making the transition from doing things which are bad for the planet in less harmful ways, to doing intrinsically less harmful things. This work on land use is part of that reorientation. It's important that we make sustainability a feature of our planning and decision making, a natural, instinctive part of how we plan and act. Thinking in a long-term way about how we use resources helps us in other ways too. The uncertainties in the world mean we must increasingly look at moving supply closer to where a product is consumed.

As part of our purpose, we are also committed to building stronger, more equitable and inclusive communities where we work and live. It's been great to see Tate & Lyle's continued support for food banks and schools in our local communities, and to see our focus on equity, diversity and inclusion being recognised by colleagues in the annual employee survey with the highest score of any question asked.

Welcoming new Board members

A Board filled with the right expertise is vital to refocusing our business on innovation amid the challenges posed by a turbulent world. As mentioned in last year's report, in May 2022, we welcomed Dawn Allen as our new Chief Financial Officer. Dawn has brought a deep understanding of our customers and markets from her time at Mars Inc, as well as her record of financial leadership. Dr Isabelle Esser also joined us as a non-executive director in June 2022, bringing over 30 years' experience in global food and ingredients companies. Isabelle's expertise in food science and technology is already proving a significant asset as we increase our emphasis on our scientific capabilities.

As we welcome new Board members, we also say farewell to directors who have reached the end of their term. Paul Forman will retire from the Board at the AGM having served since January 2015. During his term, Paul has served on the Remuneration Committee, the Audit Committee, and most recently as Senior Independent Director. The Board is grateful to Paul for his dedicated service and we wish him well for the future. Kim Nelson will become the Senior Independent Director following Paul's retirement.

Looking ahead

The world around us is full of challenges, from unpredictable geopolitical developments to ever more urgent climate change imperatives. Nevertheless, I'm optimistic about Tate & Lyle's prospects. We have the skills and capabilities to thrive in a world that increasingly demands healthier and more innovative food solutions and, as we showed last year, the agility to navigate around obstacles put in our way. With all our energies now focused on channelling these strengths, I know I speak for the whole Board in saying that I am confident that we will make the most of them.

Gerry Murphy
Chair

Dividends

Tate & Lyle has a strong and consistent track record of paying dividends to shareholders. In the context of our growth-focused strategy, the Board operates a progressive dividend policy within the overall aim of increasing dividend earnings cover over the medium term.

Following the sale of a controlling stake in Primient, £497 million was returned to ordinary shareholders by way of a special dividend of £1.07 per existing ordinary share on 16 May 2022. To maintain comparability, so far as possible, of the Company's share price before and after the special dividend, this was accompanied by a consolidation and division of the Company's ordinary share capital. This resulted in ordinary shareholders receiving six new ordinary shares for every seven existing ordinary shares they held. The share consolidation was applied to ordinary shareholders on the Register on 29 April 2022.

The Board is recommending an increase in the final dividend of 2.5% to 13.1p per share (2022 – 12.8p), bringing the total dividend for the year ended 31 March 2023 to 18.5p per share. This will be paid on 2 August 2023 to shareholders on the Register on 23 June 2023.

To simplify our approach, interim dividends in future will be paid at the level of one-third of the previous year's full-year dividend.

Full-year dividend

18.5 pence per share

Chief Executive's review: Delivering on our growth-focused strategy

Nick Hampton
Chief Executive

Nick Hampton reflects on strategic progress, the year's performance and the growth opportunities ahead.

Strategic progress

How would you sum up the last year for Tate & Lyle?

It has been an excellent year with significant strategic progress and strong financial performance. All our key financial measures were met, with Group revenue and EBITDA both showing double-digit growth and productivity benefits well ahead of our target. At the same time, we continued to progress our strategy, further improving the mix of the business, significantly strengthening our solution selling capabilities, acquiring a high-quality dietary fibre business in China, and making a commitment to reach net zero by 2050. We also launched a new brand to better reflect the Tate & Lyle of today – a growth-focused, speciality food and beverage solution business, and a global leader in sweetening, mouthfeel and fortification, creating high-value ingredients and solutions that meet growing global demand for healthier and tastier food and drink.

So, overall, an excellent year. All of this would not have been possible without the hard work of my colleagues across Tate & Lyle for whose support I am very grateful.

Where does the transformation of Tate & Lyle leave the business?

We're in a strong position. Over the last five years we have achieved a fundamental shift in both the quality of our portfolio and the global reach of our business. In fiscal 2018, only 37% of the Group's revenue came from speciality ingredients. By the end of fiscal 2023, revenue from speciality ingredients and solutions had increased to 93%. Likewise, in 2018, only 11% of our revenue came from the large and fast-growing markets of Asia, the Middle East, Africa and Latin America. By 2023, 30% of revenue came from these regions.

This transformation to reshape our business has placed Tate & Lyle right at the centre of the future of food. Structural global trends, such as rapid population growth, people living longer, people wanting more convenience to suit their modern lifestyles while also reducing their impact on the planet, are all driving the way consumers purchase and consume their food. With our capabilities in sweetening, mouthfeel and fortification, we are well-positioned to benefit from these trends and growing demand for healthy, tasty and convenient food that's also sustainable and affordable.

What has been the biggest area of change you've seen over the last five years?

While there are many aspects of Tate & Lyle that are different today – including our purpose, performance and culture – if I had to pick one that has changed the most, it would be our focus on the customer. Serving our customers is at the centre of everything we do.

What gives you confidence in the growth potential of the business?

I believe Tate & Lyle is well-positioned to deliver sustainable organic growth for a number of reasons: in each of our platforms of sweetening, mouthfeel and fortification, we have a leading market position; we operate in large markets with attractive growth rates; our portfolio of highly functional ingredients and solutions directly address consumer demand for healthier food and drink; we have leading scientific and solutions capabilities; and we have strong customer relationships. The combination of all these gives us a unique proposition for our customers and the potential to deliver attractive returns for our shareholders.

> It's been an excellent first year for Tate & Lyle as a growth-focused, science-driven, speciality food and beverage solutions business.

Performance in the year

How did the business perform during the year?

It was another year of strong financial performance. In constant currency, Group revenue grew by 18%, adjusted EBITDA by 22% and adjusted diluted earnings per share by 10%. Free cash flow was up by £47 million to £119 million, and we delivered US$21 million of productivity savings. Food & Beverage Solutions performed particularly well delivering double-digit revenue growth in all regions. We continued to benefit from our portfolio of speciality ingredients and solutions which make healthier food and drink, and from our increasing focus on innovation and close customer collaboration.

What challenges did you face in the year?

The trading environment was challenging and we had to manage through a lot of uncertainty. The impact of the conflict in Ukraine led to significant inflation and supply chain volatility in raw

Chief Executive's review continued

Highlights[1]

18%

Revenue growth

22%

Adjusted EBITDA[2] growth

10%

Adjusted diluted earnings per share[2] growth

- Strong revenue and profit growth
- Good innovation performance
- Acquired leading dietary fibre business in China
- 2030 sustainability targets on track
- Good progress on equity, diversity and inclusion
- Strong balance sheet supporting investment for growth
- £570m dividends paid to shareholders, including special dividend in May 2022

1 Percentage growth in constant currency.
2 Adjusted EBITDA (earnings before, interest, tax, depreciation, adjusted amortisation and exceptional items), and adjusted diluted earnings per share are non-GAAP measures. Changes are in constant currency and for continuing operations (for definitions, see Notes 1 and 4). Comparatives are pro-forma financial information (see Useful information).

materials, energy and logistics costs, especially in Europe. The fact that we navigated through all these issues is testament to the resilience of the business and the agility of our people. As well as broad challenges, we also faced more specific issues, including a labour dispute at our facility in the Netherlands (now resolved), and Covid-19 restrictions in China which disrupted our supply chain to some extent.

How did you manage cost inflation?

We saw significant cost inflation driven by the impact of the conflict in Ukraine. Therefore, in May 2022, we implemented a programme of supplementary price increases across our main markets to recover incremental input costs. Under this programme, we worked closely with customers to provide visibility of increasing costs and we adjusted prices on a rolling quarterly basis. Together with a continued focus on delivering productivity and strong cost discipline, this allowed us to offset input cost inflation.

How is the relationship with Primient developing?

It has been over a year since we completed the sale of a majority holding in Primient to KPS Capital Partners. We have built a positive relationship with KPS and the 20-year agreements put in place to provide supply and economic security for both businesses are operating effectively. While Primient's profits in the year were materially affected by operational challenges, it continues to generate strong cash flow and we are already seeing the benefit of cash dividends from Primient.

Unlocking our growth potential

How will Tate & Lyle succeed?

Being positioned to succeed, to me, is about four things: a compelling purpose, a clear strategic focus, the organisational and executional capability to deliver both, and, lastly, belief in the organisation, both from within and outside.

What is your strategic focus?

The strategic focus of Tate & Lyle is clear and simple. Based on our scientific and solutions capabilities, we are building a leading speciality food and beverage solutions business delivering sweetening, mouthfeel and fortification across our four core global categories of dairy; beverages; soups, sauces and dressings; and bakery and snacks; and across specific regional categories as well.

Nick Hampton and Dawn Allen visiting colleagues at our Customer Innovation and Collaboration Centre in Lübeck, Germany

Can you say more about your scientific capabilities and why they are important?

Consumer desire for food and drink which is healthy, tasty, convenient and more sustainable and affordable all play directly into Tate & Lyle's areas of expertise. Through our three platforms, we create ingredients and solutions which reduce sugar and calories, enhance texture and mouthfeel experience, provide stability across a product's shelf-life, increase nutrition through fibre and protein and, where necessary, optimise cost.

These solutions could not be created without world-class food science. We've invested over US$250 million in the last five years to accelerate innovation and to establish world-class scientific capabilities and infrastructure. Our scientific knowledge in the fields of bio-chemistry and materials science are at the very heart of our company, and we have just over 500 patents in place with around 300 pending. By bringing together our science and applications capabilities, our category expertise and insight, and our broad portfolio of ingredients, we are able to provide integrated solutions for our customers. For example, through the combination of our deep understanding of bio-chemistry, enzyme technology and our separations capabilities, we are able to take stevia leaves, separate the sweetness, and produce low-calorie sugar reduction solutions without the bitter aftertaste stevia can create.

What have you seen that strengthens your belief in the future of the business?

Now I've been able to travel again in a world largely free of pandemic restrictions, I've seen our transformation for myself. Belief in the growth opportunities for Tate & Lyle shine through wherever I go and whoever I talk to. I have seen it with our people in our production facilities in the US and our labs in Germany, and with customers in Latin America. I firmly believe we are now a more confident, agile and creative company.

Chief Executive's review continued

Our growth framework

We execute our strategy through our growth framework which is based on four pillars with serving customers at the core. We have been executing this framework over the last four years, successfully driving growth across the business.

Chief Executive's review continued

I've also seen signals of belief in new Tate & Lyle from investors and others who joined us for our Capital Markets Event in February 2023, where we set out our strategy, financial ambitions and plans. They see the potential of our portfolio and capabilities, and how we go to market as a growth-focused speciality ingredients company. And they appreciate our clear proposition in sweetening, mouthfeel and fortification, as well as our new financial ambition.

What is your financial ambition?

Our financial ambition over the five years to 31 March 2028 consists of four elements. First, to deliver 4% to 6% Group revenue growth with Food & Beverage Solutions growing high single digits, ahead of the market. Second, for Group EBITDA to grow by 7% to 9% each year. Third, as the efficient use of capital continues to be a key focus, we aim to increase organic return on capital employed by up to 50 basis points on average each year. And fourth, on productivity, we have established a new programme to deliver US$100 million of savings over the next five years. We will also continue to look to accelerate growth through value-enhancing partnerships and acquisitions.

Progressing our strategy

How are you accelerating innovation?

Accelerating innovation is central to our growth strategy. Over the last five years, we have launched over 50 new products from our innovation pipeline. During the year, New Products revenue grew by 17%, and 17% of Food & Beverage Solutions revenue now comes from New Products.

We are also investing in infrastructure to support our customers. In May 2022, we opened a new state-of-the-art Customer Innovation and Collaboration Centre in Santiago, Chile. This expands our integrated network of centres across Latin America, including Brazil and Mexico. We have 16 of these centres across the world where we work with our customers to develop products for their local markets.

What acquisitions did you make last year to expand your portfolio?

We acquired two businesses last year for a combined purchase price of £192 million. In April 2022, we acquired Nutriati, a small ingredient technology business developing and producing chickpea protein and flour. Nutriati expands our capability to offer customers sustainable, plant-based solutions and we have seen strong revenue growth and customer interest for both product lines. Then, in June, we completed the acquisition of Quantum Hi-Tech, a leading dietary fibre business in China. Quantum significantly strengthens our fortification platform and our position as a leading global player in the fast-growing dietary fibres market.

The integration of both businesses is going well and both have strengthened our customer offering. We have also brought other new ingredients into our portfolio via distribution agreements, such as erythritol into our sweetener platform.

What are integrated solutions and why are they important for customers?

In essence, providing an integrated solution is where we work hand-in-hand with the customer's R&D and marketing teams from concept to launch of a new product, using our ingredients, applications capabilities, consumer and nutritional understanding to develop a product tailored specifically to the customer's needs and consumer preferences. Collaborating with customers on solutions has a number of benefits. The value of ingredients used in solutions tends to be higher (about two times higher on average). A solutions sale is also a 'stickier' sale and builds closer relationships with customers, often leading to new business. Currently, solutions represent by value 18% of wins from our new business pipeline and our aim is to increase that to 32% by 31 March 2028.

To enhance our integrated solutions approach, we are strengthening our capabilities in areas such as sensory, prototyping and category and consumer insights, and are implementing new ways of working to build stronger solutions-based partnerships with our customers.

Where are your key growth markets?

We are a global business with three operating regions – the developed markets of North America and Europe, and the large and fast-growing markets of Asia, the Middle East, Africa and Latin America. In line with our strategic growth framework, each region has a clear focus and priority. In North America and Europe, where we have been operating for many decades and have long-standing customer relationships, our priority is to grow above the speciality ingredient market, which is growing at around 5% to 6%. In Asia, the Middle East, Africa and Latin America, where historically we have had a smaller business, our priority is to accelerate growth above the market.

If you look at Tate & Lyle's US$19 billion addressable market for speciality ingredients (see page 18 for more details), 25% is in

Five-year financial ambition: To 31 March 2028

Revenue

4-6%

Growth per annum

EBITDA

7-9%

Growth per annum

Return on capital employed

up to

50bps

Average increase per annum

Productivity

US$100m

Savings

Chief Executive's review continued

Our purpose of Transforming Lives through the Science of Food is why we do what we do. It guides every decision we make and every action we take.

Supporting healthy living

We help people make healthier and tastier choices when they eat and drink, and lead more balanced lifestyles.

Building thriving communities

We help build thriving communities where we operate, and support people to achieve their potential.

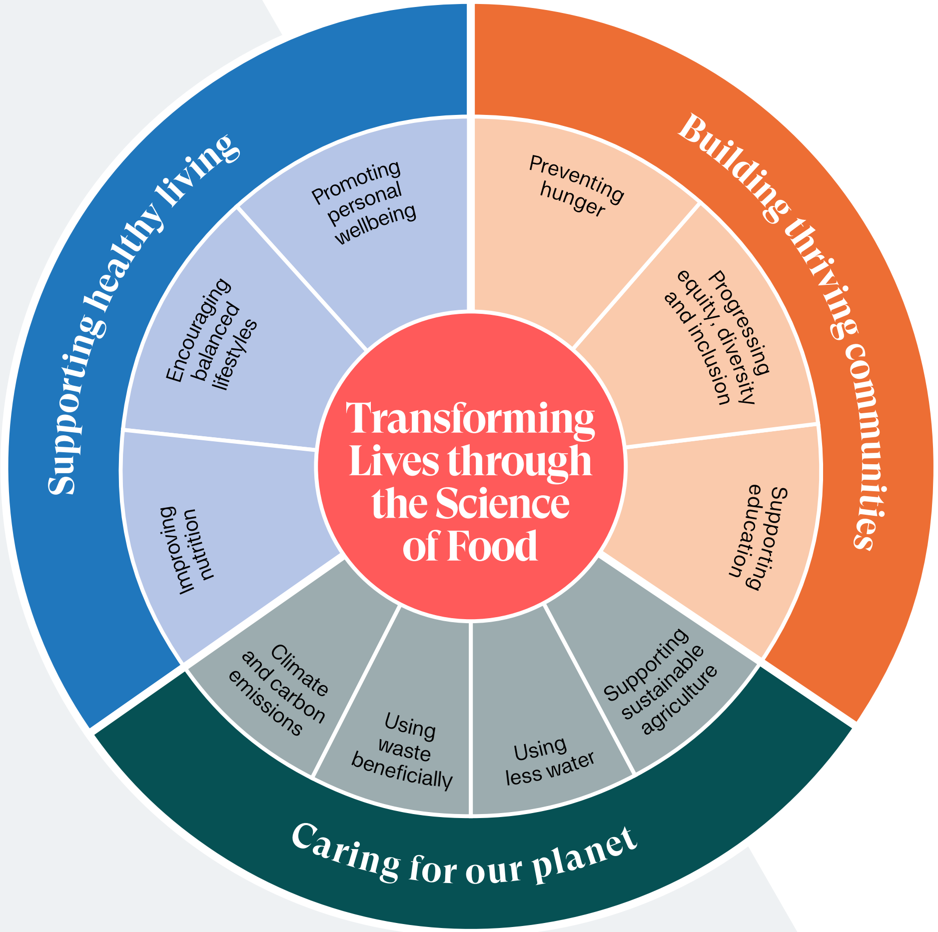
Caring for our planet

We care for our planet and help protect its natural resources for the benefit of future generations.

United Nations Sustainable Development Goals (UN SDGs)
We focus on five of the UN SDGs which most closely align to our purpose and where we can have most impact.

SDG 2	Zero hunger
SDG 3	Good health and wellbeing
SDG 5	Gender equality
SDG 12	Responsible consumption and production
SDG 13	Climate action

To demonstrate our support for the UN SDGs, we are a participating member of the UN Global Compact, a major global sustainability initiative.



In December 2022 we published our third report on progress against our purpose targets and commitments.

Download at www.tateandlyle.com/purpose

Chief Executive's review continued

North America but the majority, or 52%, is in the Asia, Middle East, Africa and Latin America regions. Asia represents the largest region, with 37% of our addressable market, and is a key growth opportunity for us in the coming years. That is why we are investing in our infrastructure and platforms to build our presence in these regions. For example, we've expanded or opened six new Customer Innovation and Collaboration Centres over the last four years in these regions, and three of our four most recent acquisitions have been in Asia.

Purpose and performance

How does your ambition align with your purpose?

I firmly believe that purpose and performance go hand in hand and that purpose is critical to the long-term success and health of our company. Our purpose of Transforming Lives through the Science of Food inspires our people and resonates strongly with our customers. You can see that by the progress we are making on our targets and commitments for our three purpose pillars of supporting healthy living, building thriving communities and caring for our planet. Since 2020, we've removed 6 million tonnes of sugar from people's diets and provided 3.6 million meals to people in need through our food bank and charitable partnerships. Equity, diversity and inclusion is also a key part of our purpose and I am delighted that 44% of our 500+ leadership and management roles are now held by women.

What is the business doing to tackle climate change?

As a purpose-led business, we must combine growth with responsibility and that means tackling climate change. Agriculture and food production are essential to humanity, but they also create roughly a third of the planet's greenhouse gas emissions. This calls for a reset of the food ecosystem, and we must play our part particularly in curbing the Scope 3 emissions across our wider value chain that make up the overwhelming majority of our carbon footprint, with a specific focus on sustainable agriculture.

Alongside our programmes in sustainable agriculture, water reduction and the beneficial use of waste, we must partner with our customers and suppliers to find more sustainable ways of operating. Science and technology will be key to delivering solutions and we've started to point the way forward, for example by using new techniques to cut emissions associated with the production of our CLARIA® starch by around a third.

How are you progressing against your sustainability targets?

In 2020, we set ambitious 2030 targets for waste and water and science-based targets to reduce our greenhouse gas emissions in line with the Paris Agreement on Climate Change (see pages 54 to 61 for more details). To help deliver these targets, we have taken some important actions including exiting the use of coal in all our operations in 2021, and expanding our sustainable agriculture programmes, which use regenerative agriculture practices to minimise environmental impact, improve biodiversity, and provide economic and social benefits to local communities. In 2022, we expanded our sustainable agriculture programme for stevia in China. This programme, operated in partnership with Earthwatch Europe and Nanjing Agricultural University, has reduced greenhouse gas emissions from participating stevia farms by 55% since the programme started.

Overall, we are making good progress against our targets. Since 2019, we have reduced our Scope 1 and 2 absolute greenhouse gas emissions by 6% and Scope 3 emissions by 13%. We have reduced water use intensity by 2%, while 92% of our waste is used beneficially. And we continue to support 439,000 acres of sustainable corn, equivalent to the total acreage of corn we use each year.

Looking ahead

What is the outlook for the next financial year?

For the year ending 31 March 2024, we expect to deliver progress in line with our five-year ambition to 31 March 2028 with, in constant currency:

- Revenue growth of 4% to 6%
- Adjusted EBITDA growth of 7% to 9%.

We also expect stronger profits from our minority holding in Primient.

What are your aims for the coming year and beyond?

Despite a challenging external environment, I am optimistic and excited about the future of our business. Today, Tate & Lyle is purpose-led and focused on growth, and we intend to deliver on both our financial growth ambitions and purpose commitments. We have re-positioned the business to be at the centre of the future of food, focused on creating solutions that meet growing consumer demand for healthier, tastier and more sustainable food and drink. We have a compelling purpose, a clear strategy and a strong balance sheet providing the ability to invest for growth. We are a business fuelled by science, obsessed with customer collaboration, and with a strong desire to make a positive impact on society. 'Science, Solutions, Society' – that is the new Tate & Lyle.

Nick Hampton
Chief Executive

CLARIA®: More sustainable method of production

CLARIA® is a corn-based, clean-label starch, used mainly in beverages, soups, sauces and dressings as a texturant, providing viscosity and gelling benefits.

During the year, scientists and engineers at our plant in Koog, the Netherlands, adapted the production process to reduce the product's water use and carbon footprint by 35% and 34% respectively, with no lessening of the product's functionality. We'll use the adapted process globally for all CLARIA® production, with the more sustainable product, CLARIA G®, available in limited quantities from early 2024. We'll make all CLARIA® in the new way from early 2025.

This new, more sustainable process will help us increase capacity over time and provide customers with the more sustainable products they are looking for as we partner to tackle the biggest challenge facing society: the climate crisis.

34%

reduction in carbon footprint[1]

35%

reduction in water consumption[1]

1 Compared to current CLARIA® forms.

What we do and how we do it

Tate & Lyle is a growth-focused speciality food and beverage solutions business – a global leader in sweetening, mouthfeel and fortification. We create high-value speciality ingredients and solutions that meet growing global consumer demand for healthier and tastier food and drink.

Our ingredients and solutions are used in small quantities, but play a crucial role in adding specific functionality, nutrition and health benefits to our customers' products. We work in partnership with our customers to develop new products, and reformulate existing ones, to make food and drink healthier and still taste great. It sounds simple, but it's far more complicated than just swapping one ingredient for another. Taste, texture, mouthfeel, shelf-life, stability – all these have to be taken into account when reformulating food and drink in our global network of labs, which we call Customer Innovation and Collaboration Centres.

Taste is inherently local, which means that food and drink also need to be adapted to different regions and countries. Through our three platforms of sweetening, mouthfeel and fortification, our portfolio of sweeteners, starches, fibres and stabilisers, and our technical expertise in our core categories of dairy; beverage; soups, sauces and dressings; and bakery and snacks, we deliver solutions for our customers in their local markets.

The next pages explain what we do and how we do it.

1. Our strategy for growth is built on leading positions... See page 17

2. in large and attractive markets... See page 18

3. driven by increasing global demand for healthier food and drink. See pages 19 and 20

4. We meet this demand through three platforms... See pages 21 to 23

5. focused on four core categories... See page 24

6. underpinned by our leading scientific and solutions capabilities. See page 25

7. This is summed up in our business model... See pages 26 and 27

8. with performance measured by our KPIs and progress towards our purpose targets. See pages 28 to 31

Our strategy for growth is built on leading positions…

Clear strategic focus

Based on our leading market positions and scientific and solutions capabilities, we strive to be a leading and differentiated speciality food and beverage solutions business delivering sweetening, mouthfeel and fortification across our four core categories.

Leading market positions

We have leading market positions in each of our three platforms of sweetening, mouthfeel and fortification. Just as importantly, our ability to formulate across the intersection of all three provides our customers with a unique proposition as they look to make their products healthier and tastier.

Strategic focus

A leading and differentiated speciality food and beverage solutions business

Platform focus

Sweetening | Mouthfeel | Fortification

Category focus

- Beverage
- Dairy
- Soups, sauces and dressings
- Bakery and snacks

Sweetening

#1

Sugar and calorie reduction

Mouthfeel

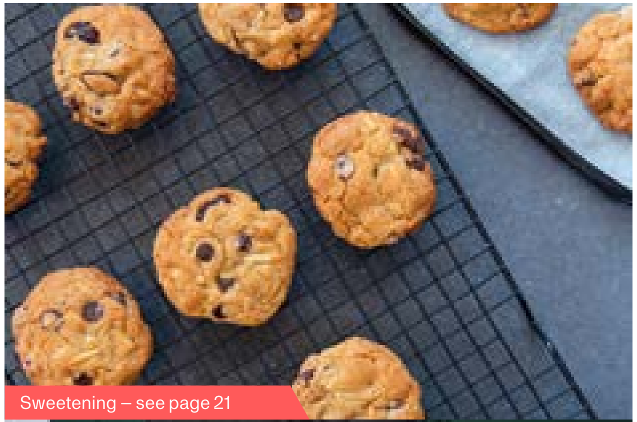
#2

Texture and stability

Fortification

#1

Fibre fortification



Sweetening – see page 21

Mouthfeel – see page 22

Fortification – see page 23

...in large and attractive markets...

The global speciality food ingredient market is worth US$75 billion[1] and is expected to grow at around 6%[1] on a compound annual basis.

Large and attractive addressable market

Within the global speciality food ingredient market, US$19 billion[1] is addressable by Tate & Lyle's three platforms and is also expected to grow at 6%[1]. This addressable market includes ingredients such as:

- high-intensity sweeteners
- nutritive sweeteners
- rare sugars and other sweeteners
- starches and gums
- dietary fibres
- plant proteins.

More information about these ingredients can be found on pages 21 to 23, which explain our three platforms.

Majority of addressable market is in large, fast-growing regions

While 25% of our addressable market is in North America, the majority of it is in Asia, Middle East, Africa and Latin America, with Asia the largest at 37%. This is why Asia is an important growth opportunity for Tate & Lyle and why we are investing in infrastructure, capabilities and new businesses in the region.

1 Market research data, Tate & Lyle and BCG analysis; estimated value growth 2022-26; CAGR is compound annual growth rate.

...driven by increasing global demand for healthier food and drink.

Within our addressable markets, there are a number of structural global trends that are driving changes in the way people consume food and drink.

Global trends

No matter where you look, societies and governments are facing significant food and health-related challenges. In today's more urbanised world, people are leading less active ways of life, generally eating too much and moving too little – an unbalanced lifestyle that affects their health. The rise of diseases like obesity and diabetes and concerns about digestive health and immunity are leading people to become concerned about their health and wellbeing.

The world's population is expected to increase by nearly 2 billion people from the current 8 billion to 9.7 billion in 2050[1]. One reason for this is that people are expected to live longer with the number of people over 60 expected to double by 2050 to just over 2 billion[2]. This will require not only a significant increase in the quantity of food the world needs to produce but also in the nutritional content of that food.

Population growth is one factor in the significant increase in healthcare costs being seen in many countries across the world. This is why governments are continuing to introduce policies and initiatives to support healthier choices when it comes to food and drink. These include front-of-pack labelling in Latin America, with warnings about the level of sugar, fat and salt in foods; and UK restaurants, cafés and takeaways providing calorie information on the food they sell.

Concern for our planet and its natural resources, particularly the need to tackle climate change, is also increasing rapidly, as people become more aware of the environmental impact of the food they consume. Demand for plant-based food is growing, as people adopt vegan, vegetarian or 'flexitarian' diets, cutting back on meat amid concerns for their health and the effects of animal farming on the environment. And they're also wanting to know exactly what goes into the food they eat and where it comes from, examining labels more closely and looking for simpler or 'more natural' ingredients.

Finally, the fast adoption of technology is leading to a society driven by speed and convenience, with access to information on social media and other digital platforms increasingly affecting consumer purchasing behaviours.

Our growth opportunity

People's desire for food and drink which is healthy, tasty, convenient and more sustainable and affordable all play directly into Tate & Lyle's areas of expertise. As a global leader in sweetening, mouthfeel and fortification, we create ingredients and solutions which reduce sugar and calories, enhance texture and mouthfeel experience, provide stability across a product's shelf-life, increase nutrition through fibre and protein and, where necessary, optimise cost. While we have leading expertise in all our three platforms, what really sets us apart is our ability to formulate across the intersection of sweetening, mouthfeel and fortification. And at the same time, as a plant-based business, we are working to take care of our planet and its natural resources. Our goal is not just to feed people, but to feed them well.

1 United Nations.
2 World Health Organization.

Global trends

21%

estimated increase in global population by 2050[1]

1 in 5 adults

expected to be obese by 2025[2]

84%

consumers are concerned about health and wellbeing[3]

9%

food and drink launches globally in 2022 had no, low or reduced sugar/calorie claims[4]

11%

food and drink launches globally in 2022 were plant-based[5]

1 United Nations Department of Economic and Social Affairs.
2 World Obesity Federation.
3 Global Data Consumer Survey, 2020.
4 Mintel GNPD launches, claims match one or more of: diabetic; diet/light; sugar free; low/no/reduced carb; low/reduced sugar; low/no/reduced glycaemic; low/no/reduced calorie; no added sugar.
5 Mintel GNPD launches with one or more claims: vegan/no animal ingredients; plant-based.

Consumer trends

Along with global trends such as population growth, we see five key consumer trends driving how people are purchasing and consuming food and drink. These trends are influenced by a number of factors:

The desire to be in control of what we eat and drink. People want to understand what's in the food they are buying and to ensure it reflects their values. Transparency about the sustainability of products, nutritional claims and labelling are all increasingly important areas.

The desire for healthier food. People are looking for products that are lower in sugar, calories and fat, and which contain additional nutrition such as fibre and protein.

The pleasure and celebration of food. After the restrictions of Covid-19 lockdowns, people are looking to embrace new sensory experiences and indulge every now and then.

The cost-of-living crisis is affecting people across the world, and value for money is a key part of purchasing decisions. Convenience is also important – for example, working from home has meant people are snacking more often.

Our portfolio is aligned to consumer trends

What consumers are looking for in their food

Healthy | Tasty | Convenient | Sustainable | Affordable

Solutions required to meet what consumers want

- Reduce sugar and calories
- Taste experience
- Improve nutrition
- Optimise cost
- Improve label

- Enhance texture and mouthfeel experience
- Clean label
- Stability
- Optimise cost

- Increase nutrition from fibres and protein
- Add health benefits
- Reduce sugar

These solutions are delivered through our three platforms

Sweetening | **Mouthfeel** | **Fortification**

We meet this demand through three platforms: sweetening...

Tate & Lyle has over a hundred years of sweetening experience and is a leading provider of sweetening solutions.

Removing sugar from a product sounds simple but sugar does much more than just sweeten – it lowers the freezing temperature and raises the boiling point. Sometimes sugar acts as a preservative and sometimes it provides the ability to hold water and moisture. So understanding the complexity of sweetening solutions and the interaction of different sweeteners is vital. Probably the greatest challenge is making sure products maintain the same sensory experience after sugar has been removed, and through our portfolio of sweeteners, texturants and fibres, we can build back the taste and mouthfeel experience people love.

Growth opportunity

US$5.2 billion

Addressable market[1]

~6% CAGR

Market growth[1,2]

1 Speciality ingredient market; Market research data, Tate & Lyle and BCG analysis.
2 Estimated value growth 2022-26; CAGR is compound annual growth rate.

Sugar and calorie reduction toolbox

Non-nutritive sweeteners			Low-calorie rare sugar	Functional sugar replacement	Low-calorie sugar alcohol	Nutritive sweetener
Stevia	Monk fruit	Sucralose	Allulose	Maltodextrin	Erythritol	Fructose
TASTEVA® Stevia Sweetener	PUREFRUIT™ Monk Fruit Extract	Splenda® Sucralose	DOLCIA PRIMA® Allulose	MALTOSWEET® Maltodextrin	ERYTESSE™ Erythritol	KRYSTAR® Crystalline Fructose
Times sweeter than sugar (sucrose)						
200-300x	150-200x	600x	0.7x	0.2x	0.7x	1.17x

Key attributes of our ingredients and solutions

Reduce sugar and calories	Taste experience	Improve nutrition	Optimise cost	Improve label

Labelling, claims and regulatory approvals may vary by country.

...mouthfeel...

Liking a food is often highly dependent on how it feels in the mouth, and mouthfeel is an increasingly important area of the food matrix. Tate & Lyle's ability to predict and modify mouthfeel is a key differentiator in the solutions we provide to our customers.

Mouthfeel is mostly affected by the texture of food together with its taste and smell. Given that most people make their choices based on taste, it's essential we can identify what mouthfeel they prefer.

Our mouthfeel and texturant portfolio is extensive with over 290 starches and gums providing a range of functional benefits including gelling, thickening, emulsifying, film forming and bulking. In simple terms, that means our starches, gums and stabilisers ensure snacks remain crispy, cakes don't crumble, frozen meals remain stable and yoghurts have a rich and indulgent texture.

Growth opportunity

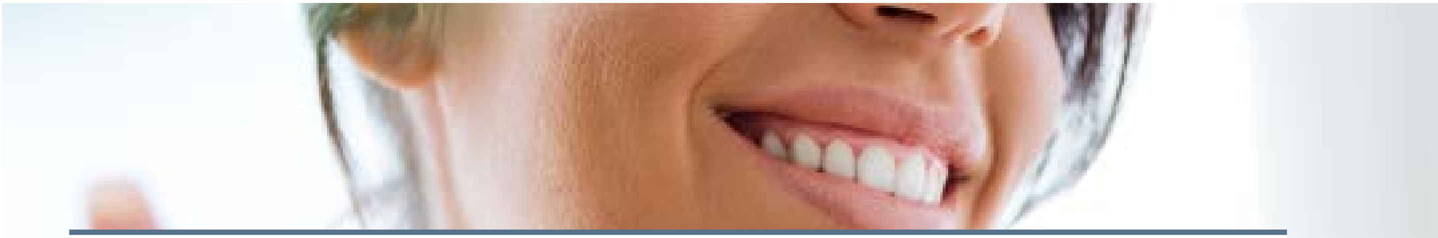
US$7 billion

Addressable market[1]

~6% CAGR

Market growth[1,2]

1 Speciality ingredient market: Market research data, Tate & Lyle and BCG analysis.
2 Estimated value growth 2022–26: CAGR is compound annual growth rate.



Mouthfeel toolbox

Over 290

starches and gums providing a range of functional benefits including:

- Gelling
- Emulsifying
- Bulking
- Thickening
- Film forming

Some ingredient examples...

- CLARIA® Functional Clean-Label Starch
- STADEX® Dextrins
- MERIZET® Bulking Starch
- REZISTA® Thickening Starch
- STAMIST® Emulsifying Starch
- X-PAND'R® Film Forming Starch
- HAMULSION® Stabiliser System
- HAMULTOP® Functional Protein System

Key attributes of our ingredients and solutions

Enhance texture and mouthfeel experience	Clean label	Stability	Optimise cost

Labelling, claims and regulatory approvals may vary by country.

...fortification...

Our fortification portfolio is made up of dietary fibres and a small amount of plant protein.

The World Health Organization recommends that adults eat at least 25 grammes of fibre every day, but most people are not getting enough, and in many cases nowhere near enough. This is important as a low fibre intake is associated with higher levels of cardiovascular disease and diabetes – and can disrupt the beneficial gut microbiome. So 'bridging the fibre gap' is a key challenge for both consumers and food and beverage manufacturers.

As the global leader in soluble fibres, Tate & Lyle is well-positioned to help consumers bridge this gap. Fibres have distinctive attributes in many food and beverage categories, including sugar and calorie reduction as well as fibre fortification. Our fortification toolbox includes the broadest range of fibres in the market, and our newly acquired chickpea protein and flour products. While a small business for us today, our ability to offer sustainable, plant-based protein solutions is generating strong customer interest and collaboration opportunities.

Growth opportunity

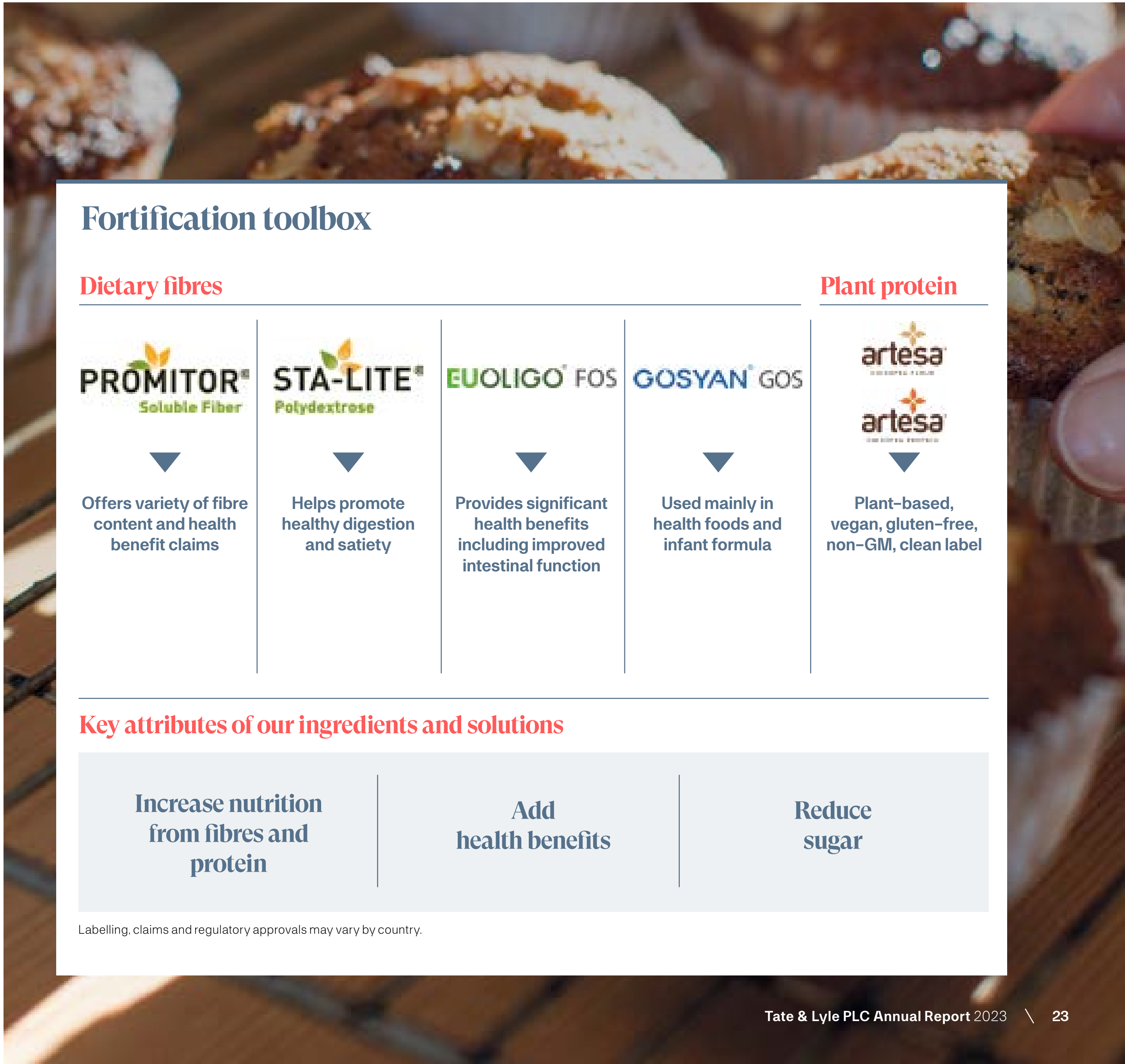
US$6.5 billion

Addressable market[1]

~6% CAGR

Market growth[1,2]

1 Speciality ingredient market; Market research data, Tate & Lyle and BCG analysis.
2 Estimated value growth 2022-26; CAGR is compound annual growth rate.



Fortification toolbox

Dietary fibres

PROMITOR® Soluble Fiber	STA-LITE® Polydextrose	EUOLIGO® FOS	GOSYAN® GOS
Offers variety of fibre content and health benefit claims	Helps promote healthy digestion and satiety	Provides significant health benefits including improved intestinal function	Used mainly in health foods and infant formula

Plant protein

artesa	artesa
Plant-based, vegan, gluten-free, non-GM, clean label	

Key attributes of our ingredients and solutions

Increase nutrition from fibres and protein	Add health benefits	Reduce sugar

Labelling, claims and regulatory approvals may vary by country.

...focused on four core categories...

Through our three platforms of sweetening, mouthfeel and fortification, we focus on four core categories of dairy; beverage; soups, sauces and dressings; and bakery and snacks.

70% of our addressable market of US$19 billion[1] sits in these four categories, and they are expected to grow between around 6% and 7%[1] over the next four years. The other 30% is in categories such as confectionery and infant nutrition where we have regional expertise.

In each region we have experts in consumer insights who analyse consumer and category trends in their region and by country to identify the relevance and growth potential of various sub-categories. These insights are the foundation of how we decide which sub-categories to focus on. We also talk with customers to understand their priorities and we analyse the size of the sub-categories to ensure they have a large enough addressable market and an attractive growth rate.

For example, an attractive sub-category in North America is ready-to-drink tea. The global market is growing at around 7%[1] but in North America growth is around 10%[1]. With our portfolio of sweeteners such as stevia and sucralose, together with our expertise in sugar and calorie reduction, we are ideally placed to support our customers in this sub-category. We work with customers in different ways depending on their needs but, typically, we use what we call a 'prototype pantry' approach to find the right solution for a customer. In this case, this includes creating several ready-to-drink tea variations to optimise the right formula.

1 Market research data, Tate & Lyle and BCG analysis; estimated value growth 2022-26.

Our core categories

Beverage

Dairy

Soups, sauces and dressings

Bakery and snacks

Within each of our four core categories, there are numerous sub-categories offering opportunities for higher growth. Here are some examples...

Beverage
- Ready-to-drink tea
- Carbonates
- Juice

Dairy
- Yoghurt
- Dairy desserts
- Dairy alternatives

Soups, sauces and dressings
- Sauces
- Ready meals
- Salad dressings

Bakery and snacks
- Biscuits
- Cereals
- Snack bars

...underpinned by our leading scientific and solutions capabilities.

Science and innovation are at the heart of how we deliver our strategy. This is because ingredient science is at the very centre of the food chain.

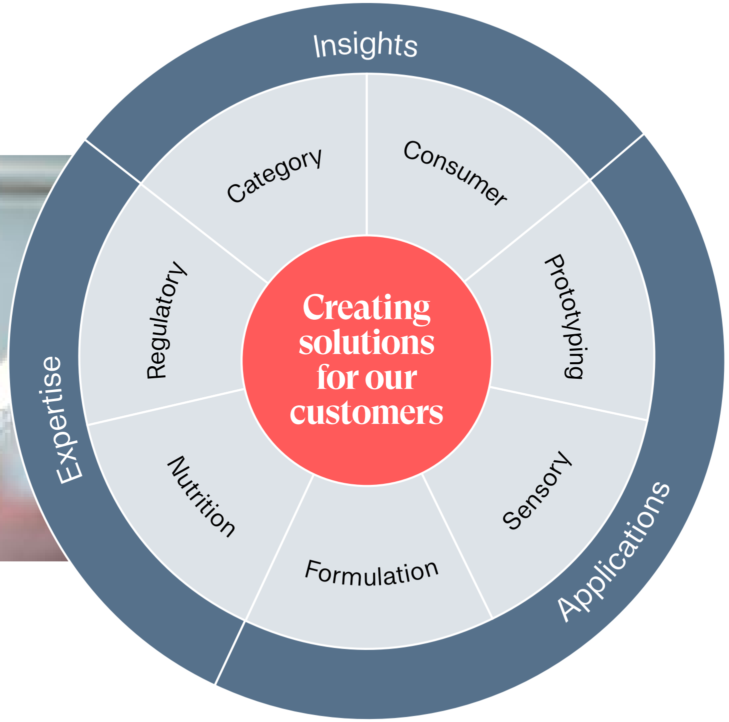
Our customers increasingly rely on the innovation expertise of ingredient suppliers like Tate & Lyle to solve the challenges of food reformulation, and to deliver nutritional improvements and taste. We take agricultural crops, such as stevia, corn, chickpeas and tapioca and, using over a century of scientific and technical know-how, turn them into highly functional food ingredients and solutions. But it's not just about solving today's challenges – our scientists are also working to create the next generation of speciality ingredients and solutions, developing new technologies and using new substrates.

Scientific know-how

Tate & Lyle's main scientific knowledge is in the fields of bio-chemistry and materials science. Our core scientific competencies mean we are well-placed to deliver solutions to create healthier, tastier and more sustainable food and drink. These are: separation and fractionation; enzymology and fermentation; drying and crystallisation; and industrial scale-up. For example, through the combination of our deep understanding of bio-chemistry, our enzyme technology and separations capabilities, we are able to take stevia leaves, separate the sweetness, and produce low-calorie sugar reduction solutions without the bitter aftertaste stevia can create.

Creating solutions for our customers

By bringing together our science and applications capabilities, our category expertise and insight, and our broad portfolio of ingredients, we provide integrated solutions for our customers (see diagram below). This increases customer collaboration and strengthens our position as their partner for growth.



Accelerating innovation and solution selling: Ambition for five years to 31 March 2028

New Products as a % of Food & Beverage Solutions revenue	Solutions[1] revenue from new business wins to increase to	Investment[2] in innovation and solution selling
20%	32%	5%
of revenue	out of new business pipeline	growth per annum

1 Food & Beverage Solutions new business opportunities pipeline: value of opportunities requiring solution formulation in our application labs as a percentage of the total pipeline.
2 'Investment' is operating expense in the income statement and excludes capital investment.

This is summed up in our business model...

Our resources

Science and technical know-how
Leading science, technology, intellectual property and processes

Talented people
Skilled people with a passion for serving our customers, and working in an increasingly agile and flexible way

Global supply chain
End-to-end supply solutions including raw material sourcing, manufacturing facilities and logistics

Long-term relationships
Strong relationships with customers, suppliers, local communities and other stakeholders

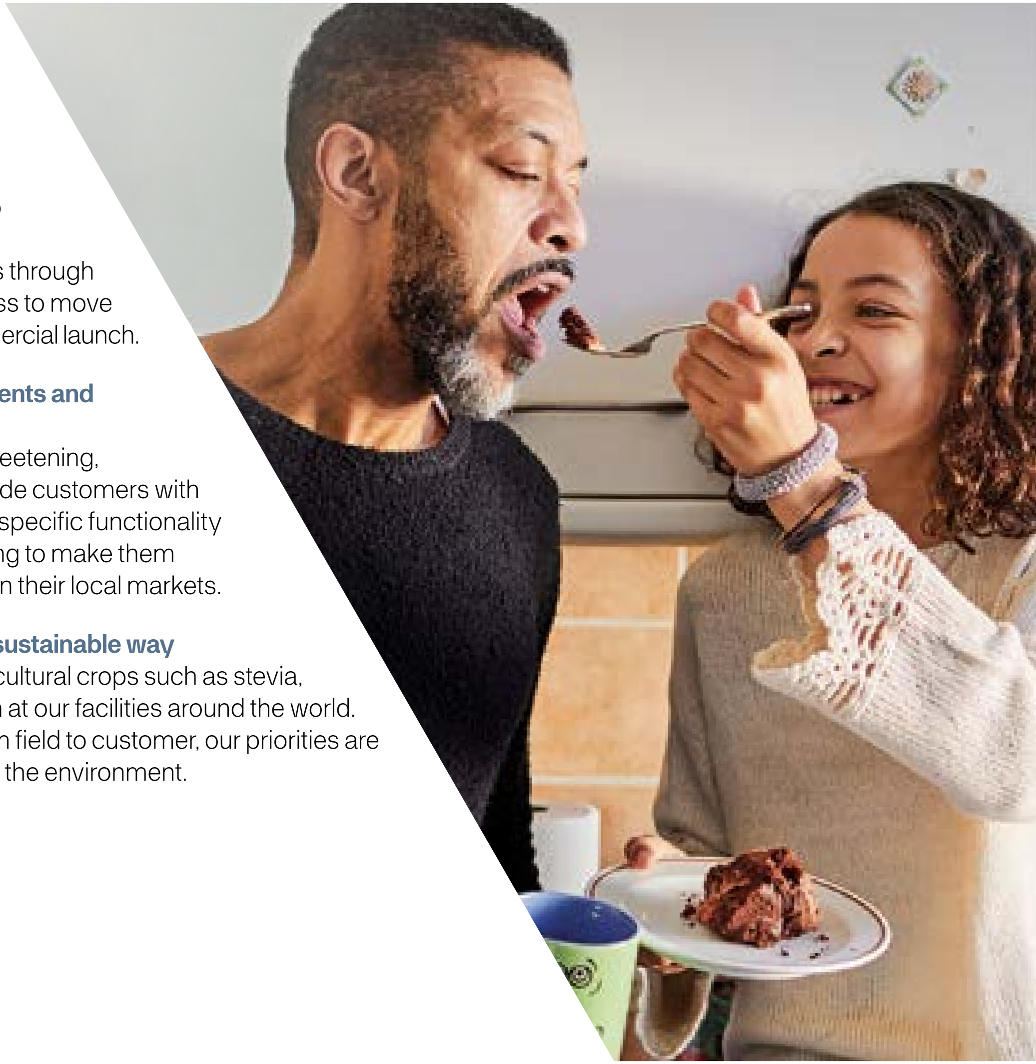
Strong balance sheet
Disciplined use of capital ensures we have the funds to invest for long-term growth

Our business activities

How we develop our ingredients and solutions
Our food scientists and nutritionists research and develop ingredients to create solutions for our customers.
We work closely with our customers through every stage of the innovation process to move ideas quickly from concept to commercial launch.

How we commercialise our ingredients and solutions with our customers
Through our leading expertise in sweetening, mouthfeel and fortification, we provide customers with ingredients and solutions that bring specific functionality and nutrition to their products, helping to make them healthier and tastier for consumers in their local markets.

How we make our ingredients in a sustainable way
Our ingredients are made from agricultural crops such as stevia, corn and tapioca. We produce them at our facilities around the world. Wherever we are in the process from field to customer, our priorities are safety, quality and consideration for the environment.



Our purpose, values and behaviours

Our purpose

Transforming Lives through the Science of Food guides everything we do.

Our values

Safety

Integrity

Respect

Our behaviours

Be curious

Have courage

Bring challenge

Create flow

The value we create

For shareholders
Our priority is to invest in growth and pay an attractive dividend

For customers
We help our customers quickly bring to market products that address society's changing needs

For employees
We are committed to the health, safety and wellbeing of our employees, and to providing a culture that is inclusive and performance-driven

For suppliers
We have long-term, mutually beneficial relationships with supplier partners

For communities
We have a long history of community involvement, helping to make lasting contributions to the places where we live and work

For the planet
We care for our planet by reducing greenhouse gas emissions, beneficially using our waste, using less water and supporting sustainable agriculture

Supporting the UN SDGs

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

...with performance measured by our KPIs...

To keep us on track, we measure progress against our strategy: how we are maintaining the financial flexibility to grow our business and provide returns to shareholders; how we're keeping our people safe at work; and how we're living our purpose.

Changes to KPIs in 2023

Following the completion of the sale of Primient, we have focused our KPIs on our Food & Beverage Solutions business, which represents the majority of Group revenue and EBITDA (see pages 32 and 33 for more detail). Therefore, we have included as new KPIs adjusted EBITDA for Food & Beverage Solutions and New Products revenue growth. These replace a volume growth metric and Sucralose profit. We have also changed Group adjusted profit before tax to Group adjusted EBITDA which is now our primary measure of profit.

Link to remuneration

A number of financial and purpose KPIs are used in determining Executive Directors' annual bonuses and for long-term incentive plans. Further details can be found in the Directors' Remuneration Report. Our safety KPIs are also taken into account when determining performance against the strategic non-financial component of annual bonuses.

When you see this symbol ◊ the KPI is linked to remuneration

1 Adjusted EBITDA, adjusted earnings per share, free cash flow, return on capital employed (ROCE), net debt and net debt to EBITDA are non-GAAP measures. Changes in adjusted performance metrics are in constant currency and for continuing operations (for definitions, see Notes 1 and 4). Comparatives are pro-forma financial information (see Useful information).

Delivering our strategy[1]

Group adjusted EBITDA – continuing operations

2023	£320m
2022	£233m

22% ▲

Performance in 2023
Food & Beverage Solutions, our growth driver, performed particularly well. Sucralose once again delivered attractive returns with profits slightly lower. We continued to optimise Primary Products Europe, with losses reducing in the year.

Why we measure it
To ensure each of our segments fulfils its role and we execute our strategy successfully.

How we calculate it
In constant currency, excluding discontinued operations.

Food & Beverage Solutions – revenue◊

2023	£1,438m
2022	£1,111m

19% ▲

Performance in 2023
Revenue increased by 19%, with double-digit growth in all regions. This was driven by the pricing through of inflation and higher corn costs, and mix management. Acquisitions contributed 1ppt to revenue growth.

Why we measure it
To ensure we are successfully converting our investments into revenue growth.

How we calculate it
In constant currency.

Food & Beverage Solutions – New Products revenue growth

2023	17%
2022	35%

17% ▼

Performance in 2023
Revenue from New Products increased by 17% driven by strong demand for clean label mouthfeel solutions and food and drink fortified with fibre. The acquisition of Quantum also helped accelerate growth.

Why we measure it
Science and innovation are at the heart of how we deliver our strategy.

How we calculate it
In constant currency. The definition of 'New Products' is on page 211.

Food & Beverage Solutions – adjusted EBITDA

2023	£271m
2022	£200m

21% ▲

Performance in 2023
Strong revenue growth and good cost discipline, together with benefits from productivity savings, saw adjusted EBITDA grow by 21%.

Why we measure it
To ensure we make good investment decisions and execute our strategy successfully.

How we calculate it
In constant currency.

Delivering for our shareholders[1]

Adjusted diluted earnings per share◊

2023	49.3p
2022	39.5p

10% ▲

Performance in 2023
Adjusted diluted earnings per share increased by 10% benefiting from strong performance from Food & Beverage Solutions offset by weaker performance from our minority holding in Primient.

Why we measure it
To track the underlying performance of the business and ensure revenue growth translates into increased earnings.

How we calculate it
As defined in Note 13, with growth rate in constant currency.

Free cash flow

2023	£119m
2022	£72m

£47m ▲

Performance in 2023
Reflecting strong cash conversion of higher profits, partially mitigated by an increase in working capital due to input cost inflation.

Why we measure it
To track how efficient we are at turning profit into cash and to ensure that working capital is managed effectively.

How we calculate it
As presented in Note 4.

Return on capital employed◊

2023	17.5%
2022	16.5%

100bps ▲

Performance in 2023
Higher, due to the impact of stronger profits.

Why we measure it
To ensure we continue to generate a strong rate of return on the assets we employ, and to maintain a disciplined approach to capital investment.

How we calculate it
The return as a percentage of our profit before interest, tax and exceptional items, divided by average invested operating capital.

Financial flexibility[1]

Net debt to EBITDA ratio

2023	0.7x
2022	1.3x
2021	0.8x

0.7x ▼

Performance in 2023
Our net debt to EBITDA ratio was lower in the year at 0.7x, reflecting lower net debt from strong free cash flow generation and proceeds from the Primient disposal. EBITDA also grew strongly.

Why we measure it
To ensure we have the appropriate level of financial gearing, and that our debt is not a disproportionate burden on the Group.

How we calculate it
The number of times our net debt exceeds our EBITDA.

Acting safely

Recordable incident rate[2]

2022	0.90
2021	0.84
2020	0.67

7% increase

Lost-time rate[2]

2022	0.69
2021	0.62
2020	0.54

11% increase

Performance in 2022
Both our recordable incident rate and our lost-time rate increased during the year, mainly due to the inclusion of the Quantum business in China for the first time.

Why we measure it
Ensuring safe and healthy conditions at all sites is essential to our success.

How we calculate it
The number of injuries requiring treatment beyond first aid per 200,000 hours.

How we calculate it
The number of injuries that resulted in lost-work days or restricted work days per 200,000 hours.

2 Measured by calendar year.

...and our purpose targets.

In 2020, we set out targets and commitments to help us pursue our purpose over the next 10 years. We continued to make good progress this year.

Supporting healthy living

Improving nutrition

By 2025, through our low- and no-calorie sweeteners and fibres, we'll have helped remove nine million tonnes of sugar from people's diets.

2020: 0 | 2023: 6.0m | 2025 target: 9m

Performance in 2023

We saw a good performance from fibre solutions and sucralose. Six million tonnes of sugar is equivalent to 24 trillion calories.

How we calculate it

We take the volume of fibres and low- and no-calorie sweeteners we sell and calculate the sugar equivalence and caloric conversion.

Encouraging balanced lifestyles

By 2025, we'll have helped improve the lives of over 250,000 people, by supporting programmes that promote healthier lifestyles and activities.

2020: 0 | 2023: 102,000 | 2025 target: 250,000

Performance in 2023

We support health, education and physical activity programmes across the world.

How we calculate it

We count the number of people who benefit from the programmes we support either through cash donations or volunteering. In many cases, this information comes from the third parties who run the events.

Promoting personal wellbeing

By 2025, we'll have helped colleagues improve how they look after their physical and mental wellbeing, so they can be at their best in their daily lives.

2020: 70% | 2023: 75% | 2025 target: 90%

Performance in 2023

Supporting the physical and mental wellbeing of our colleagues is a key priority. We improved our score this year at 75% (71% last year).

How we calculate it

We report the percentage of colleagues who, in our annual employee survey, agree that Tate & Lyle actively supports their health and wellbeing.

Building thriving communities

Preventing hunger

By 2025, we'll have provided over three million nutritious meals for people in need.

2020: 0 | 2023: 3.6m | 2025 target: 3m

Performance in 2023

Our programme provided over 600,000 meals this year to help people in need in our local communities, meaning we exceeded our target ahead of schedule.

How we calculate it

Each food bank or charitable partner we support tells us how many meals our donations provide.

Supporting education

By 2025, we'll have supported the education of over 100,000 children and students through learning programmes and grants, helping them attain skills for life.

2020: 0 | 2023: 37,000 | 2025 target: 100,000

Performance in 2023

We continued to provide support to schools by donating equipment, mentoring students and giving food science demonstrations. We also continued giving educational grants.

How we calculate it

Each school or organisation we work with tells us how many students benefit from the programmes we support.

Progressing equity, diversity and inclusion◊

By 2025, we'll achieve gender parity in our leadership roles.

2020: 27% | 2023: 44% | 2025 target: 50%

Performance in 2023

We made solid progress in the year up from 42% last year, with a number of senior roles filled by women. This is one of the metrics used for our long-term incentive plan.

How we calculate it

Leadership and management roles are defined as the top five employee bands, representing more than 500 people.

Caring for our planet

Scope 1 and 2 greenhouse gas emissions[1] ◊

By 2030, we'll have delivered a 30% absolute reduction in our Scope 1 and 2 greenhouse gas (GHG) emissions.

2019 0% | 2022 6% | 2030 target 30%

Performance in 2022

We saw a slight improvement on last year (4% reduction) as we benefited from a number of continuous improvement projects.

How we calculate it

Percentage absolute reduction in Scope 1 and 2 GHG emissions.

Using less water[1] ◊

By 2030, we'll have reduced water use intensity by 15%.

2019 0% | 2022 2% | 2030 target 15%

Performance in 2022

The 2% reduction was below last year's, mainly due to increased water use intensity at our three corn wet mills in the US and Europe.

How we calculate it

Percentage reduction in water use intensity across our operations.

Using waste beneficially[1] ◊

By 2030, 100% of our waste will be beneficially used.

2019 65% | 2022 92% | 2030 target 100%

Performance in 2022

We made strong progress again this year, mainly by working with local partners in the US to use more of our waste as nutrients on local farms.

How we calculate it

Percentage of waste generated by our sites that is beneficially used.

Scope 3 greenhouse gas emissions[1]

By 2030, we'll have delivered a 15% absolute reduction in our Scope 3 greenhouse gas emissions.

2019 0 | 2022 13% | 2030 target 15%

Performance in 2022

The good reduction primarily came from an improved performance in Primient, and from our sustainable corn and stevia programmes.

How we calculate it

We receive data on emissions from partners in our sustainable agriculture programme for corn in the US and stevia in China, and other third parties across our value chain including Primient.

Renewable electricity

By 2030, 100% of the electricity we purchase for our operations will come from renewable sources.

2021 0% | 2022 8% | 2030 target 100%

Performance in 2022

The reduction was mainly driven by increased use of renewable electricity at Koog, the Netherlands.

How we calculate it

Percentage of electricity we purchase that comes from renewable sources.

Commitments

Establish science-based targets

We committed to having our Scope 1 and 2 and Scope 3 greenhouse gas emissions reduction targets validated as science-based by the Science Based Targets initiative. This was done in September 2020, meaning our targets are in line with the goals of the Paris Agreement on Climate Change.

Eliminate use of coal

We committed to eliminate the use of coal in all our operations by 2025. In October 2021, when we de-commissioned our last coal-fired boiler in the US, we delivered on that commitment four years ahead of schedule.

Support sustainable agriculture

We committed to maintain sustainable acreage equivalent to the volume of corn we use globally each year and, through partnerships, accelerate the adoption of conservation practices. We achieved our goal this year, supporting 439,000 acres of sustainable corn. More information about our programme can be found on page 58.

Baseline

The baseline for our caring for our planet targets is the year ended 31 December 2019, other than renewable electricity, whose baseline is the year ended 31 December 2021. For supporting healthy living and building thriving communities, the baseline is 31 March 2020.

Sale of Primient

Following the sale of Primient in 2022, we kept all our purpose targets and commitments at the levels set in 2020.

Remuneration

Reduction in Scope 1 and 2 greenhouse gas emissions, reduction in water use intensity and the beneficial use of waste are all used as targets for our long-term incentive plan.

More information

You can find more details about our sustainability performance on pages 54 to 61. Further information on the education, meals and healthier lifestyles programmes we support are on pages 48 and 49. Information on our employee wellbeing programmes are on page 43.

1 Measured by calendar year.

Chief Financial Officer's introduction

Dawn Allen
Chief Financial Officer

Dawn Allen reflects on her first year as CFO, and discusses Tate & Lyle's strong performance in a challenging year.

Has your first year lived up to expectations?

Absolutely – and then some! I joined Tate & Lyle in May last year for three reasons, aside from the great people. First – our purpose. I came from Mars, a company with a very strong purpose, and I've found the same here, and more. Our purpose genuinely runs through the decisions we make, how we treat people, how we invest in the business, in people, and in sustainability. Second, we're right in the sweet spot of consumer food megatrends – health, convenience, sustainability, clean label and so on – with a strong portfolio across three platforms to deliver on that. And third, there's a fantastic growth opportunity, not just in developing markets but in developed markets too. You can see that coming through in our results this year. As a customer myself when at Mars, I know what's required from a speciality ingredients supplier, and I know the industry really well – so I knew I could help, and add value.

How would you summarise this year's performance?

To deliver such a strong financial performance in a year of significant uncertainty is a tremendous achievement which demonstrates the strength and agility of our business and our people. Inflation, higher energy prices, supply chain disruption – it's been challenging on all fronts.

Alongside progressing our strategic agenda, our key financial priorities were to:

- Continue to accelerate our margin accretive growth agenda
- Deliver continued financial discipline and a focus on cash to maintain our strong balance sheet.

We successfully delivered on both of these with revenue growth of 18%, adjusted EBITDA growth of 22% and free cash flow £47 million ahead of last year. Key to this was to cover unprecedented inflation which we did successfully through price, mix management, productivity and cost discipline, whilst partnering closely with our customers.

Cash generation is the lifeblood of any business. That's why we've set a free cash flow conversion target of 75% by 31 March 2028, having delivered 62% this year.

We continued to intentionally reset Tate & Lyle as a growth-focused speciality business through the focus on revenue growth and margin expansion, ahead of volume growth, by way of solution selling, mix management and pricing. We expect to continue to follow this approach in the coming year and enhance the quality of the business in line with our long-term financial ambition.

Could you explain the new reporting framework?

The key change we've made is to move our profit measure from operating margin expansion to growth in absolute EBITDA. This better reflects our focus on growth, giving us more flexibility to invest and grow absolute profit; it's also a more practical measure

New segmental reporting structure

Reporting segment	Role	Revenue[1]	Adjusted EBITDA[1]
Food & Beverage Solutions	Drive growth	82%	85%
Sucralose	Attractive returns	11%	18%
Primary Products Europe	Optimise	7%	-3%

1 Percentage of Group revenue for the year ended 31 March 2023.

Chief Financial Officer's introduction continued

in today's inflationary environment; and lastly, it's the metric used by many of our peers in the speciality ingredient business, which means it's easier for stakeholders to compare our performance.

We've also changed our segmental reporting structure to reflect the business we are today, and to make it easier to understand the contribution each part makes to our performance. Each reporting segment has a clear role – Food & Beverage Solutions to drive growth; Sucralose to deliver attractive returns; and for Primary Products Europe to be optimised as we look to transition away from its lower margin products and use the capacity to fuel growth in Food & Beverage Solutions (see diagram on page 32).

Talking of optimisation, you've set a new productivity target. How will you deliver that?
There is a strong culture of productivity within Tate & Lyle and we have a great track record on delivering savings. For the 2023 financial year we set a target of US$10 million in productivity savings, and at the half-year we raised that target to US$15 million. And we ended the year by exceeding that, delivering US$21 million savings.

Our new five-year productivity target of US$100 million starts this year which will be enabled by systems investment, focused on two main areas. The first is getting more out of our existing manufacturing assets. The second is looking at productivity and efficiency across the whole organisation, continuously evaluating and challenging where we're spending, and getting more efficient in core processes so we can reinvest in areas that will add more value and drive more growth. We will also be looking to leverage digital to improve our end-to-end customer and employee experiences, and to look for productivity savings as we execute our roadmap to net zero. The cost to deliver this programme is expected to be in the range of US$80 million to US$100 million.

Capital allocation framework

We allocate capital as set out below. In doing so, we aim to maintain our investment-grade credit rating.

Invest in organic growth

▼

Invest in acquisitions, joint ventures, partnerships

▼

Maintain a progressive dividend policy

▼

Return surplus capital to shareholders

> **To deliver such a strong financial performance in a year of significant uncertainty demonstrates the strength and agility of our business and our people.**

What does the focus on growth mean for capital allocation and investment?
Our capital allocation framework, with its four priorities, hasn't changed – but we are of course focusing particularly on investing in organic and inorganic growth as we deliver on our 'Science, Solutions, Society' commitment. For example:

- We increased our investment in innovation and solution selling by 11% this year.
- We invested £192m to acquire Quantum (dietary fibres) and Nutriati (chickpea protein) demonstrating our commitment to expand our solutions portfolio, capabilities and customer offering.
- We continue to invest in our sustainable agricultural programmes for corn and stevia, as well as in our manufacturing facilities and across our supply chain.

What does the future hold?
I think we'd all love to know the answer to that question! There's no doubt that the macroeconomic environment is going to remain uncertain but we have many advantages. We are operating in large markets with attractive growth rates, and have a clear strategic focus. We have built a track record of delivery in uncertain times over the last few years, and our balance sheet remains strong. Most important of all, we have great people who recognise that it's not just about what but also about how things get done. The resilience and agility demonstrated to navigate uncertain times give me confidence that, whatever the next 12 months hold, we will continue to make good progress delivering our strategy.

Dawn Allen
Chief Financial Officer

Food & Beverage Solutions

We are a global leader in sweetening, mouthfeel and fortification, creating solutions for our customers to meet growing consumer demand for healthier and tastier food and drink.

	Revenue	Volume	Price/mix	M&A	Revenue change[1]	Adjusted EBITDA Full-year	Adjusted EBITDA Change[1,2]
North America	£687m	(4)%	16%	-%	12%	–	–
Asia, Middle East, Africa and Latin America	£432m	(4)%	26%	3%	25%	–	–
Europe	£319m	(15)%	42%	1%	28%	–	–
Total	£1,438m	(7)%	25%	1%	19%	£271m	21%

What we do

Our portfolio, combined with our technical expertise in key categories such as beverage, dairy, bakery and snacks, and soups, sauces and dressings, enables us to deliver solutions for our customers which make food and drink healthier and tastier.

Sweetening
- Replace sugar and calories
- Taste experience
- Improve nutrition
- Optimise cost
- Improve label

Mouthfeel
- Enhance texture and mouthfeel experience
- Clean label
- Stability
- Optimise cost

Fortification
- Increase nutrition from fibres and protein
- Add health benefits
- Reduce sugar

Strong revenue and profit growth

Revenue was 19% higher in constant currency at £1,438 million. Our focus was on delivering revenue growth and margin expansion through solution selling, mix management and pricing. Volume was 7% lower, reflecting this approach and the impact of two further factors. Firstly, one-off factors including supply chain disruption, the exit of low margin business and the impact of industrial action in the Netherlands in the first half. Secondly, some demand softness and customer destocking in the fourth quarter.

We delivered strong price/mix leverage of 25ppts with equal weighting of mix management and the pass-through of input costs inflation (including higher corn costs). Acquisitions contributed 1ppt of revenue growth.

All regions saw double-digit revenue growth reflecting the benefit from pass-through of inflation, strong mix management and lower volume.

- **North America:** While input cost inflation was more moderate in North America, revenue was 12% higher. We saw good gains in the beverage, confectionery, and soup, sauces and dressings categories particularly with our largest customers. Despite consumer trends for healthier, better tasting food remaining strong, we saw some customer demand softness from supply chain inventory management in the final quarter of the financial year.
- **Asia, Middle East, Africa and Latin America:** Revenue was 25% higher. In Asia, revenue growth was strong across all sub-regions. Good mix management contributed to strong growth in Southeast Asia and China, with the acquisition of Quantum also contributing to revenue growth. In the final quarter, consumer demand in China was somewhat slower to recover than expected following the easing of Covid controls. In Latin America, all sub-regions saw revenue growth. We saw good progress in sweetener solutions, especially in Mexico driven largely by customer desire to address front-of-pack labelling regulations, and growth in the bakery and snacks, and soups, sauces and dressings categories. In Middle East and Africa, demand for mouthfeel and fortification solutions drove strong revenue growth.
- **Europe:** Revenue was 28% higher reflecting the pricing through of significant input cost inflation. Lower volume reflected our pricing and margin focus, the exit from low-margin sweetener business, and the impact of supply chain challenges especially from industrial action at our corn wet mill in the Netherlands. We saw good revenue growth across all categories, especially in soups, sauces and dressings. As the year progressed and pricing in Europe increased, we saw increased competition from imports from outside the region.

1 Growth in constant currency.
2 Comparative is pro-forma financial information (see Useful information).

Food & Beverage Solutions continued

To recover incremental input costs, we implemented a programme of supplementary price increases. Then, customer contracts were successfully renewed for the 2023 calendar year recovering further higher input costs. In renewing these contracts, we applied our approach of focusing on revenue growth and margin expansion.

Adjusted EBITDA was up 21% in constant currency at £271 million benefiting from mix management, a transparent approach with customers to the pricing through of input cost inflation, and operational leverage. This, together with the benefit from productivity, saw adjusted EBITDA margins expand by 40bps in constant currency. The effect of currency translation increased adjusted EBITDA by £28 million.

Innovation and solutions

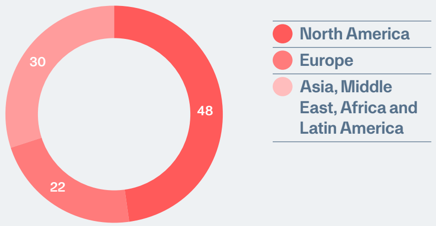
Revenue from New Products at £239 million was 17% higher. The mouthfeel platform grew strongly, reflecting good demand for clean label starches and cost optimisation, while Quantum helped to accelerate growth in fortification and in New Products revenue overall. On a like-for-like basis, which assumes the same ingredients are included in New Products revenues in both the current and comparative periods (i.e. no products are removed from New Product disclosure due to age), New Products revenue was 20% higher.

Investment in innovation and customer-facing solution selling capabilities including sensory, nutrition and regulatory, was 11% higher. Targeted programmes to develop new ways of working with customers and build stronger solutions-based partnerships helped increase solutions new business wins by value to 18%. We have set an ambition to increase this to 32% over the five years to 31 March 2028.

Revenue

Year ended 31 March 2023

Region (%)



Sucralose

Revenue	Volume	Price/mix	M&A	Revenue change[1]	Adjusted EBITDA Full-year	Adjusted EBITDA Change[1,2]
£184m	(4)%	6%	-%	2%	£58m	(5)%

Sucralose delivered attractive returns with revenue slightly higher and EBITDA slightly lower than the prior year.

Cost inflation across a range of inputs increased production costs at our single facility in McIntosh, Alabama, US. While the existence of multi-year contracts with our larger customers limited our near-term ability to recover higher input costs, this impact was mitigated by customer mix management. Currency translation increased adjusted EBITDA by £8 million.

What we do

SPLENDA® Sucralose is a high potency no-calorie sweetener which is 600 times sweeter than sugar (sucrose). Its ability to maintain sweetness through a wide variety of food processing conditions make it an ideal sweetener to create low calorie products for consumers.

1 Growth in constant currency.
2 Comparative is pro-forma financial information (see Useful information).

Primary Products Europe

Revenue	Volume	Price/mix	M&A	Revenue change[1]	Adjusted EBITDA Full-year	Adjusted EBITDA Change[1,2]
£129m	(19)%	44%	-%	25%	£(9)m	+57%

We continue to optimise the financial performance of Primary Products Europe as we transition capacity to higher margin Food & Beverage Solutions ingredients.

Revenue was significantly higher reflecting improved pricing from more favourable market conditions and the recovery of input cost inflation. Lower volume reflected both the impact of industrial action at our facility in the Netherlands in the first half and the transition of capacity to speciality ingredients. Higher revenue delivered significantly lower adjusted EBITDA losses.

What we do

Primary Products Europe represents the commoditised part of our corn wet milling capacity in Europe. It consists of isoglucose, industrial starch and products for animal nutrition.

Innovation and Commercial Development

Innovation continues to be a key enabler of our strategy and how we work with others.

What we do

Innovation and Commercial Development consists of a number of areas working together as one team.

- Research and development
- Solutions innovation
- Platform ingredient management
- Nutrition, scientific and regulatory affairs
- Marketing and consumer insights
- Open innovation

£239m

New Products revenue[1]

17%

New Products as a percentage of Food & Beverage Solutions revenue[1]

75

Patents granted[1]

1 Year ended 31 March 2023.

Our Innovation and Commercial Development (ICD) team uses deep understanding of consumer trends and food and beverage categories, along with leading-edge science and technical expertise, to create solutions for customers which address growing consumer demand for healthier and tastier food and drink. It does this by bringing together scientific and commercial functions into one team, thereby providing a fully integrated approach to serving customers and helping them bring their products to market faster. ICD not only creates 'new to the world' products, like our CLARIA® Functional Clean-Label Starches and DOLCIA PRIMA® Allulose, but also develops extensions to existing product lines, as well as new technologies and processes which make our business more efficient.

Our researchers and food scientists are experts in formulating food and beverages, working side by side with customers to leverage our skills and knowledge to reduce or eliminate sugar and calories from our customers' products. But we don't just take things out, we also improve the nutritional profile of products by adding structure, fibre and protein. And we offer other benefits, such as our stabiliser systems, which allow food to travel over long distances.

Leading science

Our deep knowledge in the fields of bio-chemistry and materials science are at the heart of our business. Our core capabilities in areas such as enzymology and fermentation, industrial scale-up, drying and crystallisation, and separation and fractionation, mean we are uniquely placed to create solutions for customers which address growing consumer trends such as sugar reduction, added fibre and clean label. Supported by our nutrition and regulatory knowledge, we carry out research with academic organisations around the world. This, alongside our intellectual property and our external partnerships and open innovation activities, gives us a strong, science-based innovation platform which we use to accelerate growth.

Collaborating with customers

Consumer preferences are different around the world and so we have a global network of labs, which we call Customer Innovation and Collaboration Centres, where we work together with customers to make their products work in their local markets. During the year, we opened a new centre in Santiago, Chile, to serve customers in that region, and expanded our centre in Singapore to add an area specifically focused on mouthfeel solutions.

Investing in clinical research and promoting nutrition education

We design, conduct and interpret preclinical and clinical research to provide key scientific knowledge about our ingredients, and to support the development of new ingredients and solutions. We do much of this with academic and industry partners who bring wider expertise and resources to the table. For example, in July 2022 we extended our scientific partnership with APC Microbiome Ireland through a new two-year research project to increase understanding of how dietary fibres can affect the functioning of the gut microbiome. Then, in August, we announced a jointly filed international patent application for a synbiotic fibre technology that has shown positive preliminary results in improving metabolic health.

We also contribute to studies and research to improve the general understanding of the impact of food policy on public health. For example, in October 2022, we supported a new three-year research project by The University of Aberdeen's Rowett Institute which aims to improve the understanding of the UK food system and help people experiencing food insecurity and living with obesity make healthier, more sustainable food choices.

Global Operations

In a year of significant supply chain disruption, we focused on keeping our customers served while resetting our network for the new, growth-focused Tate & Lyle.

What we do

Global Operations runs our plants and manages the global supply chain to ensure our ingredients and solutions are delivered to our customers on time, in full and to the right specification. Our team covers:

- Raw material sourcing
- Manufacturing and engineering
- Quality
- Procurement
- Logistics
- Customer service
- Continuous improvement
- Environment, health, safety and security

Like many companies, the year was marked by considerable disruption in the global supply chain. Our operations faced a number of challenges including shortages of raw materials, a sharp increase in energy prices, rapid cost inflation, a drought in Europe which affected the availability of waxy corn, and severe winter weather in the US. Despite this, thanks to the tremendous efforts of the team, we kept our plants running and continued to reliably serve our customers.

Integrating our acquisitions

A key task in the year was to start the integration of the Quantum fibre business in Jiangmen, China, which we acquired in June 2022. This is progressing well despite having to deal with Covid-19 restrictions for much of the year, with common policies and practices in areas such as operations, quality and safety now in place. Fully integrating businesses is a long-term process and we were delighted that our stevia facility in Anji, China, which we acquired at the end of 2020, passed tollgates 1 and 2 during the year as they moved forward on their Journey to Environmental, Health, Safety, Quality and Security Excellence (J2E).

Resetting our network and strengthening regional supply chains

Another key task was to put into operation the 20-year supply agreements with Primient which came into effect at the start of the year. These agreements, which provide supply and economic security for both businesses, operated effectively during the year. In particular, we continued to benefit from the scale and expertise of Primient's corn procurement services, providing us with supply security and allowing us to lock in corn prices when we secure customer contracts, thereby reducing cost volatility.

The work we've done to embed new arrangements across our plant network following the Primient separation, in areas such as supply chain and engineering, has given us the opportunity to look afresh at how to simplify still further our ways of working. This goes beyond the operations within our individual plants, to the IT systems and processes needed to ensure the end-to-end process for our customers, from sourcing raw materials to delivering our ingredients, is seamless, agile and efficient. As part of this, we have moved to a more regionally aligned supply chain that increases our agility and efficiency as well as improves service to our customers. Finally, we are doing more to diversify supply across our network. This strengthens business continuity and supply assurance for our customers, while also minimising potential disruption from a region or single manufacturing site. This is crucial for building a resilient supply chain and remaining a reliable solutions-focused partner for our customers.

Focusing on productivity and sustainability as we grow

Operational excellence, with an ongoing focus on continuous improvement and sustainability, is core to our plans for growth. Finding ways to source and produce our ingredients in a more sustainable way is part of our strategic and operational decision-making processes. For example, the impacts on our carbon emissions or water supplies of capital projects in our plants are fully considered as part of the planning and delivery process.

Like sustainability, productivity is a key part of our culture. At the start of the 2023 financial year, we set a target to deliver US$10 million productivity savings by the end of the year, which we increased to US$15 million at the half-year. Thanks to the hard work of our teams, we beat our target, delivering US$21 million in the full year.

Last year we achieved our six-year target of delivering US$150 million in productivity savings two years ahead of schedule. We've therefore set a new target to 31 March 2028 for a further US$100 million in productivity savings, much of which will come through more efficient operations. This will be challenging, but it's essential in today's uncertain environment of increasing costs and ongoing disruption.

Looking ahead

As a speciality food ingredients business totally focused on serving our customers, we must have the right data and processes to be a strategic partner. In the coming year, we will focus on enhancing our data capabilities to give us more real-time insight into our production processes. Data is also essential in progressing our sustainability programme. The more accurate our information, the better we can be at engineering out our climate impact and providing our customers not only with high-quality ingredients, but also those that support wider sustainability goals.

Group financial review

Summary of the financial results for the year ended 31 March 2023 (audited)

Year ended 31 March Continuing operations only	2023 £m	Pro forma 2022 £m	Constant currency change %
Revenue			
Food & Beverage Solutions	1 438	1 111	19%
Sucralose	184	163	2%
Primary Products Europe	129	101	25%
Revenue	1 751	1 375	18%
Adjusted EBITDA			
Food & Beverage Solutions	271	200	21%
Sucralose	58	53	(5)%
Primary Products Europe	(9)	(20)	57%
Adjusted EBITDA	320	233	22%
Depreciation and adjusted amortisation	(71)	(70)	(7%)
Adjusted operating profit	249	163	35%
Net finance expense	(20)	(25)	(29%)
Adjusted share of profit of Primient joint venture	24	61	(64%)
Adjusted profit before tax[1]	253	199	13%
Earnings per share (pence) – continuing operations			
Adjusted diluted	49.3p	39.5p	10%
Diluted	30.8p	5.5p	>100%
Earnings per share (pence) – total operations			
Diluted	46.2p	50.2p	(14%)
Cash flow and net debt – continuing operations			
Free cash flow	119	72	
Net debt	238	626	

1 Adjusted EBITDA, adjusted diluted earnings per share, and free cash flow are non-GAAP measures. Changes in adjusted performance metrics are in constant currency and for continuing operations. Comparatives for adjusted performance are pro-forma financial information (see Useful information).

Overview

The Group delivered strong financial performance. Revenue was up 18% reflecting the pricing through of inflation and good mix management, delivering higher margin business in a period of capacity constraint. Adjusted EBITDA was 22% higher and adjusted profit before tax was 13% higher reflecting strong performance from Tate & Lyle and weaker performance from our minority holding in the Primient joint venture.

Food & Beverage Solutions, our growth driver, performed particularly well delivering strong revenue and adjusted EBITDA growth. Sucralose once again delivered attractive returns with profits slightly lower. We continued to optimise the Primary Products Europe business with losses reducing significantly in the year.

Net finance expense and liquidity

Net finance expense at £20 million was 29% lower in constant currency, mainly reflecting higher net income on the Group's cash balances. Because approximately 90% of the Group's borrowings in the year were at fixed rates of interest, the Group was not exposed to significant changes in interest rates on its borrowings.

Exceptional items

Net exceptional charges of £28 million were included in profit before tax. Exceptional cash outflows for the year totaled £59 million, comprising £24 million of cash outflows related to charges in the current year and £35 million of cash outflows resulting from prior year exceptional costs. (For more information see Note 8).

Group financial review continued

Adjusted share of profit of Primient joint venture

Year ended 31 March[1]	2023 £m	Pro forma 2022 £m	Constant currency change %
Adjusted operating profit	100	135	(33%)
Net finance expense	(80)	(48)	(47%)
Adjusted share of profit from its own joint ventures after tax	35	35	(13%)
Adjusted profit before tax	55	122	(59%)
Adjusted share of profit of Primient joint venture	24	61	(64%)

1 The Group's share of statutory profit of the Primient joint venture, a loss of £24 million, reflects certain exceptional items linked to the separation from the Tate & Lyle PLC Group.

Adjusted operating profit was 33% lower in constant currency at £100 million reflecting operational disruption in Primient's plants. The operational challenges which impacted the 2023 financial year are being addressed, and the 2023 calendar year pricing round returned unit margins to more normal levels in the final quarter of the financial year. Reflecting this, we expect stronger operating profits from Primient in the 2024 financial year. Net finance expense increased significantly reflecting higher US interest rates.

The Primient joint venture was set up under a US partnership arrangement. Under this arrangement, the partnership does not pay tax on its US income as the partners are responsible for this tax. Primient however pays tax on income earned by its Brazilian subsidiary.

Tate & Lyle received US$76 million in cash dividends from Primient. Of this amount, US$30 million represented a distribution in respect of the 2023 financial year, US$31 million related to the distribution of a dividend from a former joint venture announced prior to disposal, and US$15 million allowed Tate & Lyle to settle tax obligations on Primient profits.

Taxation

The adjusted effective tax rate on continuing operations was 19.9% (2022 – 19.3%). The slightly higher rate reflects higher profits, with more profit taxed in higher rate jurisdictions, and the inclusion of the minority interest in the Primient joint venture. Looking ahead, we expect the adjusted effective tax rate for the year ending 31 March 2024 to increase by one to two percentage points reflecting the increase in the rate of UK corporation tax from 19% to 25%, and stronger profits in Primient.

The reported effective tax rate (on statutory earnings) for continuing operations was 16.8% (2022 – 38.4%). The lower effective tax rate is due to the prior year being impacted by a £12 million exceptional tax charge on the de-recognition of deferred tax assets as a result of the Primient transaction.

Earnings per share

Adjusted earnings per share at 49.3p were 10% higher (in constant currency, pro-forma comparative information for continuing operations only), reflecting strong performance from Tate & Lyle and weaker performance from our minority holding in the Primient joint venture. Statutory diluted earnings per share for continuing operations increased significantly to 30.8p, reflecting in the current year strong operational performance and the inclusion of a share of profits from our minority interest in the Primient joint venture, and in the prior year higher exceptional costs related to the Primient transaction.

Dividend

The Board is recommending a 0.3p or 2.5% increase in the final dividend to 13.1p (2022 – 12.8p) per share. In the previous year, the final dividend was re-based to reflect the Primient transaction and the associated share consolidation, while the interim dividend was paid at a higher rate (before re-basing). Reflecting this, the full year dividend of 18.5p per share is lower than the prior year amount of 21.8p (18.1p re-based for reduced earnings base following the Primient transaction and impact of the share consolidation). Subject to shareholder approval, the proposed final dividend will be due and payable on 2 August 2023 to all shareholders on the Register of Members on 23 June 2023. In addition to the cash dividend option, shareholders will continue to be offered a Dividend Reinvestment Plan (DRIP) alternative.

Within the context of its growth-focused strategy the Board operates a progressive dividend policy with the overall aim of balancing growing the dividend with further strengthening dividend earnings and cash cover over the medium term. As announced in our Capital Markets Event in February 2023, the Board intends for interim dividends in future to be paid at the level of one-third of the previous year's full year dividend.

Cash flow, net debt and liquidity

Year ended 31 March Continuing operations only	2023 £m	2022 £m
Adjusted EBITDA	320	240
Adjusted for:		
Share-based payments charge	20	10
Other non-cash movements	(8)	4
Changes in working capital	(105)	(68)
Net retirement benefit obligations	(9)	(7)
Net capital expenditure	(71)	(75)
Net interest and tax paid	(28)	(32)
Adjusted free cash flow from continuing operations	119	72

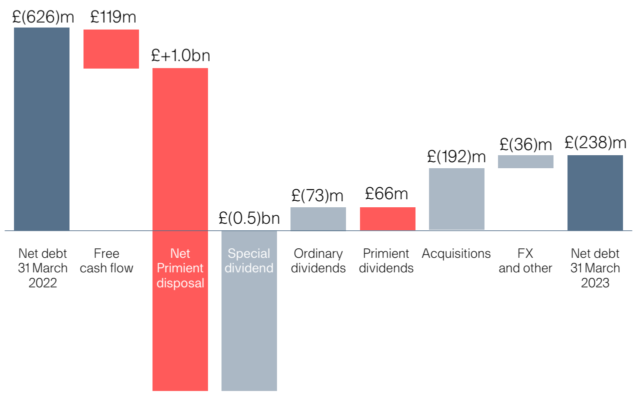
Free cash flow was £119 million (2022 continuing operations – £72 million), an increase of £47 million, benefiting from higher profits. Despite significant activities to optimise working capital, input cost inflation drove working capital £37 million higher. Capital expenditure of £78 million (on a gross basis) was £3 million higher in the year. Overall, a strong focus on working capital delivered cash conversion at 62%.[1]

Looking ahead, capital expenditure for the year ending 31 March 2024 is expected to be in the £90 million to £100 million range.

1 Free cash conversion calculated as: free cash flow before capital expenditure divided by adjusted EBITDA.

Group financial review continued

Net debt movement
31 March 2022 to 31 March 2023



Net debt at 31 March 2023 was £238 million, £388 million lower than at the prior year end. Significant cash flows in the year included the receipt of gross cash proceeds of £1.1 billion from the disposal of a controlling stake in Primient and the subsequently returned £497 million to shareholders by way of a special dividend. Net debt was further reduced by the receipt of dividends from Primient of £66 million (US$76 million). This reduction in net debt from these items was partially offset by the investment to acquire two businesses for £192 million (net) and further dividend payments to shareholders of £73 million.

At 31 March 2023, the Group had access to £1.1 billion of available liquidity through readily available cash and cash equivalents and access to a committed, undrawn revolving credit facility of US$800 million (£647 million). Reported leverage at 31 March 2023 was 0.7 times net debt to EBITDA. On a covenant-testing basis, the net debt to EBITDA ratio was 0.6 times, which was much lower than the covenant threshold of 3.5 times. In April 2023, to reduce interest costs and in line with on-going balance sheet optimisation, the Group repaid a US private placement debt floating rate note of US$95 million ahead of its maturity using cash.

Financial risk factors
Our key financial risk factors are market risks, such as foreign exchange, transaction and translation exposures, and credit and liquidity risks, as explained in Note 30.

Going concern
The Directors are satisfied that the Group has adequate resources to continue to operate as a going concern for the foreseeable future and that no material uncertainties exist with respect to this assessment. In making this assessment, the Directors have considered the Group's balance sheet position and forecast earnings and cash flows for the period from the date of approval of these financial statements to 31 March 2025. The business plan used to support the going concern assessment (the 'base case') is derived from Board-approved forecasts together with certain downside sensitivities.

Further details of the Directors' assessment are set out below:

At 31 March 2023, the Group had significant available liquidity, including £475 million of cash and US$800 million (£647 million) of committed and undrawn revolving credit facility, of which US$100 million matures in 2025 and US$700 million matures in 2026. The earliest maturity date for any of the Group's loans is October 2023, when US$120 million will mature. In April 2023, US$95 million of this was repaid ahead of maturity from existing cash. For the purpose of the going concern assessment, it is anticipated that the remaining US$25 million will also be repaid from existing cash.

The Group has only one debt covenant requirement which is to maintain a net debt to EBITDA ratio of not more than 3.5 times. On the covenant-testing basis this was 0.6 times at 31 March 2023. As set out below, for a covenant breach to occur it would require a significant reduction in Group profit. Such reduction is considered to be unlikely.

In concluding that the going concern basis is appropriate, the Directors have modelled the impact of a 'worst case scenario' to the 'base case' by including the same two plausible but severe downside risks also used for the Group's viability statement, being: an extended shutdown of one of our large corn wet mill manufacturing facilities following operational failure or energy shortage; and the loss of two of our largest Food & Beverage Solutions customers. In aggregate, such 'worst case scenario' did not result in any material uncertainty to the Group's going concern assessment and the resultant position still had significant headroom above the Group's debt covenant requirement. The Directors have also calculated a 'reverse stress test' which represents the changes that would be required to the 'base case' in order to breach the Group's debt covenant. Such 'reverse stress test' showed that the forecast Group profit would have to reduce significantly in order to cause a breach.

Accordingly, the Directors have concluded that there are no material uncertainties with respect to going concern and have adopted the going concern basis in preparing the consolidated financial information of the Group as at 31 March 2023.

Our people: Embedding our culture to accelerate change

It's been an exciting year for our people as they embraced the opportunities of the new Tate & Lyle.

It's been another busy year for our business and our people, but an inspiring one as we experienced our first year as the new Tate & Lyle. Despite having to deal with an uncertain and challenging external environment, our people have stepped up once again to live our purpose, build our culture and serve our customers. Becoming new Tate & Lyle at the start of the year has given us the chance to thoughtfully and intentionally evolve our culture, driving an increased sense of empowerment and offering our people more opportunities to develop and progress. Alongside this, we've continued to build our Employee Resource Groups, emphasising equity, diversity and inclusion in everything we do.

Encouraging new behaviours

Separating into two businesses in April 2022 was a bold move, and that sense of boldness and ambition is something we want to make a central part of our culture moving forward. Tate & Lyle has always been a place for explorers and experimenters, and we want everyone to 'find their innovator and disruptor within'. To this end, at the start of the year, we established four behaviours (see opposite) to encourage our people to have the courage to experiment, share ideas openly, and respond with agility.

Change starts at the top, so this year we trained our Global Leadership Team on our behaviours and how to bring them to life in all our different environments, from office to lab to plant. This equipped our leaders to have the right conversations to kickstart the behaviours within their teams. We want the behaviours to stretch everyone, which means encouraging all our people to focus on the one that comes least naturally to them. It's been very encouraging to see people sharing their behavioural goals and successes, either individually, within their teams or through Yammer, our internal social media channel.

Our annual employee survey showed an encouragingly high level of engagement with the new Tate & Lyle.

Tamsin Vine
Chief Human Resources Officer

Increasing employee engagement

Each year we carry out a global employee engagement survey called 'Have your Say'. This survey is confidential and managed through an external platform. The scores in our latest survey, which we carried out in November 2022, showed most of our key measures improving and an encouragingly high level of engagement with the new Tate & Lyle. The response rate was 82%, compared with 64% in 2021.

Our overall engagement score is based on answers to two questions: 'How happy are you working at Tate & Lyle?' and 'Would you recommend Tate & Lyle as a great place to work?' This year, we scored 75%, compared to 70% in 2021, with all regions showing an improvement. This suggests that our people remain engaged and committed, and excited about the opportunities our business brings. We also scored highly in progressing equity, diversity and inclusion at 82% reflecting the focus of leadership in this area and ownership at a grass roots level across the organisation.

There's always more to do, though. While scores were generally high, the survey underlined that we can do more on creating an environment where people can take control of their careers and progress in a way that works for them. Of our four behaviours, 'creating flow' scored lowest at 68%, with comments suggesting there's more we can do to help our people get things done. So we're looking at how we can streamline bureaucracy and, where relevant, automate processes.

Building a creative and dynamic culture

We have established four behaviours which underpin our growing culture of innovation and experimentation.

Be curious

Ask questions; listen without judgement; look up and out to bring in fresh perspectives

Bring challenge

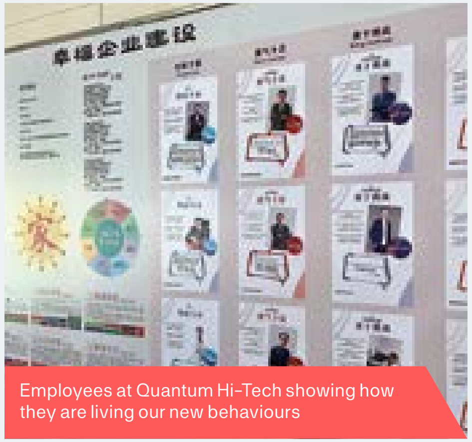
Invite it; be open to feedback; call out alternatives to improve; say what's needed in the moment

Create flow

Know when to step in or when to trust others; bring creativity to constraints; remove obstacles for others

Have courage

Stand proud behind ideas that inspire; be more ambitious; see mistakes as fuel for learning



Employees at Quantum Hi-Tech showing how they are living our new behaviours

Our people continued

Our Active Team in Łódź, Poland, organise events to keep colleagues physically active

Focusing on wellbeing

Caring for our people's physical and mental health is central to our purpose. This is shown in many ways, not least by our health and wellbeing purpose target, which is measured through our annual employee survey each year. This year, 75% of our employees told us that we actively supported their wellbeing, up from 71% in the previous year. Wellbeing is also a core element of our Journey to Environment, Health, Safety, Quality and Security Excellence (J2E) programme (see more on page 51). Through J2E, teams at each of our sites track what's being done to care for the wellbeing of our employees through initiatives such as training events, healthy eating information, running groups and education sessions.

We continue to make a big effort to support our people's mental health, increasing our number of employee Mental Health First Aiders to more than 100 across the world. Key to mental health is being able to talk about it openly, which is why in November 2021 we launched a new Employee Resource Group (ERG), Happy Healthy Minds, sponsored by two senior leaders from our Executive Committee. The Happy Healthy Minds team holds monthly online sessions, open to all, providing a safe space where colleagues can come and talk about anything that concerns them. We also support colleagues' own initiatives such as yoga sessions, coffee mornings and singing or exercise groups. In addition, we encourage people and their families to use our free counselling service, offered as part of our global Employee Assistance Programme.

Working in a hybrid world

The Covid-19 pandemic may be over, but a number of the working habits we developed in response to it have stuck. Many people are used to working away from offices and feel they get more done that way. Others thrive in an office environment and have jumped at the chance to come back to it. Our challenge is to find an approach to hybrid working that suits everyone, and that keeps us all connected to each other with the right mix of communication. Rather than dictate a business-wide approach to hybrid working from the centre, we've encouraged team leaders to find the blend that works for them without forgetting, of course, that many who work in our plants cannot do so from home.

A good example of our new hybrid office workspace is our head office in central London which opened in February 2022. The central idea behind the new office was to create an open,

Employee profile

At 31 March 2023

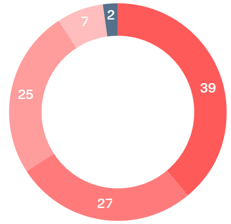
Number of employees

3,604

(2022: 4,591[1])

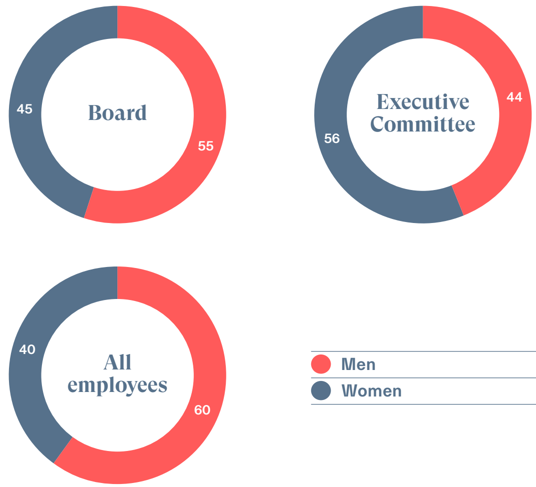
1 Includes 1,424 employees who transferred to Primient on 1 April 2022.

Employees by geography (%)



- Europe 39%
- North America 27%
- Asia 25%
- Latin America 7%
- Middle East and Africa 2%

Gender diversity (%)



- Men
- Women

Our people continued

Events were held by colleagues across the world to celebrate the launch of the new Tate & Lyle brand on 31 January 2023

contemporary and flexible space where people can come together to collaborate and connect. This experiment has worked well with high levels of employee engagement, and over time we are looking to create similar spaces for colleagues across the world.

Adapting our communications

During lockdowns, quantity of communication was what mattered, to help keep us all connected. This year, with limited or no Covid-19 restrictions in place, we adapted our approach and used a blend of methods to suit a hybrid workforce. Our leaders continued to use virtual cafés, videos and newsletters to connect with colleagues, as well as encourage discussion and debate through our internal social media channels. Our leaders also started to visit our sites once again to hold physical townhall meetings and face-to-face discussions with colleagues.

The launch of the new Tate & Lyle brand in January 2023 was not only an important milestone in the transformation of the business, but also a great way to engage our employees and encourage them to embed our new culture. On the day we launched the new brand, we held events for employees across our sites as well as hosting webinars and virtual cafés with our Chief Executive. At the heart of the brand is our new narrative – 'Science, Solutions, Society' – the promise we make to our customers and how we will deliver our purpose. Our new brand and narrative have been well received by employees, and have also attracted new people to Tate & Lyle who aspire to work for a business with a genuine sense of purpose.

Rewarding and recognising our people

Fair, performance-based recognition is fundamental to people's motivation. We ensure our remuneration packages are fair by benchmarking them regularly against the market. In our approach to the salary review this year, we were particularly attentive to inflation and cost-of-living pressures faced by people in many of the countries in which we operate, and increased salaries more for those who earn less. In addition, in 2022, we made a one-off support payment of €1,150 to eligible colleagues in Europe earning up to €60,000 a year, making separate arrangements for roles subject to collective bargaining agreements. We also recognise that the success of the business is a collective effort, which is why we continue to recognise the majority of our employees with at least six months' service with some form of discretionary reward or recognition for the year.

But we know that recognition is about far more than pay. This takes many forms, from localised moments in team meetings, through to large events which recognise truly exceptional behaviour. For example, the Executive Committee nominates at least one person or team each month for special recognition; and people are encouraged to highlight colleagues' achievements and contributions through our internal social media channels.

In January 2023, we launched a new Group-wide recognition programme called the 'Above & Beyond Heroes Awards 2023'. This programme enabled employees to nominate for an award one or more colleagues who had made a big difference to the way people work, overcome significant challenges or achieved remarkable things. We were delighted to receive more than 700 nominations in eight different categories, and there was also a Chief Executive's Special Award. As well as a cash award for each winner and a presentation at their local site, we donated US$1,000 to a charity of each winner's choice in line with our purpose.

Nurturing development

Accelerated by the pandemic, our training has moved from largely face-to-face methods to mostly digital. Virtual training, alongside e-learning, gives people flexibility and options to develop skills and knowledge in their own way, at their own pace, but in line with their objectives.

LinkedIn Learning is a fundamental part of this mix, with more than 18,000 courses in 13 languages. We also use our Company-wide Workday platform to offer over 1,600 learning and training courses.

During the year, we launched a new ERG called LaunchPad to support career development across the Group. LaunchPad has created a safe, creative and inclusive environment for colleagues who want to grow their career by sharing knowledge and experience, creating connections, nurturing curiosity, and giving insights on career paths. We also introduced a new podcast called 'Spark' hosted by our Talent and Learning Team. It's an opportunity to have informal conversations with our leaders, including our Chief Executive, on topics of interest, including their career, learning, performance and leadership.

Our people continued

Code of Ethics

Our Code of Ethics helps everyone make the right choices in their day-to-day work. It's essential that we all know about it and understand it, which is where training comes in.

11
Languages

98%
% of employees trained in the Code

99%
% of employees (who need it) trained in modern slavery/human trafficking

98%
% of employees (who need it) trained in trade secrets

98%
% of employees (who need it) trained in the Criminal Finances Act

Policies

Alongside the Code, we publish our supporting policies on our intranet. These include:

- Competition (Anti-trust)
- Gifts and Hospitality
- Anti-Corruption/Bribery
- Engagement of Third Parties
- Trade Compliance
- Whistleblowing

Doing business the right way

Our values of safety, integrity and respect are the cornerstone of our business. We expect everyone who works at Tate & Lyle, or who works with us, to act in line with these values, and they're a key part of the due diligence we do when we consider an acquisition. We set out what 'doing business with integrity' means in our Code of Ethics, currently available in 11 languages.

We publicise the Code widely across Tate & Lyle, including through e-learning for everyone and face-to-face training, either in person or online, for areas of particular risk. This year, we've focused especially on training people at our newly acquired sites. The Code is lived from the top by our Board and Executive Committee. We strongly encourage people to report breaches through our Speak Up whistleblowing programme, which we advertise in all our plants and offices, on our intranet and through other internal communications. This reflects our belief that prevention is the best approach – if people understand what's expected of them and why, they're more likely to do the right thing.

Raising concerns

We continue to communicate the importance of raising anything that doesn't look right. This led to 38 concerns being reported to Speak Up or through other whistleblowing channels, compared with 54 in 2022 (prior to the sale of Primient). We consider the number this year to be proportionate for the size of our new business, and we are pleased to have seen greater variation in the types of concerns being reported, as well as reports coming from different regions. For instance, we saw an increase in concerns raised in Asia for the second year running, which tells us that our message about ethical business is finding a receptive audience.

We investigate every concern raised, but sometimes have multiple calls about the same issue or reports where not enough detail is given to enable a fair investigation. As a result, the number of concerns we investigated this year was 35. We treat any concern raised as whistleblowing, which means it is reviewed by our Head of Ethics and Compliance.

Equity, diversity and inclusion

People are at their best when they feel they can be themselves, and businesses are at their best when everyone can be seen, heard and valued. Equity, diversity and inclusion together are a key business-wide priority for us, affecting our current and future employees, our customers, our supply chain and our communities. This is not simply because it's the right thing to do, but because our purpose demands it.

We look to embrace equity, diversity and inclusion in everything we do – in our policies and systems, developing new ways of working, educating our people, and hiring new people. In 2022, we set targets for the next eight years to measure our progress (see page 47), and established a dedicated team to progress equity, diversity and inclusion within the business.

What equity, diversity and inclusion means to us

Over the last two years, we have held hundreds of conversations in our plants, labs and offices around the world to establish definitions of these three words that resonate with our people. Here is what we came up with together:

- **Equity:** grounded in the principles of fairness; establishing policies and practices; creating access to opportunities; removing barriers; and ensuring everyone has the opportunity to achieve their potential
- **Diversity:** the mosaic of people who bring a variety of backgrounds, lived experiences, perspectives and values as assets to the groups and organisations with which they interact
- **Inclusion:** a dynamic state of operating that enables everyone to feel safe, respected and valued for who they are and for their contributions towards organisational and societal goals.

The simple way we think about these three words together is that equity is our impact; diversity is a fact; and inclusion is the act.

Our equity, diversity and inclusion strategy

Our strategy, which has been developed with our people, helps us to integrate equity, diversity and inclusion into our culture and purpose by focusing on four pillars:

- **Systems:** integrate equity, diversity and inclusion into core organisational policies and practices to promote equitable advancement, retention and reward
- **Talent:** ensure the diversity of our workforce reflects the local communities we serve
- **Culture:** educate all to achieve the competence and confidence needed to create and sustain an inclusive culture
- **Society:** listen to, speak to and serve society by promoting equity, diversity and inclusion with our customers, our communities and our supply chain.

Our people continued

Progress on gender diversity

At 31 March 2023

45%

Women on our Board

56%

Women on our Executive Committee

44%

Women in leadership and management roles (target: 50% by 2025)

35%

of 103 employees

Women in senior management, including statutory directors

UK gender pay gap reporting

Although we are below the legislative threshold for UK gender pay reporting, we publish details of our UK gender pay gap on our website. Our UK employee population is about 7% of our global employee population. Using the UK government's methodology, the UK gender pay gap at April 2022 (the latest reported figure) was 9.6% in favour of women. This is primarily due to the number of women in senior roles at our global headquarters in London.

UK median gender pay gap (at April 2022)

9.6%

in favour of women

We're taking a number of actions for each of these pillars to progress equity, diversity and inclusion across the organisation including:

- Redesigning our recruitment and performance process to mitigate for bias, diversify our talent pipeline and produce more equitable retention and advancement opportunities
- Pursuing more inclusive and localised benefits that better reflect the needs of our people
- Increasing the membership of our ERGs, including 'allies', people who use their influence to support those who experience unequal treatment
- Understanding who is in our global workforce and what their experiences are of inclusion, equity and 'allyship', mainly through our annual employee survey and demographic data collection
- Modernising and scaling up our learning programmes around equity, diversity and inclusion to build people's capabilities and confidence

Progress against our targets

In 2022, we established a number of targets over the eight years to 2030, with a baseline of 1 April 2022, to measure our progress on equity, diversity and inclusion across the four areas of our strategy. More details can be found on page 47.

We are making good progress on our commitments, notably this year we implemented a policy whereby 10% of ERG leaders' paid time is to be spent on ERG work. ERG leaders report that, on average, between 5% and 20% of their time each month is spent on ERG work.

Employee Resource Groups

Our ERGs play an important part in enabling colleagues to find support, education and development, as well as driving change across the organisation. They are strategic, self-organised groups that work to advance equity, diversity and inclusion in our workplace and local communities, helping to connect under-represented groups across Tate & Lyle and cultivate a sense of belonging. We have six groups:

- IGNITE the network for Tate & Lyle women and their allies
- Proud Place, the LGBTQ+ Network
- Black Employee Network
- Happy Healthy Minds supporting mental health and wellbeing
- LaunchPad supporting career development
- Veteran Employees Together.

Local regions can also set up ERG chapters or sub-groups. For example, employees in Latin America set up their own sub-group of the IGNITE network.

Throughout the year, the ERGs held events both to educate and celebrate equity, diversity and inclusion across Tate & Lyle. These included holding open, honest conversations around International Women's Day, Juneteenth, Transgender Day of Visibility, Black History Month, and many more. We also grew our community of 'allies', people who use their influence to support those who experience unequal treatment.

Employment policies

Our employment policy is to select the best candidates for every position regardless of age, disability, marital or civil partnership status, pregnancy or parental/care-giving responsibilities, race, ethnic or national origin, nationality, religion or belief (including lack of belief), social background, gender, gender reassignment or sexual orientation.

With the support of our ERGs, we've been reviewing all our policies with an equity lens so we can be sure that the Company we're building is based on inclusive foundations, and with respect for every individual's needs.

For example, in April 2022, we introduced a new Equal Parental Leave Policy. This new policy provides employees across the world with a minimum of 16 weeks of fully paid parental leave, covering birth, adoption, foster-to-adopt and surrogacy. It applies to all parents and prospective parents regardless of gender, marital status and sexual orientation, and allows employees to take parental leave any time within the first 12 months of a child entering the home.

In addition, in 2022 we launched our Domestic Abuse Policy which sets out the support we provide to employees who are suffering domestic abuse. The policy also describes how managers and colleagues can recognise the signs of domestic abuse and hold supportive conversations with victims.

Equity, diversity and inclusion: our statement of intent

We believe in the power and potential of diverse perspectives to unlock innovation and to accelerate the global growth of our business. This is why we are committed to all of our employees being seen, heard and valued, and our teams reflecting the local communities we serve. As a global business founded on expertise and creativity, we celebrate how our unique differences generate better ideas and deeper insights, empowering us to lead the next food revolution for and with our customers.

Our people continued

Our targets for equity, diversity and inclusion

We have a set of clear goals and targets spanning our four equity, diversity and inclusion pillars – systems, talent, culture and society. These enable us to measure our progress and integrate equity, diversity and inclusion further into our culture and purpose.

The baseline for each target is 1 April 2022. We measure progress annually on 31 March.

Systems

Integrate equity, diversity and inclusion into core organisational structures, policies and practices, to promote equitable advancement, retention and reward.

2024 30 high potential employees from under-represented groups will be sponsored for advancement[1]

2026 In each region, we will achieve parity between minority and majority groups in attrition rates, and employee engagement scores on equity, diversity and inclusion

Culture

Educate all to achieve the equity, diversity and inclusion competence needed to create and sustain an inclusive culture.

2023 10% of Employee Resource Group leaders' paid time will be spent on ERG work. This target was met on 31 March 2023

2026 Employees, managers and leadership will spend 10, 15 and 20 hours each respectively on equity, diversity and inclusion training

Talent

Ensure the diversity of our workforce reflects the local communities we serve.

2026 We'll achieve gender parity in leadership and management roles

2030 Teams at all levels will be representative of their local communities

Society

Listen to, speak to and serve society by delivering progress on equity, diversity and inclusion for and with our customers, communities and suppliers.

2030 Employees will have spent 30,000 hours volunteering for projects aligned with our purpose and our priority UN SDGs, with an ambition to reach 10,000 hours by 2025[1]

2030 We will expand our spend with diverse suppliers globally, with interim goals achieved for North America supplier diversity by 2027

1 Adjusted to take into account the change in our employee footprint following the sale of Primient.

Our communities: Making a positive and lasting impact

Our community programme

We believe in building stronger, healthier communities where we work and live. For our employees, our commitment to community involvement is fundamental to who we are and is a key part of how we live our purpose. This is brought to life by our purpose pillar of building thriving communities. Our community involvement programme is focused on three main areas, with a particular emphasis on supporting children and young adults.

- **Health:** We support projects which improve the health and wellbeing of people of all ages, helping them understand the roles played by nutrition and physical activity in a well-balanced life.
- **Hunger:** We work with organisations to give access to nutritional meals to people in need in our communities and beyond.
- **Education:** We work with local schools, education foundations and other community partners to help prepare students for healthier, brighter futures.

Where possible, we also align our community activities to our five priority UN SDGs (see page 14).

Our partners include registered charities, educational institutions and non-governmental organisations that meet our high standards for delivering services and results. Our plan and budget for community involvement are developed and approved as part of our annual planning process, and we report progress against our community purpose targets on page 30.

Supporting our local communities

Donating to food banks to ensure people in our local communities get a nutritious meal has been a core part of our community programme for many years. During the pandemic, demand for food banks rocketed and this year, with the cost-of-living crisis, there's been little respite. So our continuing partnerships with food banks across the world are as important as ever – partnerships that go beyond just donating meals, to our colleagues packing meal boxes and helping out with deliveries. Through their efforts, we exceeded our purpose target set in 2020 of donating 3 million meals by 2025 well ahead of schedule.

As lockdowns ended in most parts of the world, our employees were pleased to get back to volunteering in person this year, visiting schools, and mentoring face-to-face. And, with the environment high on everyone's agenda, a number of our sites supported local 'clean-ups', for example in McIntosh, Alabama, US and Mold, UK.

Gardening is great for physical and mental health, as well as supplementing people's diets with freshly grown produce. We continue to run gardening projects in many of our local communities including in South Africa, Brazil, Mexico and Colombia. Encouraging children to undertake physical activity is also an important part of our programmes. In Boleráz, Slovakia, we helped a local school build a safe outdoor place for children to play, hold classes and plant a garden.

Bringing our new acquisitions into our programme has been a key focus this year, with new initiatives launched in China and Thailand. And, looking ahead, we'll continue to make sure that, as we grow our business, our community programme grows with us, so that we can continue to deliver on our goal of building thriving communities wherever we are.

Helping refugees from Ukraine

When the conflict in Ukraine started in February 2022 and refugees started pouring into cities where we have sites – Łódź, Poland and Boleráz, Slovakia – our people in Europe went straight into action, providing much-needed clothing, food, shelter and medicine to local charities. As a company, we launched a global employee matching scheme whereby for every donation made by an employee to the British Red Cross Ukraine Relief Fund, the Company donated double the amount and shared that money between the seven local charities in Łódź and Boleráz we were supporting to help refugees fleeing the conflict. Many colleagues in both cities, and in Germany also, volunteered their personal time to help local charities.

During the year, we also donated to the British Red Cross appeal to provide food, shelter and medical supplies to the victims of the earthquake in Türkiye and Syria.

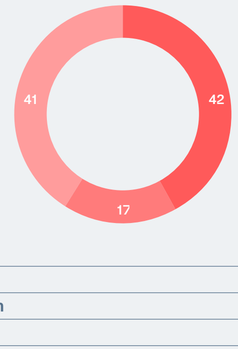
Investing in our communities

In the year ended 31 March 2023, cash community spend and charitable donations amounted to £431,000 (2022 – £417,000[1]).

£431,000

1 Restated to exclude cash spend on community programmes and charitable donations transferred to Primient on 1 April 2022.

Areas of focus (%)



Our communities continued

Highlights of the year

Health

Learning about growing food in a sustainable way

South Africa (pictured)
Through our partnership with Food and Trees for Africa, colleagues at our Kya Sands facility support children at a local primary school to cultivate their garden, which feeds both themselves and local households.

Mexico
We partner with Nuestros Pequeños Hermanos, a charity housing over 600 orphaned, abandoned and vulnerable children in the state of Morelos, to help them grow more fresh fruit and vegetables for meals, while also helping them learn about food safety and nutrition.

Hunger

Providing nutritious meals for people in our local communities

Brazil (pictured)
Our team in São Paulo volunteer with GoodTruck which takes food that would otherwise be wasted and prepares nutritious meals for homeless and vulnerable people in the local community.

US
We support a number of food banks in our local communities across the US. Colleagues at our Lafayette, Indiana plant volunteer at their local Food Finders food bank every month, while in Hoffman Estates, Illinois, colleagues help pack meal boxes at the Feed My Starving Children food bank.

Education

Encouraging children to read and learn

UK (pictured)
In Mold we funded the refurbishment of the library reading area at the Bryn Gwalia Fun Club, part of a local primary school, and also donated new books.

US
Our team in McIntosh, Alabama, sponsored the McIntosh Summer Library Reading Programme and also a new mobile library truck.

Thailand
Employees at our tapioca plant in Dan Khun Thot, Thailand supported the local school in different ways including cleaning, maintenance and cutting the grass on their playing fields.

Health, Hunger and Education

Healthy Eating, Happy Learning

China (pictured)
We partner with the China Foundation for Rural Development (formerly the Foundation for Poverty Alleviation) to support a number of schools in underdeveloped areas of China. Through this partnership, which is part of our 'Healthy Eating, Happy Learning' child health improvement programme in China, we provide children with nutritious snacks during their class breaks, and the schools receive new kitchen equipment to support making healthy meals. Working with the Chinese Nutrition Society, we also provide students and teachers with nutrition education booklets and classes.

Environment, health and safety: Making progress, underlining our purpose

Our ingredients come largely from agricultural crops, principally corn and stevia. We produce them at manufacturing and blending facilities around the world. Wherever we are in the process, from field to customer, our priorities are safety, quality and consideration for the environment.

These priorities become increasingly important as we focus on growth. For us, growth must be purposeful; it must create value for all our stakeholders through our three purpose pillars of supporting healthy living, building thriving communities and caring for our planet. We're therefore working to make sustainability part of all we do across our value chain, from sourcing and production to innovation and reporting.

Across Tate & Lyle, our work in this area is supported by our Journey to Environmental, Health, Safety, Quality and Security Excellence (J2E) programme, a consistent approach which helps ensure everyone – including our new acquisitions – is working to the same high standards.

1. Our Journey to Excellence

See page 51

2. Health and safety

See pages 52 and 53

3. Environment

See pages 54 to 61

Within this section

Our Journey to Excellence

Our Journey to Environmental, Health, Safety, Quality and Security Excellence (J2E) programme helps us promote the safety of our people, our neighbours and the environment around our plants – and so is vital in helping us continue to live our purpose as we pursue our growth ambitions. J2E also helps show our customers that, whichever plant they come from, our products are the result of our people sticking to common processes that promote safety, quality and sustainability.

The J2E programme involves each of our sites – whether plants, labs or offices – introducing standardised protocols and passing through a series of stages, or 'tollgates' (seven in total), helped by colleagues who champion a specific aspect of environment, health and safety (EHS) culture (element owners). The tollgates began in 2018 with sites establishing a baseline for their EHS culture alongside developing policies and a programme. Sites can only pass through a tollgate after a rigorous assessment carried out by internal EHS experts.

Despite two years of Covid-19 disruption to our plants, we've continued to make good progress with J2E, and, to support its ongoing implementation, we launched a professional development programme this year for employees working in EHS roles.

By the end of March 2023, 26 sites had passed tollgate 2; 22 sites tollgate 3; 21 sites tollgate 4; six sites tollgate 5; and three sites tollgate 6. We were particularly proud that our McIntosh, Alabama, US site became the first to pass the final stage, tollgate 7 (see page 53). We were also delighted that our stevia plant in Anji, China, which we acquired in late 2020, passed tollgate 2 during the year. This site is now working towards tollgate 3, while Quantum Hi-Tech, our most recent acquisition, also in China, is working towards tollgate 1.

As part of the culture we've created through J2E, we encourage our people to report any EHS concerns, however large or small, using our cloud-based Benchmark tool (formerly Gensuite). We were pleased to see an increase in the number of concerns flagged from 3,064 to 4,155, demonstrating people's openness and engagement. We were also pleased that, despite the increase, we still managed to address 76% of concerns inside our target of 30 days, on a par with 77% in 2021.

J2E aims to...

- Build a strong, sustainable EHS culture
- Keep people safe and prevent loss of life and injuries
- Prevent business disruption
- Provide clarity about the behaviour we expect from those who work for us and with us
- Manage our operational EHS risks while ensuring compliance with applicable regulation
- Minimise our environmental footprint

EHS governance, systems and reporting

Governance

Our EHS Advisory Board oversees J2E and reviews performance. It meets quarterly and is made up of senior executives, including the Chief Executive. The Board of Directors receives updates on EHS performance at every meeting, and a more detailed review of progress twice a year. The governance process for overseeing environmental performance is on pages 62 and 63, as part of our report against the recommendations of the Task Force on Climate-related Financial Disclosures.

Systems

J2E is supported by a global EHSQ&S management system, aligned with the requirements of international standards for the environment, occupational health and safety, and risk management (ISO 14001, ISO 45001 and ISO 22000). This feeds into our global Environment, Health, Safety, Quality and Security policy (available on www.tateandlyle.com), which sets out a number of principles designed to keep our people safe, along with a consistent set of requirements and expected results.

We encourage all employees to share their ideas and report concerns via our cloud-based tool, Benchmark, which enables us to manage EHS data efficiently and consistently. Every week, the EHS team shares with a wide group of employees the latest EHS performance data, details of any incidents and corrective actions taken, and examples of good practice.

With pandemic restrictions lifted, senior executives have once again started to visit sites to meet employees and contractors to discuss EHS and identify key issues. Such first-hand insight helps us review and improve our EHS practices and address any specific concerns employees may have.

Public reporting

We explain the scope, principles and methodologies we use to report our EHS performance in 'EHS Reporting Criteria' at www.tateandlyle.com/purpose. We report EHS data by calendar year.

Assurance

Arcadis has independently verified selected environmental data on pages 54 to 57 and 60 and 61. Their limited assurance statement is at www.tateandlyle.com/purpose/caring-for-our-planet.

Health and safety

Keeping people safe and well at our sites is our primary concern, whether they work for us or with us. Any site work comes with built-in risks, and so it's up to us to work together to identify these risks, manage them and own them. It's a shared responsibility and a collective effort by everyone, regardless of what they do.

To safeguard ourselves and everyone around us at our sites, we expect employees, contractors and third parties to take responsibility by:

- Complying with all safety rules and regulations relevant to their work
- Intervening to prevent unsafe conditions through our 'Stop Work Authority', which gives anyone the right to halt a procedure if they believe it's unsafe
- Respecting fellow workers and the communities where we work.

Our approach means more than just following the rules, however; it's about having a mindset that keeps us aware of, and allows us to eliminate or control, the risks we face every day. Key to that is openness – the desire by everyone to challenge each other, without judgement, to understand why accidents happen. It's at the heart of every good safety programme.

Our 2022 safety statistics

In 2022, our lagging indicators – recordable incidents and lost time – both showed an increase. This is principally due to the inclusion, for the first time, of results from our new acquisition, Quantum, in China. We typically see this with new acquisitions which are just at the start of their J2E journey, and expect to see improvements in the years ahead. However, we also saw an increase from six to eight in potentially severe events (PSEs), our key leading indicator which helps us focus on areas of potential risk.

Performance in 2022

We report safety statistics by calendar year. Statistics for previous years have been restated to exclude Primient.

Leading indicator – PSEs

8

(2021: 6)

Number of incidents

35

(2021: 30)

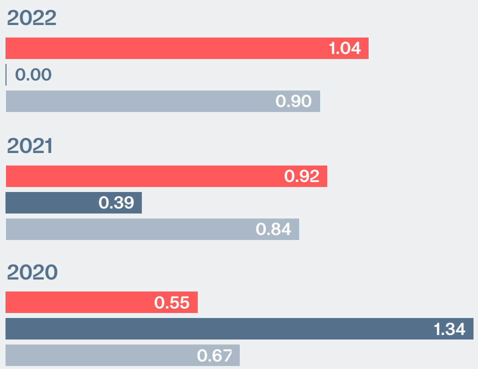
Number of lost-work and restricted work cases

27

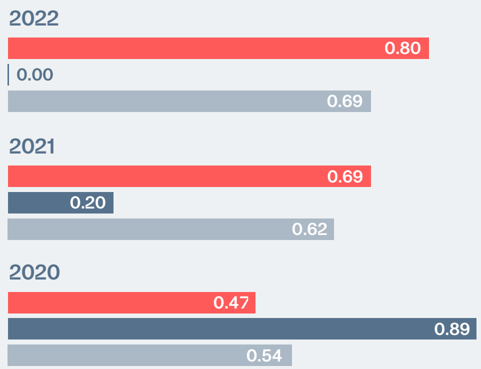
(2021: 22)

Potentially severe events (PSEs) are events or incidents which could have resulted in a major or severe incident.

Recordable incident rate[1]



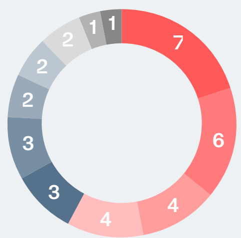
Lost-time rate[2]



- Employees
- Contractors
- Combined

1 Number of injuries requiring treatment beyond first aid per 200,000 hours.
2 Number of injuries that resulted in lost-work days or restricted work per 200,000 hours.

Number and nature of accidents



- Struck by or against 20%
- Body position or posture – bend, lean or twist 16%
- Forceful exertion, pushing or pulling 11%
- Lowering, lifting or carrying 11%
- Caught in, under, on or between 9%
- Falls, same level 9%
- Contact with sharp object 6%
- Slip, trip or fall 6%
- Stepped on an object 6%
- Contact with a chemical or other substance 3%
- Exposure to noise 3%
- Total 100%

The big win for us this year was our contractors having no recordable injuries across the business. This is the result of engaging contractors even more closely in our safety programmes and risk-assessing activities, as well as listening to them to find out what we can do better.

Our McIntosh, Alabama, US site was the first to reach tollgate 7 in our J2E programme (see case study). Our challenge is now to maintain our safety culture as we bring new people into our operations. We were pleased that our Anji, China, site, one of our most recent acquisitions, had an excellent year, having really embraced the principles of our J2E programme. In Europe, our site at Koog, the Netherlands reached 1 million hours with no lost time, and was recognised by the industry association, Starch Europe.

Learning from potentially severe events

When major, severe or potentially severe events (PSEs) happen, the site manager reports them to our Incident Review Board (IRB). This is led by the Senior Vice President, Global Environment, Health, Safety, Quality and Security, and is attended by senior leadership from Global Operations, as well as plant and site managers. The IRB is an open forum that asks:

- Do we understand what happened?
- Do we understand the root cause?
- Have we defined the right action to stop it happening again at this site?
- What do we need to do at other sites in a similar position and with similar equipment, processes, products or procedures?

The corporate EHS team tracks any actions decided by the IRB until they're complete. The IRB considered eight PSEs in 2022. One of the most significant was at our Gemacom plant in Brazil, where a starch tank malfunctioned, causing the slurry inside to overflow into the production area and outside the building. No one was hurt and our investigation showed that the tank, installed before we bought the facility, had manufacturing faults that were invisible to inspections. As a result, we're updating our inspection standards across all our plants and reinforcing tanks to prevent a similar incident elsewhere. This is in line with our principle of sharing the IRB's findings and action plans with all sites to make sure everyone learns the lessons.

Responding to Covid-19 in China

For most of the world, 2022 meant a return to at least some semblance of normality after the Covid-19 pandemic. But our teams in China faced ongoing challenges and lockdowns through to December 2022 when Covid-19 restrictions were lifted. The lifting of restrictions led to a rapid increase in cases of Covid-19, including for many of our own employees (although everyone recovered well). While each of our three plants in China experienced some disruption from absent or quarantined employees, the plants kept running and our teams ensured we continued to serve our customers.

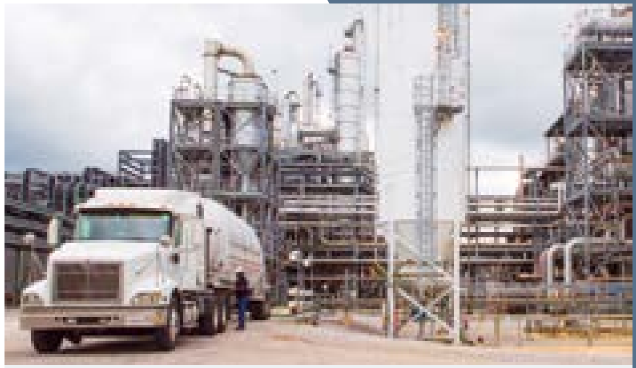
Supporting our people's wellbeing

Our J2E programme not only focuses on physical health but also mental health. Because of the importance of wellbeing to people's health, we track measures for wellbeing at every site as a core element of the J2E programme. The pandemic heralded a shift to hybrid working across the world, and, while this more flexible approach suits many people, it can leave others feeling disconnected from their teams. Many of our sites are still working to find the right balance between working from home and being in the office, while, of course, many in our plants cannot work from home because of the nature of their roles. See more about how we support our people's wellbeing on page 43.

Looking ahead

Our overall focus remains unchanged – the ongoing, day-to-day work to keep each other safe at all our sites. As we look to grow our business, integrating new acquisitions will continue to be a key activity, as it has been over the last two years. We'll be looking at how we can enhance our M&A processes to help us integrate new acquisitions more smoothly, and further strengthen the emphasis on our people's safety, health and wellbeing.

We'll also continue to press on with J2E, taking advantage of the momentum we've been able to build since the pandemic. Our ambition for the year is for all sites to have passed tollgate 5, which will bring them under the umbrella of ISO certification, with the exception of small offices, labs and sites acquired within the last three years.



McIntosh reaches tollgate 7

Our sucralose plant in McIntosh, Alabama, US, has become the first to pass tollgate 7, the highest level in our J2E programme.

Our J2E assessment team looked at the plant's progress over the last four years and spoke to employees and contractors. Their verdict was that all employees are involved and engaged in J2E topics, and that they 'do things right all the time, including when no one is watching'. Managers make a point of being at the front line, talking to staff and reinforcing the value of J2E. And there's no hesitation to use the Stop Work Authority to halt work when something doesn't look right, regardless of whether an employee, contractor or visitor is involved.

I'm very proud of our team and what we have accomplished throughout the J2E so far. Excellence is only possible in a team that truly cares about each other, the community and the success of our business, and this team cares deeply.

George Parten
Plant Manager, McIntosh, Alabama, US

Environment: Introduction

Nearly everything we make begins life in the natural world, whether it's a kernel of corn, a grain of tapioca or a leaf of stevia. This makes it all the more important that we take care of the planet for its own health and for the future health of our business – that's why caring for our planet is one of the three pillars of our purpose.

Climate change is probably the biggest threat to the world's long-term future and we need to work together to minimise its impact now to protect our planet's natural resources for future generations. This is particularly important in the food industry, since food systems are responsible for around a third of global greenhouse gas (GHG) emissions. We must therefore think, plan for, and invest over a longer-term horizon – including setting ourselves on a path to net zero by 2050.

Our 2030 targets

Across our operations, caring for our planet means investing in cleaner energy, reducing water usage and using our waste beneficially. And, given our reliance on nature's raw materials, it also means supporting sustainable agriculture. For all these areas, we have set ambitious targets for 2030, and this year we introduced a new target to purchase 100% renewable electricity across our operations by 2030.

To make our GHG targets more meaningful, they are based on absolute reductions and have been validated as science-based by the Science Based Targets initiative (SBTi). This means that, by meeting our GHG reduction targets by 2030, we will play our part in helping limit global warming in line with the goals of the Paris Agreement on Climate Change. Our commitment to supporting sustainable agriculture is fundamental to our overall ability to meet our emissions targets because of the significant proportion of our climate impact that comes from growing crops.

Changes in regulation

Concern about the impact of climate change among legislators, investors and other stakeholders is leading to significant changes in corporate regulation and increasing requirements for sustainability disclosures. SBTi is currently strengthening its requirements for science-based targets, while the Greenhouse Gas Protocol is also revising its requirements for how businesses report on and account for their emissions. These changes, which come against a backdrop of the establishment of the IFRS's International Sustainability Standards Board, represent important steps in increasing stakeholders' and companies' focus on climate change.

Embedding sustainability in everything we do

Changes in our asset base, supply chain and the nature of our business means we are constantly reappraising our environmental impact as our carbon footprint changes. We're rethinking our approach to sustainability across every aspect of our business, to make sure we embed it in all our plans and processes, from where and how we source our raw materials to how we develop, manufacture and distribute our products. It means designing sustainability into everything we do, so it becomes part of all our thinking, our investment decisions and our growth strategy. This includes building environmental improvements into our expansion projects and new acquisitions.

How we manage environmental risk

Our global EHS management system includes:

- Identifying and measuring environmental risks to prevent and mitigate our impacts
- Planning, setting targets, measuring progress, and tracking actions to achieve our objectives
- Documenting all legal and other environmental obligations and their fulfilment
- Building a sustainable EHS culture
- Communicating internally and externally any changes in our environmental strategy, risks or opportunities

Our targets

Climate and carbon emissions

- By 2030, we'll have delivered a 30% absolute reduction in our Scope 1 and 2 GHG emissions.
- By 2030, we'll have delivered a 15% absolute reduction in our Scope 3 GHG emissions.
- By 2030, 100% of the electricity we purchase for our operations will come from renewable sources.
- By 2025, we'll have eliminated coal from our operations – this target was achieved in 2021.
- By 2050, we will reach net zero.

Sustainable agriculture

- We'll maintain sustainable acreage equivalent to the volume of corn we use globally each year, and through partnerships we'll accelerate the adoption of regenerative agricultural practices.

Water

- By 2030, we'll have reduced water use intensity by 15%.

Waste

- By 2030, 100% of our waste will be beneficially used.

Pathway to net zero

In June 2022, we committed to becoming a net zero business by 2050, and to accelerate our environmental performance.

Making our commitment

We analysed in detail what a net zero pathway by 2050 would look like for our Scope 1, 2 and 3 GHG emissions. As part of this work, we carried out comprehensive Scope 1 and 2 decarbonisation assessments at our four largest production facilities, which together generate the vast majority of these emissions. We then looked at the impact on our Scope 1, 2 and 3 footprint of changes in policies by governments or other organisations, and decarbonisation commitments in our value chain including our customers. We also considered other issues outside our control which would affect our decarbonisation plans, such as the decarbonisation of electricity from the grid and the electrification of different types of transport, such as trucks and trains.

These assessments showed we could potentially achieve net zero by 2050 in terms of Scope 1 and 2 GHG emissions through a combination of electrifying our production facilities, using more efficient steam generation, buying more renewable electricity and benefiting from the development of new technologies like energy storage. We expect to largely eliminate our Scope 2 GHG emissions by the end of this decade given our target to purchase 100% renewable electricity across our sites by 2030. We expect to achieve this target by increasing the renewable electricity we purchase and investing with partners to create renewable infrastructure.

Overall, our analysis identified a pathway to reduce our total carbon footprint (Scopes 1, 2 and 3 GHG emissions) by around two-thirds by 2050 from our 2019 baseline. The emissions making up the remaining third, where we're still working to identify a pathway, are nearly all in Scope 3, and mostly from agriculture. That's why sustainable agriculture is so important for us, and partnerships to advance it will continue to be so in the years ahead. More information on our sustainable agriculture programmes for corn and stevia are on pages 58 and 59, respectively.

Investing to accelerate our environmental performance

We expect the investments needed to meet our target of a 30% reduction in Scope 1 and 2 GHG emissions by 2030 will be within our annual capital and other expenditure programmes. Beyond 2030, we expect our plans to evolve as new technologies for low or zero carbon energy develop. Therefore, the investments required to deliver net zero Scope 1 and 2 GHG emissions after 2030 will depend on the speed of development, and cost, of these technologies. In that context, it is not yet feasible to put meaningful costs on our plans beyond 2030, although we will do so as soon as we can. Similarly, for Scope 3 emissions, the cost of our corn and stevia sustainable agriculture programmes are currently included in our operating costs. Over time, we expect costs for these programmes to increase, although it's difficult to know by how much.

Evolving our plan with changing circumstances

We are committed to reaching net zero by 2050 by reducing our Scope 1, 2 and 3 GHG emissions to as close to zero as possible and neutralising residual emissions through limited external carbon offset purchases. But we cannot do this alone. Much of what is needed will depend on stakeholders across our value chain including our customers and suppliers delivering on their sustainability ambitions. There will also need to be structural changes at multiple points of the value chain to ensure the required infrastructure is put in place for companies to access sufficient low or zero carbon energy to run their operations. While changes in policy, advances in technology and many other factors will mean that our decarbonisation trajectory will change as we move towards 2050, what won't change is our determination to deliver on our targets by 2030, and to reach net zero by 2050.

Our pathway to net zero by 2050[1]

	2017	2020	2022	2022	2025	2030	2050
Milestone	• Set Scope 1 and 2 GHG emissions target for 2020	• Set Scope 1 and 2 and Scope 3 GHG emissions targets for 2030 • Targets approved by the SBTi	• Separation of Tate & Lyle and Primient; baselines recalculated and 2030 targets reaffirmed	• New target to purchase 100% renewable electricity by 2030 • Net zero target announced		• Targets set in 2020 are due	• Net zero targets are due
Target		**2020 target:** -19% GHG emissions per unit of production			**2025 target:** Eliminate coal from operations	**2030 targets:** • Scope 1 and 2: -30% • Scope 3: -15% • Purchase 100% renewable electricity	**2050 targets:** • Scope 1: Net zero • Scope 2: Net zero • Scope 3: Net zero
Delivery		**Achieved** 25% reduction Baseline = 2008			**Achieved** Eliminated coal in October 2021	Baseline = 2019	

We expect to deliver our pathway by a combination of:

Scope 1 (11% of our footprint)[2]
- Electrifying our production facilities
- Use of more efficient steam generation
- More use of renewable energy
- Benefiting from the development of new technologies such as energy storage

Scope 2 (5% of our footprint)[2]
- Purchase of renewable electricity (100% by 2030)
- Investment and partnership with, for example, utility developers to create renewable infrastructure

Scope 3 (84% of our footprint)[2]
- Sustainable agriculture programmes (to be scaled up)
- Customers, suppliers and investments achieving their carbon reduction targets
- Decarbonisation of logistics and transportation supply chains

1 Based on current expectations (assumptions subject to change based on future developments).
2 Percentage of total carbon footprint at 31 December 2022.

Climate and carbon emissions

In 2020, we set science-based targets to reduce our absolute greenhouse gas (GHG) emissions by 2030, against a 2019 baseline. Our reduction target for Scope 1 and 2 emissions is 30%, and for Scope 3 is 15%. We also committed to remove coal from our operations by 2025, which we achieved in 2021. During the year, we set a new 2030 target that 100% of the electricity we purchase for our operations will come from renewable sources.

Recalculating our baseline

Following the sale of Primient on 1 April 2022, we recalculated the 2019 baseline for our GHG emission targets to reflect the significant change in our operational footprint. Prior to the sale, 28% of our total carbon footprint came from Scope 1 and 2 emissions (energy used in, or purchased for, our sites) with 72% coming from Scope 3 emissions (indirect emissions from across our value chain). Following the sale, 16% of Tate & Lyle's total carbon footprint now comes from Scope 1 and 2 emissions, with Scope 3 emissions increasing to 84%. In 2022, we updated our 2019 baseline further to include the carbon footprint of Chaodee Modified Starch in Thailand, which we acquired in 2021.

We account for over 90% of our Scope 3 GHG emissions in our reporting. Understanding where our Scope 3 emissions are generated enables us to target our reduction activities in those areas where they are most needed and can have the greatest impact.

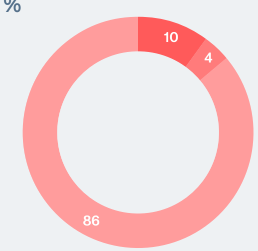
Progress in 2022

Scope 1 and 2 GHG emissions

By the end of the 2022 calendar year, we had reduced our Scope 1 and 2 absolute GHG emissions by 6% compared to our 2019 baseline. In 2022, reductions were driven by the decommissioning of the steam turbine at our Koog, the Netherlands, facility which has increased its use of renewable energy, and at our Anji, China, and Sagamore, US, sites which both increased their use of biogas. All of our production facilities have annual carbon reduction targets, and our incremental continuous improvement projects also led to a reduction in emissions at a number of sites.

Our carbon footprint (2019 baseline)[1]

%

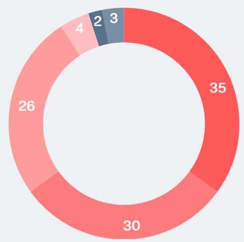


Tonnes CO_2e

- Scope 1 – 379,486
- Scope 2 – 166,968
- Scope 3 – 3,209,580

Scope 3 breakdown (2019 baseline)[1]

%



Tonnes CO_2e

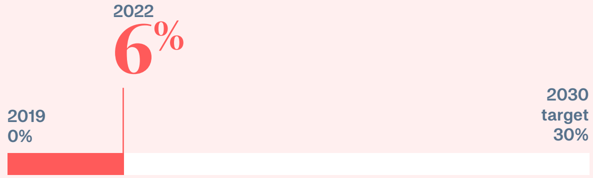
- Purchased goods and services – 1,113,019
- Investments – 955,867
- Processing of sold products – 822,941
- Downstream transportation and distribution – 138,610
- Upstream transportation and distribution – 73,120
- Other Scope 3[2] – 106,023

1 Baselines have been updated to reflect Tate & Lyle's continuing operations after taking into account the sale of Primient and the acquisition of Chaodee Modified Starch.
2 Other Scope 3 includes: Fuel and energy related activities (not included in Scope 1 and 2); end-of-life treatment of sold products; waste generated in operations; business travel; and employee commuting.

Progress against 2030 targets

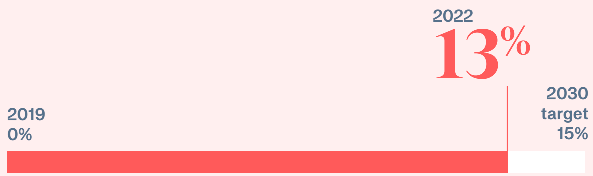
Scope 1 and 2 GHG emissions

By 2030, we'll have delivered a 30% absolute reduction in our Scope 1 and 2 GHG emissions.[1]



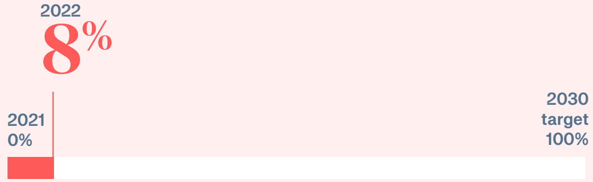
Scope 3 GHG emissions

By 2030, we'll have delivered a 15% absolute reduction in our Scope 3 GHG emissions.[1]



Renewable electricity

By 2030, 100% of the electricity we purchase for our operations will come from renewable sources.



1 Approved as science-based by the Science Based Targets initiative, meaning they are in line with the goals of the Paris Agreement on Climate Change.

At the start of the year we set a new target that 100% of the electricity we purchase for our operations by 2030 will come from renewable sources. In 2022, we achieved 8%. This was driven mainly by our Koog, the Netherlands site which purchases 100% renewable electricity and by some of our smaller sites, in Brazil and Italy, which have started the transition towards 100% renewable electricity.

Scope 3 GHG emissions

By the end of the 2022 calendar year, we had reduced our Scope 3 absolute GHG emissions by 13% compared to our 2019 baseline. This reduction came from two main sources – Primient and our sustainable agriculture programmes for corn and stevia.

Prior to the sale of Primient in 2022, Tate & Lyle invested over US$150 million to eliminate the use of coal and reduce GHG emissions at our three largest corn wet mills in the US. These corn wet mills are now part of Primient. As a supplier to Tate & Lyle, the emissions for the products which we now purchase from Primient have moved into our Scope 3 emissions. As Tate & Lyle is a 49.7% shareholder in Primient, a proportion of its emissions are also included in our Scope 3 emissions. This means that the benefits of the capital investments previously made by Tate & Lyle in Primient's plants are now reflected in our Scope 3 emissions in the Investments category. This, together with a good performance by our sustainable agriculture programmes (see pages 58 and 59), led to a strong 13% reduction compared with our 2019 baseline.

Energy use[1,2,3]
Gigajoules

Carbon footprint for the year ended 31 December 2022[1,2,3]

(tonnes of CO_2e)

All scopes

	2022	2021	2020	2019 (baseline)
Scope 1 (direct emissions from our sites)	**364,871**	363,035	366,185	379,486
Scope 2 (indirect emissions from the energy we buy)	**149,683**	160,012	162,587	166,968
Scope 3 (all other emissions associated with our activities)	**2,804,514**	3,025,486	3,111,421	3,209,580
Total	**3,319,068**	3,548,533	3,640,193	3,756,034

Scope 3 breakdown

	2022	2021	2020	2019 (baseline)
Purchased goods and services	**960,401**	1,109,274	1,097,108	1,113,019
Processing of sold products	**813,649**	822,941	822,941	822,941
Investments	**715,227**	781,363	876,593	955,867
Downstream transportation and distribution	**138,494**	134,036	137,100	138,610
All other Scope 3	**110,936**	106,023	106,023	106,023
Upstream transportation and distribution	**65,807**	71,849	71,656	73,120
Total	**2,804,514**	3,025,486	3,111,421	3,209,580

1 Baselines have been updated to reflect Tate & Lyle's continuing operations after taking into account the sale of Primient and the acquisition of Chaodee Modified Starch.
2 The scope, principles and reporting methodologies used to calculate our environmental data can be found in 'EHS Reporting Criteria' at www.tateandlyle.com/purpose. For greenhouse gas emissions, reporting methodologies used include the Greenhouse Gas Protocols, Environmental Reporting Guidelines: HM Government, 40 CFR Part 98 US EPA, and SBTi Criteria and Recommendations.
3 Global GHG emissions figures include our UK operations. In accordance with the UK's Streamlined Energy and Carbon Reporting (SECR) requirements, in the year ended 31 December 2022: Total global energy consumption was 2,452,498 MWh and energy consumption for UK operations was 996 MWh; the global intensity ratio was 0.37 tonnes of Scope 1 and 2 CO_2e per tonne of production and for UK operations was 0.04 tonnes of Scope 1 and 2 CO_2e per tonne of production; GHG emissions for UK operations were 192 tonnes of CO_2e.
4 UK operations use (996 MWh) represents 0.04%.
5 UK operations use (1,361 MWh) represents 0.06%.
6 UK operations use (1,235 MWh) represents 0.05%.
7 UK operations use (1,257 MWh) represents 0.05%.

Sustainable agriculture

Being in the food and beverage business, we are intrinsically linked to agriculture, and have an important role to play in helping the world feed a growing population responsibly. Our sustainable agricultural programme focuses on protecting the planet through regenerative agricultural practices, while improving the social and economic wellbeing of the farmers and local communities that make up our supply chain.

We're committed to supporting sustainable agriculture because agricultural raw materials constitute a significant part of our environmental impact and are therefore vital to us achieving our Scope 3 target, and to reaching net zero. Our sustainable agriculture programmes focus on the agricultural raw materials where we have the biggest opportunity to make a positive impact: corn and stevia.

For both raw materials, our programme focuses on regenerative agriculture: an approach to farming that seeks to improve natural resources, specifically soil health. This is essential for combating climate change because healthier soil increases the amount of carbon captured from the atmosphere; improves watershed quality; enables increased biodiversity; and improves the resilience of crops to climate change.

Progress against 2030 commitment

Acres of sustainable corn maintained, equivalent to the volume of corn we use globally each year.

439,000 acres

Our commitment to sustainable corn

When we launched our sustainable agriculture programme in 2018, we focused on corn since, at the time, it was by far our largest agricultural raw material. We developed this programme in the US with Truterra LLC, the sustainability business of Land O'Lakes, a leading US resource stewardship solutions provider. Following the separation of the Tate & Lyle and Primient businesses in April 2022, management of this programme moved to Primient. Nonetheless, we continue to partner with both Primient and Truterra to initiate changes in agricultural practices at the more than 720 farms enrolled in the programme.

We remain committed to maintaining sustainable acreage equivalent to the volume of corn we use for our plants, some 439,000 acres. The corn used at our Sagamore plant in Lafayette, Indiana, US, and the corn-based ingredients we now buy from Primient are all enrolled in the Truterra programme. Our two corn wet mills in Europe – Koog, the Netherlands and Boleráz, Slovakia – are also still enrolled in the Truterra programme. However, looking forward, we want our sustainable agriculture programme to reflect our supply chain and we are working on a plan to transition to a local solution in Europe, working with suppliers in those countries to procure sustainable corn. In the first year of this transition plan, 48% of our European corn was procured sustainably from European suppliers.

Encouraging progress for sustainable stevia

Our agricultural footprint is now more diverse with stevia – used to produce low-calorie sweeteners – becoming more significant. For that reason, in 2021 we launched a sustainable agriculture programme for stevia in China in partnership with Earthwatch Europe and with support from Nanjing Agricultural University. The programme, informed by a life cycle analysis undertaken in 2019, focuses on helping stevia farmers decrease their impact on the environment, and gain greater economic benefit from growing stevia, and on building a stevia supply chain that is more resilient to the impacts of climate change.

We started the programme with a small number of growers in Dongtai, Jiangsu Province, focusing on fertiliser optimisation and helping them understand soil health through regular testing. In its first full year, we saw promising reductions in all of the nine impact categories we measured, including a reduction in GHG emissions and an improvement in metrics linked to local water quality. As a result, we decided to expand the programme to more of our Dongtai-based stevia suppliers and to explore impact reduction methods for stevia production in Gansu Province, where we also source stevia.

In its second full year, the programme in Dongtai, which focused on soil sampling and soil health, saw more farmers taking part. The programme includes a voluntary agreement to sign up to Tate & Lyle's Stevia Supplier Sustainability Commitment, a pledge to reduce the environmental impact of stevia farming. Growers are helped to understand better their environmental impact through sampling, assessments and participation in workshops, with a clear goal of reducing their environmental impact and improving productivity and profitability.

The impact of the expanded programme has been very encouraging with double-digit reductions in every category measured in the life cycle analysis[1] from the 2019 baseline, most notably:

The stevia on the left of the photo above was grown in Dongtai, China, using traditional farming practices. The stevia on the right was grown with more sustainable practices introduced by Tate & Lyle's pilot programme.

- A 55% reduction in GHG emissions
- A reduction in terrestrial and freshwater exotoxicity by 52% and 47%, respectively. Exotoxicity metrics measure the impact that farming inputs, such as fertiliser, have on land and freshwater dependent organisms and their environment
- A 50% reduction in freshwater eutrophication, a process in which a body of water becomes overly enriched with nutrients, therefore decreasing local watershed quality and biodiversity.

The programme continues to expand among our stevia suppliers. With the stevia agricultural sector at a relatively early stage in its adoption of more sustainable practices, this science-led programme is helping to build an evidence base and is demonstrating to the farming community the positive environmental, social and economic impacts associated with adopting more regenerative practices.

1 Per pound of stevia rebaudioside A produced.

Aiping
one of the Dongtai farmers we are helping to implement more sustainable practices

I decided to get involved in Tate & Lyle's programme to extend my view of farming, realising that sustainability is an important part of production. I hope to learn about new technologies and environmentally friendly practices. Less inputs and more outputs! I hope my farm will continue to develop and that other growers will see and learn from the positive changes we're making.

Using less water

We're mindful that water is a shared resource and that we must use it in a way that's sustainable not only for ourselves, but for the communities we work in, not least because many of our operations include water-intensive processes.

Our 2030 target is to reduce our water use intensity by 15%. Developing plans to achieve our target has meant understanding the main ways we use water and the scope for using it more efficiently. As a producer of ingredients for the food industry, we quite rightly work to strict constraints on how we can recycle and reuse water. This means that an important part of our work is to pinpoint what we can and can't do with the water we recycle.

Improving our methodology

In 2022, we changed our methodology for calculating water use intensity, which had previously been focused on corn wet milling – now a much less significant part of our manufacturing footprint following the sale of Primient. Our new methodology, the US Environmental Protection Agency's aggregated efficiency index, is specific to each site, so it reflects our water use intensity more accurately. We recalculated last year's results with our new methodology, and it had a positive impact, showing that we'd reduced water use intensity by 7% against our 2019 baseline, compared with the 3% increase we reported last year under the old methodology. This year, though, water use intensity increased so that, overall, we have now delivered a 2% reduction compared with our 2019 baseline. This is mainly due to increased water use intensity at our three corn wet mills in the US and Europe, despite lower water consumption in Koog, the Netherlands, and Boleráz, Slovakia.

Highlights in 2022

Across the business we saw many good examples of reducing water use at our production facilities:

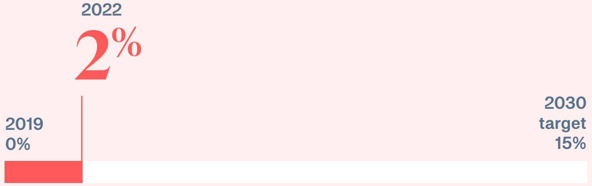
- In Koog, the Netherlands, we reduced water use through a more disciplined approach to maintenance including concerted efforts to repair leakages and refining processes to prevent tanks from overflowing.
- In Nantong, China, our team achieved a reduction in water use through a number of efficiencies, including changing their cooling system to use recycled water.
- In Noto, Italy, an area noted for water scarcity, our team introduced new processes for water purification, reducing water wastage by allowing water to be treated and re-used.
- In McIntosh, Alabama, US, our team made significant water savings by improving the utilisation of steam throughout the plant. They installed water meters, taking readings every day to control consumption and used this knowledge to implement more sustainable production practices.

Planning for future improvements

During the year we carried out a detailed review of our water use to understand exactly how much we use across different parts of the production process, as well as in heating and boilers, in all our different plants. The results of this work will help us clarify what capital projects will move us closer to our target, while also making it easier to advise our people on how they can contribute to meeting our site-specific targets in practical ways.

Progress against 2030 target[1]

By 2030, we'll have reduced water use intensity by 15%.



1 Baseline has been updated to reflect Tate & Lyle's continuing operations after taking into account the sale of Primient and the acquisition of Chaodee Modified Starch.

Our team of Water Guardians at our facility in Guarani, Brazil.

Water Guardians lead the way in Brazil

Saving water is as much about mindset as it is about investment. During the year, our team in Guarani, Brazil, set up a group called 'Water Guardians', whose main goal is to reduce water consumption across the plant. The group, which includes representatives from all areas of production, maintenance, warehouse and facilities, focuses on three areas – water leakage, equipment efficiency, and new water-saving ideas – and has developed a checklist to monitor progress. Every month they meet to discuss progress and to work on suggestions raised by colleagues across the plant.

Using waste beneficially

Most of our waste is organic matter that comes from our manufacturing processes; this can be beneficially used, for example as nutrients for local farms, or to generate energy. Using our waste in this way allows us to improve not only our own environmental impact, but that of the communities around us too.

Progress in 2022

Following the significant improvement we have made over the last two years, increasing our beneficial use of waste from 65% to 91%, it's not surprising that progress has slowed as we move closer to our 100% target. In the 2022 calendar year, 92% of our waste was beneficially used.

A highlight came in Brazil, at our blending facility at Guarani. In 2021, under 8% of its waste was beneficially used. From September 2022 onwards, the site scored 100%, by forming a new partnership to use its waste to produce a natural and organic compost, while recycling other waste like plastic, paper and glass. This shows how fast we can achieve improvements with the right partners. But it also illustrates that we'll need good waste infrastructure to achieve our 100% goal. Elsewhere, our site at Koog, the Netherlands, reached 99% waste used beneficially, while Ossona in Italy and Mold in the UK have already reached 100%, Sycamore, in the US, and Boleráz, in Slovakia, are approaching it.

Managing waste at our largest plants

The main way we manage the organic waste we generate at our large corn wet mills in the US, the Netherlands and Slovakia is by working with the right local partner who can help us find environmentally responsible solutions. With our two European plants already close to 100% beneficial use, this year we focused on addressing wastewater sludge from our Sagamore, Indiana, plant in the US. Our local waste partner now uses most of the waste from this plant to produce energy and for composting.

Progress against 2030 target[1]

By 2030, 100% of our waste will be beneficially used.

2022
92%

2019
65%

2030
target
100%

1 Baseline has been updated to reflect Tate & Lyle's continuing operations after taking into account the sale of Primient and the acquisition of Chaodee Modified Starch.

Organic waste from our plants is used as nutrients for farms in the US.

Promoting a waste reuse mindset

All our sites, no matter what their size, have a role to play in achieving our environmental targets. Each site has an annual target for the beneficial use of waste. Some already beneficially use nearly all the waste they generate, while many have taken other small actions to improve their environmental performance. Key to this is engaging employees – encouraging them to keep waste front of mind in their day-to-day work, and to come up with ideas for improving their own sites. Many of our teams are also thinking of waste beyond our sites, getting involved in projects to clean up their local areas.

Our top five sites for beneficial use of waste

Ossona, Italy
100%

Mold, UK
100%

Koog, the Netherlands
99%

Sycamore, Illinois, US
96%

Boleráz, Slovakia
96%

Task Force on Climate-related Financial Disclosures

Introduction

Climate change is one of the biggest and most urgent challenges facing the world today and presents risk to every country, business and person on the planet – Tate & Lyle is no different in that respect. That is why one of the three pillars of our purpose is caring for our planet, helping to protect its natural resources for the benefit of future generations. Guided by our purpose, we are committed to responding to and preparing for climate change as well as the related issues of water stress, beneficial use of waste and sustainable agriculture. We are continuing to develop our response to climate change and have included information on our actions and progress in several sections of this year's Annual Report.

The following statement, which we consider is consistent with the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations and Recommended Disclosures and therefore compliant with the requirements of Listing Rule 9.8.6(8), summarises our approach and progress under each of the four pillars of the TCFD – governance, strategy, risk management, and metrics and targets. These four categories are interlinked and inform each other. Where appropriate, to avoid unnecessary repetition, we have cross-referenced to information provided elsewhere in this Annual Report and have included a table of concordance at the end of this statement showing where the relevant disclosures against the 11 principles of the TCFD can be found.

Key actions this year

In last year's Annual Report, we said we would take four actions this year to enhance our sustainability programme and TCFD disclosures. We completed all four, as discussed in this report.

- Embed a new governance structure to oversee delivery of our sustainability strategy and progress against our climate-related and other environmental targets
- Take the physical and transition climate change risk assessment (CCRA) of our production facilities and supply chain undertaken in 2021 and separate it into two standalone reports, one for Tate & Lyle and the other for Primient (following the creation of the two businesses in 2022). Tate & Lyle's CCRA report would include an assessment of new businesses acquired since 2021
- Conduct an ESG (environmental, social and governance) materiality assessment to identify and prioritise the most important issues for Tate & Lyle
- Undertake a scenario analysis to quantify the financial impact of climate risk on a key physical and transition risk.

Governance

The Board has responsibility for oversight of our sustainability strategy, including climate change. The Board considers climate-related matters when reviewing and guiding core components of commercial strategy and business development, such as business plans, annual budgets and major capital expenditure. The Board has a number of Non-Executive Directors with experience of climate-related matters within the food industry as well as other sectors. In particular, Kim Nelson, formerly Senior Vice President, External Relations at General Mills, has recent and relevant experience of sustainability as this was one of her primary accountabilities at General Mills.

Our Chief Executive, Nick Hampton, is responsible for the Group's preparedness and response to climate-related risks and opportunities. He is supported in that task by the Executive Committee with executive responsibility shared jointly by the Executive Vice President, Corporate Affairs (Rowan Adams) and President, Global Operations (Melissa Law). The Executive Vice President, General Counsel (Lindsay Beardsell) has executive responsibility for risk management, including the assessment of climate-related risk.

We have a dedicated sustainability team which develops and manages our environmental programme, interacting and working with stakeholders throughout our value chain to accelerate positive action. This function reports into the Executive Vice President, Corporate Affairs (Rowan Adams) and works particularly closely with the Global Operations and Finance teams, and other members of the executive team as necessary.

Updates on the progress of our sustainability programme and climate-related targets are provided to the Board at least twice a year. The Risk Committee, a sub-committee of the Executive Committee, oversees the operation of our enterprise risk framework, including risk management policies and practices for climate-related risks. The Risk Committee reviews updates from the sustainability, risk and finance teams to align processes and disclosures with the TCFD recommendations. The Risk Committee updates the Board on its work at least annually.

At the start of the year, we implemented a new governance structure to enhance oversight of sustainability within Tate & Lyle (see governance diagram below). A Sustainability Committee, a sub-Committee of the Executive Committee, was formed to review the delivery of our sustainability strategy and progress against our climate-related and other environmental targets. This Committee is chaired by the Chief Executive and meets at least twice a year. On an operational level, a cross-functional Sustainability Working Group, including internal experts from areas such as sustainability, engineering, energy and finance, meets each quarter to discuss progress on key projects and detailed aspects of our approach to climate change and sustainability generally. This Working Group is chaired jointly by the Executive Vice President, Corporate Affairs and President, Global Operations.

Governance of sustainability

Task Force on Climate-related Financial Disclosures continued

We provide employees with communication materials on sustainability, and we also engage with external organisations to monitor and promote good practice and keep pace with stakeholders' expectations in relation to climate change. For example, we participated in the pilot testing phase for the Greenhouse Gas Protocol Land Sector and Removals Guidance, and we are a member of the UN Global Compact.

Strategy

Tate & Lyle has operations all over the world and therefore is exposed to a wide variety of physical climate risks and the opportunities and risks of the transition to a low-carbon economy. To better understand these opportunities and risks, an internal team worked with climate change and sustainability specialists from AECOM to undertake a physical and transition climate change risk assessment (CCRA) of our production facilities and supply chain. The CCRA, which was completed in May 2021, also considered the results of a detailed water risk assessment of Tate & Lyle's major production facilities undertaken by AECOM in 2020. The outputs from the CCRA have, amongst other things, enabled us to strengthen our enterprise risk management framework through the further integration of climate-related business risks and opportunities, and better align our disclosures with the principles and recommendations of TCFD.

The CCRA and the water risk assessment were both conducted on Tate & Lyle's operations before the business separation into Tate & Lyle and Primient on 1 April 2022. Given that the reports were conducted on a site-by-site, region-by-region and country-by-country basis, the content and outputs from the reports remain relevant to both businesses post-separation. Despite this, during the year we worked with AECOM to produce a new CCRA that specifically considered the sites, regions and countries for Tate & Lyle's new operational footprint. This standalone assessment also included an analysis of those businesses, and their associated climate-related risks, we acquired since the CCRA was first prepared, namely Quantum Hi-Tech, Chaodee Modified Starch and Sweet Green Fields.

Climate Change Risk Assessment process

The CCRA considered risks and opportunities over three time horizons, and exposure to potential physical and low-carbon transition impacts under Representative Concentration Pathways (RCP) scenarios modelled by the Intergovernmental Panel on Climate Change (see page 64 for more detail). In line with our risk management criteria, potential business impacts and financial implications were determined by considering the likelihood of the risk occurring and the nature and magnitude of its impact on the business. Different time horizons have been used to assess physical and transition risks since changing legislative policy and technological landscapes around the transition to a low-carbon economy are fast-paced and constantly evolving, whereas the impacts of physical climate change are likely to be felt over much longer time periods and projection data is typically available up to the end of this century.

For both the physical and transition risk assessments described below, a series of interviews and working sessions were held between AECOM and Tate & Lyle to discuss findings, historic events and existing controls, nature of risks and definitions of impact magnitude.

Physical risks

Methodology

The assessment looked at the potential physical risk exposure of major production facilities, logistics and corn and stevia supply to projected acute weather events and incremental changes in climatic conditions over the short term (2020-2039), medium term (2040-2059) and long term (beyond 2060). This assessment was conducted under a business-as-usual scenario with no further decarbonisation policy changes over the three time horizons. Data for a defined set of climate variables was extracted from online World Bank databases, and from the previous water risk assessment of production facilities conducted by AECOM in 2020. Data was then reviewed to identify the potential likelihood of occurrence of climate-related hazards. Potential business risks resulting from these hazards were identified, for example a prolonged heatwave resulting in equipment failure and operational disruption. The likelihood of the risk occurring was considered in the context of the nature of operations, existing climate conditions and vulnerability to the climate hazard. The broad nature and magnitude of business impacts, such as repair costs, from the risks occurring were defined and an overall rating for each risk determined based on likelihood of risk occurrence and the magnitude of associated business impact in line with Tate & Lyle's existing Enterprise Risk Management (ERM) process.

Key risks for Tate & Lyle

- **Production facilities:** In the short term, the potential risks most likely to impact certain production facilities include higher maximum and average temperatures, droughts, wildfires, more frequent and severe flood events, and tropical storms. The greatest increase in temperature is projected for the McIntosh facility in Alabama, US, while all production facilities except Noto, Italy are projected to have more frequent and intense heavy precipitation. For example, our Sagamore plant in Lafayette, Indiana, US is predicted to see a 12% increase in extreme rainfall compared to a 1991-2016 baseline.

  In the medium and long term, these trends are predicted to continue, with some additional sites affected over time. All sites are projected to experience higher maximum and average temperatures, as well as greater frequency, severity and duration of heatwaves than the preceding decades. The annual average of 'hot days' will increase at all production sites with the most significant expected at our facilities in US, China and Thailand.
- **Distribution network:** In the short term, risks facing our distribution network (primarily road, rail and sea freight) include more frequent and severe extreme cold weather, floods and wildfires. In the medium term, it is predicted that the frequency and severity of these events will continue to increase. In the long term, as the trend continues, risks may also arise due to more frequent and severe tropical storms, storm surges and rising sea levels.
- **Corn and stevia supply:** In the short term, potential risks facing major corn and stevia supply regions include changes in total annual precipitation, increased seasonal variability of rainfall, and more severe droughts. In the US Midwest corn-growing region, risks also include increased frequency and severity of tornadoes, increased spring precipitation, and decreased summer precipitation. Extreme precipitation and flood frequency and intensity is projected in European corn-growing regions. In the medium and long term, along with higher temperatures, these trends are set to continue with additional regions potentially impacted over time.

Potential impacts on our business

We recognise that if we do not continue to take proactive measures to mitigate the risks identified, our business could potentially be affected by, for example, operational disruptions, asset damage, increased raw material and utility costs, and transport delays. These measures include ensuring potential physical risks are appropriately monitored and adequate mitigation controls are in place, ensuring that carbon pricing costs are factored into engineering feasibility studies for capital projects, and continuing to review logistics and shipment risks associated with weather events.

- **Production facilities:** Key impacts could include disruption to production, asset damage, equipment failure and occupational health risks, potentially resulting in revenue loss, higher operating costs for energy and water, costs for repair and/or replacements, reduced work capacity, increased insurance premiums, and/or associated reputational damage.

Task Force on Climate-related Financial Disclosures continued

- **Distribution network:** In the short term, impacts facing our business due to risks within our strategic distribution and logistics network relate primarily to disruption or delays in product distribution. For example, we have seen increased disruptions from port closures as a result of hurricanes as well as winter precipitation and flooding issues across our road transportation network. These may reduce our profitability as additional costs for shipment re-routing and/or product replacement may not necessarily be passed on to the customer.
- **Corn and stevia supply:** Potential impacts relate primarily to increased uncertainty and decline of crop yields resulting in increased operating costs and exposure to price volatility. If such risks are not addressed in a proactive and timely manner, profit erosion and reputational damage may come to be more material as climate-related hazards affecting crop growing regions become more frequent and more severe in the medium and longer term with increasing significance and cumulative business impacts.

Transition risks and opportunities

Methodology

The assessment looked at the potential exposure of production facilities and business activities (e.g. procurement, logistics) to market impacts driven by economic, policy, technology and social changes stemming from the shift to a low-carbon economy and the need to adapt to climatic change. The assessment looked at exposure under an aggressive mitigation scenario (2°C) over the short (2020-25), medium (2026-35), and long term (beyond 2035). Transition risks and opportunities were screened for their relevance, for example carbon pricing, and the likelihood of occurrence assessed through a review of trends and policies. The broad nature and magnitude of business impacts, such as increased costs for regulatory compliance, for each risk or opportunity were assessed, and an overall risk or opportunity rating for each risk was determined based on likelihood of risk occurrence and the magnitude of associated business impact in line with our ERM process.

Key risks for Tate & Lyle

Production facilities: Short to medium term, financial impacts are most likely to arise through predicted changes in regulation, policy and technology. Specifically, compliance with new and emerging legislation for carbon tax and pricing mechanisms, and a global move towards lower emission modes of transport. This is expected, for example, to increase the cost of raw materials and energy at our production facilities. Drivers that are expected to be most relevant are the national climate commitments in the countries where our major production facilities are located, as well as decreasing 'caps' on carbon allowances set as part of national emissions trading schemes. There will be costs associated with adapting products and materials with lower carbon alternatives, such as additional research and development requirements, as well as additional processing indirectly leading to higher carbon emissions and costs associated with minimising emissions at a facility level.

Long term: Transition risks may occur through increased utility and supply costs (e.g. where lower carbon alternatives are not available), and continued market expectations for low-carbon production. At an individual facility level, this may impact on competitiveness relative to another facility. At a corporate level, risks include increasing attention from customers and stakeholders on the commitment of businesses to reduce carbon emissions, potentially impacting reputation, demand, and market stability. The move towards lower-emissions transport modes could increase transport costs. For example, changes to vehicle fleets (upgrading road fleets to electric vehicles) may lead to increased expenditure as hauliers subcontracted through logistics providers work towards net zero and move away from diesel-powered vehicles to lower carbon alternatives.

Transition opportunities

We recognise that the need for transition to a low-carbon world also presents potential opportunities for Tate & Lyle. For instance, an increased market demand for low-carbon plant-based products within the food industry over the short to medium term may present access to new markets and improve business resilience through resource diversification. At our production facilities, opportunities include using more efficient production processes and a continued change to more sustainable and renewable energy sources (see page 15 for an example of how we developed a more sustainable production process for CLARIA® starches). Changing transportation modes towards low and no-emissions transport could pose an opportunity for Tate & Lyle in the medium to long term due to improved efficiency and reduced costs.

Resilience

Tate & Lyle's business strategy provides a degree of resilience to some of the physical and transition risks identified. For example, we are diversifying our substrate base which is reducing our dependency on corn-based products, such as the acquisitions over the last two years of businesses that use tapioca, stevia, chickpea and sugarcane as substrates. In addition, with our ongoing efforts towards lower-carbon production, including

Physical risk assessment

Time horizon

Potential physical risks were considered over three time horizons:
- Short term: 2020-39
- Medium term: 2040-59
- Long term: 2060 and beyond

Tate & Lyle sites

13 production sites across Brazil, China, Thailand, Italy, Slovakia, the Netherlands and US

Supply regions

- 10 corn-growing regions across US, France and Slovakia
- Stevia, tapioca and sugarcane growing regions

Transportation

Transport, distribution and logistics (upstream and downstream)

Emissions concentration pathway

High emissions scenario
- +4°C, RCP 8.5 pathway[1]

Transition risk assessment

Time horizon

Potential transition risks were considered over three time horizons:
- Short term: 2020-25
- Medium term: 2026-35
- Long term: beyond 2035

Tate & Lyle sites

Countries in which production facilities are located – Brazil, China, Thailand, Italy, Slovakia, the Netherlands and US.

Procurement and commercial

Global policy trends with potential effect on Tate & Lyle's key geographies and markets

Transportation

Transport, distribution and logistics (upstream and downstream)

Emissions concentration pathway

Aggressive mitigation scenario
- 2°C, RCP 2.6 pathway[2]

1 RCP 8.5 is the 'high-emissions' business-as-usual scenario, with no policy changes to reduce emissions and with increasing high atmospheric GHG concentrations.
2 RCP 2.6 is an aggressive mitigation scenario where GHG emissions are halved by 2050.

Task Force on Climate-related Financial Disclosures continued

renewable electricity and cleaner energy, we will continue to proactively respond to emerging regulation with interventions that deliver both operational efficiency and reduce our exposure to variable fossil fuel prices and carbon taxes.

Scenario analysis

Climate-related risks and opportunities are increasingly integrated into the Group's financial planning over both the short and the long term. As part of this, during the year we analysed two scenarios, one based on a physical risk identified in the CCRA under the +4°C RCP 8.5 pathway, and another on a transition risk to assess how they could both potentially impact our business, strategy and financial performance. While any scenario analysis is limited by the variables and assumptions included in the model, this exercise enabled us to gain a greater understanding of these risks and potential outcomes.

- **Physical risk:** The CCRA identified a risk of more frequent and severe heatwaves and drought affecting the regions where we source corn. We saw that risk materialise in Europe during the summer of 2022 when a drought impacted the availability of the less widely grown waxy corn variant. Therefore, we decided to analyse the impact on the availability and price of waxy corn of a significant drought in Europe occurring over a consecutive three-year period, affecting yields by 20%. The analysis found that, for waxy corn, alternative supplies from other regions would be required to meet customer demand. As a result, alternative sourcing regions for waxy corn and their impact on our Scope 3 emissions are being actively considered by our raw material procurement team.
- **Transition risk:** We analysed the financial impact on carbon pricing if an equivalent to the existing EU Emissions Trading System (EU ETS) scheme was implemented in the US and China. The analysis found that the total cost for ETS schemes across Europe, China and the US would be around US$13 million of which US$7 million would be additional costs given we are already covered by the EU ETS.

Materiality assessment

We recognise that our activities, and the way we carry them out, have impacts that reach well beyond our financial performance. To gain a better understanding of these impacts, and to build a reasoned approach to identifying and prioritising the most important issues for Tate & Lyle, during the year we undertook an ESG (environmental, social and governance) materiality assessment of our business. This assessment, which was undertaken by AECOM on our behalf, involved interviews and discussions with a number of external stakeholders including customers, investors and non-governmental organisations as well as internal stakeholders such as members of our Board, executive team and key functions such as procurement and ethics and compliance. Through these discussions, the assessment helped us understand the issues that matter most to our stakeholders; how our ESG impacts are perceived along our value chain; and how they translate both today and in the future into associated risks and opportunities for Tate & Lyle.

The assessment looked at two main areas of opportunity. Firstly, those areas the business is expected to manage well as they have significant potential for risks if managed poorly. This included areas such as product quality and safety, anti-bribery and corruption and data management. Secondly, those areas where the business could take a leading position and where Tate & Lyle would benefit from having a strong ambition and performance. The most highly ranked areas for this were:

- Sustainable and regenerative agriculture
- Reduction in Scope 1, 2 and 3 GHG emissions
- Access to nutrition
- Water supply and consumption
- Progressing equity, diversity and inclusion
- Talent recruitment and retention.

The outputs will help us to prioritise those impacts where we need to focus and inform our strategic thinking, as well as enhance our ERM process and sustainability programme.

Water risk assessment

In 2020, with the support of AECOM, a water risk assessment was undertaken to identify potential water risks facing our major production facilities and to provide a baseline for our 2030 target to reduce water use intensity by 15% by 2030. As well as looking at potential or historic water scarcity and stress by site with the associated financial cost, and the existing management controls in place, the assessment looked at competition for available water resources. The water risk was categorised by site and the output included in the overall CCRA and its actions. Following the separation of the Group into two businesses last year, reviews are currently underway to consider potential actions to reduce water use at the four largest production facilities in the new Tate & Lyle.

Embedding sustainability into our key processes

In line with our purpose, the impact of climate change from both a risk and opportunity perspective is being embedded into key processes across the Group. For example:

- Climate-change related impacts are part of our five-year strategic planning process
- The assessment of environmental impact or benefits of capital investments are part of our capital approval process
- The carbon footprint of potential acquisitions and new products coming out of the innovation pipeline are considered as part of our M&A and new product development processes.

Capital investments

In October 2021 we completed a multi-year investment programme of more than US$150 million to eliminate coal from our operations as part of our climate action commitments, and to increase operational efficiency. These investments included replacing coal-generated power with natural gas-fired systems at three US facilities in Tennessee, Indiana and Illinois. Following the sale of a majority holding in Primient in April 2022, these three facilities became part of Primient. As we hold a minority holding in Primient, and it is a supplier of some of our ingredients, we are now seeing the benefit of this capital programme in our Scope 3 GHG emissions which have reduced by 13% since 2019.

As stated on page 55 (Pathway to net zero), we expect the investments needed to meet our target of a 30% reduction in Scope 1 and 2 GHG emissions by 2030 will be within our annual capital and other expenditure programmes.

Risk management

The Board recognises the significant impacts posed by climate change and the consideration of climate-related issues is part of our global ERM system. This year, the Board has implemented a new principal risk specifically relating to 'Climate Change and Sustainability'.

The ERM system has been updated to reflect findings from the CCRA undertaken in 2021. These included the integration of more explicit definitions for climate-related sub-risks and an enhanced process to consider longer-term climate-related risks and opportunities in the risk assessment workshops held across the Group. Work is underway to assess the findings of the updated CCRA from 2023, particularly in relation to recently acquired businesses, and integrate them into the ERM process.

Climate-related risks are measured using the same risk measurement approach as other risks within the ERM process. This ensures that the significance of climate-related risks are compared with other risks within the overall ERM system.

These changes form part of ongoing efforts to stimulate discussion and find new and more innovative solutions to climate-related matters in the wider organisation, supported by education and training. More information about our ERM system and processes can be found on pages 67 to 70.

Task Force on Climate-related Financial Disclosures continued

Metrics and targets

We have been measuring, managing and reporting our GHG emissions for many years. Continuous improvement in our environmental performance is ingrained in our day-to-day operations with every production facility, regardless of size, having annual targets for carbon and water reduction, and waste management, which contribute to our global targets.

Progress against our targets and commitments for 2030

In May 2020, we announced a set of targets to assess our environmental performance and progress. In 2022, we added a target for renewable electricity and committed to reach net zero by 2050. Our targets for 2030 are to deliver:

- 30% absolute reduction in Scope 1 and 2 GHG emissions
- 15% absolute reduction in Scope 3 GHG emissions
- 100% of waste to be beneficially used
- 15% reduction in water use intensity
- 100% of purchased electricity from renewable sources.

Details of our performance against each of these targets can be found in the Environment section on pages 54 to 61. In addition to adopting these targets, we also committed to:

- Eliminate the use of coal in all our operations by 2025
- Establish our GHG emissions targets as science-based
- Maintain sustainable acreage equivalent to the volume of corn we use each year.

We have met, or continue to meet, all three of these commitments:

- In October 2021, we de-commissioned the final coal boiler in the US thereby meeting our commitment to eliminate the use of coal in all our operations four years ahead of schedule
- Our Scope 1, 2 and 3 GHG emissions reduction targets were validated by the Science Based Targets initiative (SBTi) in September 2020, with our Scope 1 and 2 GHG emissions reduction target at the 'Well below 2°C' level
- Through the sustainable corn programme in partnership with Truterra, explained in more detail on page 58, we maintained sustainable acreage equivalent to the volume of corn we used in 2022, being 439,000 acres.

The scope, principles and methodologies used to report our GHG emissions can be found in 'EHS Reporting Criteria' at www.tateandlyle.com/purpose.

Climate change as part of remuneration

Given the importance we place on climate-related matters, progress on sustainability is an element of the performance criteria for our long-term share incentive plan. This includes targets for an absolute reduction in Scope 1 and 2 GHG emissions, reduction in water use intensity and the beneficial use of waste. More information can be found in the Directors' Remuneration Report.

Pathway to net zero by 2050

In 2020, we analysed in detail what a net zero pathway by 2050 would look like for our Scope 1, 2 and 3 GHG emissions. As part of this work, we undertook Scope 1 and 2 decarbonisation assessments at our four largest plants as well as a detailed analysis of our Scope 3 emissions. On the basis of this work, in June 2022 we committed to becoming net zero by 2050. More details can be found on page 55.

Next steps

In the 2024 financial year, we will:

- Continue to measure progress against our targets and commitments for 2030
- Consider additional climate-related metrics and targets to assess and disclose our progress
- Continue to embed our new sustainability governance structure into the business
- Further analyse the findings of our ESG materiality assessment and embed its findings into our strategic and sustainability planning processes
- Embed the findings from the updated CCRA into our ERM system, as well as the findings from the assessment of businesses acquired since the CCRA was conducted
- Launch a new programme to identify opportunities for how we can reduce water consumption at each facility.

Table of concordance

The table below cross-refers to where the relevant disclosures in this Annual Report have been made against the 11 principles of the TCFD.

	TCFD Principles	Page(s)
1.	**Governance**	
1.1	Describe the Board's oversight of climate-related risks and opportunities	62, 63
1.2	Describe management's role in assessing and managing climate-related risks and opportunities	62, 63
2.	**Strategy**	
2.1	Describe the climate-related risk and opportunities the organisation has identified over the short, medium and long term	63-65
2.2	Describe the impact of climate-related risk and opportunities on the organisation's businesses, strategy and financial planning	63-66
2.3	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	63-65, 70
3.	**Risk management**	
3.1	Describe the organisation's processes for identifying and assessing climate-related risks	63-66, 70, 72
3.2	Describe the organisation's processes for managing climate-related risks	63-66, 70, 72
3.3	Describe how the processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	65-66
4.	**Metrics and targets**	
4.1	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and management process	54-61, 66
4.2	Disclose Scope 1, Scope 2 and if appropriate Scope 3 GHG emissions and related risks	54-59, 72
4.3	Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets	54-61, 66

Risk report: Fostering greater awareness of risk

Our risk management processes played an important role in helping us navigate a year of disruption and change

Managing through an unpredictable year

It's been another year of considerable uncertainty. We've had to respond to numerous challenges flowing from the war in Ukraine, including significant supply chain disruption and inflation, and Covid-19 also continued to have an impact, notably in China. All these challenges severely tested our risk management processes. However, the foundations we've built over the last few years, including our risk policies, processes and training, enabled us to react quickly and work across the organisation to mitigate risks as far as possible. Managing these risks has strengthened understanding across the business of the value that risk management brings, and it was pleasing to see teams at all levels proactively asking for risk training and assessment during the year.

We continued to stay vigilant on ongoing risks like cyber security, safety and financial controls, and to increase the focus on climate change as a key component of our overall risk profile. This includes both physical risks such as extreme weather like drought or flooding, and transition risks such as new laws and regulations reflecting the move towards a low-carbon economy.

An area of significant focus this year has been managing the risks associated with the separation of Tate & Lyle and Primient in April 2022, and the application of new ways of working under the 20-year supply agreements agreed between us. We worked hard to identify key risks before the separation took place, and this has helped to ensure the agreements are operating effectively.

A growing proportion of our operations are now in large markets like China. This represents an exciting growth opportunity but also presents challenges as we integrate acquisitions such as the Quantum Hi-Tech business we acquired in June 2022. With this in mind, we further strengthened our legal and compliance teams in China during the year.

Evolving systems and processes

Engaging the business in identifying and managing risk means having systems and processes that not only provide reliable information but provide it quickly. That's why we've created a uniform approach for all teams to use which makes it easier for them to gather the right information and take the right action. It also helps us to appraise the impact and effectiveness of the mitigating actions. And, we've evolved our approach to managing project risk in areas like capital investments, M&A and innovation, clearly defining when we need to carry out a full risk assessment based on specific criteria including financial value.

All our work is supported by an enterprise risk management system that allows us to log, track and report on risks in a consistent way. The system also helps our Executive Committee members stay closely connected with the risks they're each responsible for, and relate them to the overall picture of our risk profile.

Managing compliance risk in our supply chain

We've continued to develop our due diligence programme for third parties. Our approach prioritises the highest-risk areas, based on the nature of the supply chains or their importance to us. This includes some raw material suppliers, packaging and warehouse partners and agents and distributors. This year we completed 100 audits of high-risk suppliers, hitting our target. We also completed due diligence on around 200 suppliers.

We plan to broaden the scope of our supplier audits in the coming year to include lower-risk suppliers. We also plan to increase scrutiny of sourcing and procurement practices in the supply chain, as well as mapping our suppliers to help us understand the suppliers of our direct partners.

Our statement on anti-slavery and human trafficking can be found on our website at www.tateandlyle.com/anti-slavery-statement

Looking ahead

Our priority is for everyone in Tate & Lyle to have the skills and capabilities to think about and plan for risk in a way that's relevant to their area and their role, and to be able to respond to it quickly and effectively. We'll continue to build local accountability for this, so that all functions and teams know their roles and responsibilities and what they can do to manage risk in line with our overall risk appetite.

An example of this is our approach to business continuity. We have a global framework of principles, behaviours and plans in place to promote resilience in the face of disruptive events. To make sure we continuously improve our plans and keep them up to date, we're making business continuity management part of our Journey to Environmental, Health, Safety, Quality and Security Excellence (J2E) programme. This will mean business continuity plans are part of regular plant audits, giving local teams fresh impetus to revisit and refresh them.

This is just one part of moving towards our goal of making sure everyone is aware of risk and is involved in controlling it. This engagement is vital, alongside clear processes and policies, as we navigate a world of continuing uncertainty.

Risk report continued

How we manage risk

We have a single, Group-wide programme to identify, analyse and assess risks, and then to determine how we manage, control and monitor them.

Three lines of defence

We manage significant risks at three distinct levels.

1 Risk ownership and control
Our business and operational managers identify risks and create policies and procedures to maintain effective controls day-to-day. They also update our front-line controls regularly in response to our changing risk profile.

2 Monitoring and compliance
Our Group functional teams help management to monitor key risk areas and make sure the first line of defence is working as intended. These teams include risk management, finance, quality, ethics and compliance, and environment, health and safety. They identify current and emerging risks, and ensure we address any changes in the risk landscape in good time. They also consider what the effects might be if a combination of certain risks materialises together.

3 Independent assurance
Our Group Audit and Assurance team (internal audit) and external assurance providers give independent assurance over our risk management, control, and governance processes and systems.

Oversight
We oversee risk management at Group and operational levels to ensure it is governed well.

Board
Our Board has overall responsibility for how we manage and control risk, and for setting the Group's risk appetite. Every year, the Board thoroughly assesses our principal risks to determine the nature and extent of risk necessary to achieve our strategic objectives. They also evaluate emerging risks.

Executive Committee
Executive Committee members oversee and direct risk management in line with their respective responsibilities. They review our principal risks and risk appetite, ensuring these remain relevant. They also evaluate the potential impact of emerging risks.

Risk Committee
Our Risk Committee, which reviews the annual risk assessment plan (approved by the Audit Committee on behalf of the Board), considers and challenges how the business assesses risk, looking at both single risks and combinations of risk. Each quarter, it reviews principal and emerging risks and progress against actions, and conducts a deep dive into agreed risk areas.

Our approach to risk

Identifying risks

Each year on a regular basis, we carry out bottom-up and top-down reviews of our principal risks, namely those that could threaten our business model, strategy, performance, solvency or liquidity, looking at a three-year horizon.

The bottom-up process involves a rolling programme of workshops held around the business, facilitated by our risk team. These workshops help us to identify current and potential risks, which we then collate and report through functional and divisional levels to our Risk Committee and Executive Committee. We also consider any areas and behaviours which could bring about new risks, and different combinations of risk with other potentially larger impacts. Through these processes, we identify our main business, strategic, financial, operational, environmental and compliance risks and create action plans and controls to mitigate them to the extent appropriate to our risk appetite.

Principal risks

The top-down review involves the Risk Committee and the Board assessing the output of this work, confirming that our principal risks have been captured and addressed, and that emerging risks have been considered. Our risk profile does of course evolve, and the Board updates its view of principal risks accordingly. Two changes have been made to our principal risks over the last year.

The principal risk 'Failure to adequately anticipate and minimise adverse impacts from global disruptive forces such as disease, climate change, natural disaster, trade disruption or civil unrest' has been removed. The risks identified within this principal risk are now addressed in two separate principal risks.

- Firstly, reflecting the increasing importance of climate change risk and its impact, we have introduced a new principal risk specifically addressing 'Climate Change and Sustainability'. This risk covers physical and transition climate change risks, as well as risks associated with failure to meet our sustainability goals.
- Secondly, we have expanded the principal risk relating to 'Failure to operate our plants continuously, manage our supply chain and meet high standards of customer service' to encompass the risk around 'Business disruption' including disruption from events such as pandemics and geopolitical turbulence as well as from operational or supply chain challenges.

Risk report continued

All other principal risks remain unchanged from last year's Annual Report. On the trends of the principal risks compared to the previous year, we have determined that the risk of cyber and IT resilience has increased due to advances in technologies such as AI, and also that the risk of impacts from climate change has increased. In addition, we have determined that regulatory and trade policy risk has increased due to a greater focus on food regulation in areas such as labelling and nutritional guidance issued by organisations such as the World Health Organization, and heightened geopolitical tensions globally. We will continue to review our principal risks in light of the evolution of our business and external factors.

Following the separation of Primient in April 2022, Tate & Lyle is focused on delivering growth both organically and by acquisition. Our geographic composition has shifted with a more balanced exposure to markets in North America, Europe and increasingly Asia. The wider risk environment also continues to evolve following the pandemic and increasing geopolitical instability.

Our Risk Committee reviews our principal risks regularly – at least every quarter – and reports to the Executive Committee and Board any changes in the level or velocity of the risks, and the associated mitigating actions.

Our Board reviews the principal risks at least every six months.

Determining our risk appetite

As part of our annual risk assessment process, our Board and Executive Committee consider the nature and extent of our risk appetite. The outcome of this exercise informs our strategic planning activities, and helps us set the level of mitigation needed to achieve our strategic objectives – accepting, of course, that some level of risk is necessary.

Managing risks

Individual members of the Executive Committee have responsibility for managing the risks and mitigating controls relating to their area of accountability. Senior management formally confirms to the Audit Committee once a year that risks are being managed appropriately in their areas of responsibility, and that controls are in place and effective.

A particular focus for the Board and executive management this year was the operation of the new long-term supply agreements between Tate & Lyle and Primient following their separation into two standalone businesses in April 2022. These agreements operated effectively during the year and remain a key area of focus going forward.

Emerging risks

Our Risk Committee reviews emerging risks to the business regularly – at least every quarter – and reports any changes to the Board. We have an Enterprise Risk Management team which undertakes horizon-scanning to monitor any potential disruptions that could dramatically change our industry and/or our business, from both a risk and opportunity perspective. These risks are reviewed by Risk Committee and communicated to executive management to help them understand the changing landscape and take appropriate actions.

Managing major disruptions

Major events over the last three years, such as the Covid-19 pandemic and the impact of the conflict in Ukraine, have presented significant challenges for our business, operations, employees, customers and suppliers.

While Covid-19 restrictions were no longer in place in most countries we operated in during the year, in China restrictions remained in place until the end of 2022. Our local teams in China continued to manage our response to keep our employees safe, ensure business continuity and mitigate the risks identified. All our production facilities worldwide remained operational throughout the pandemic which is a testament to the commitment and skill of our people, as well as the effectiveness of the actions taken. The pandemic risk is captured in the principal risk relating to 'Business disruption'.

When the conflict in Ukraine started in early 2022, we established an executive team, chaired by our Chief Executive, with colleagues from areas such as procurement, manufacturing, logistics, finance and commercial to manage our response to the impact of the conflict on our supply chain, operations and customer service. This team, which met weekly throughout most of the year, identified key risks in areas such as raw material and energy supplies, increased input costs particularly for energy, and agreed mitigating actions.

Viability Statement

In accordance with the requirements of the UK Corporate Governance Code, the Directors have assessed the viability of the Group, taking into account our current position and the potential impact of the principal risks we face.

Although our strategic plan, which the Board reviews annually, forecasts beyond three years, we create a detailed three-year financial plan. This plan includes anticipated capital and funding requirements. For this reason, the Directors agree that it is appropriate to assess our viability over a three-year period to 31 March 2026.

To assess our viability, we stress-tested our strategic plan under two downside scenarios which might impact our potential viability if one or more of the downside risks set out below were to occur. We assessed the potential impact of these scenarios, individually and in aggregate, both before and after mitigating actions within our control.

The two downside scenarios modelled were:

- A major operational failure causing an extended shutdown of our largest manufacturing facility; and
- The loss of two of our largest Food & Beverage Solutions customers

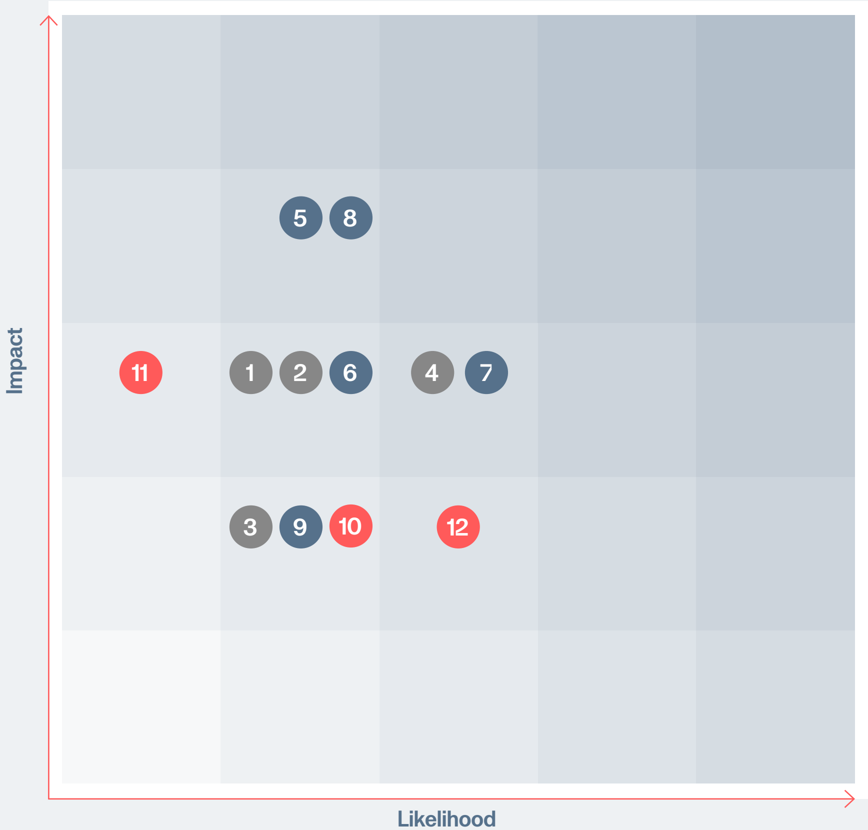
We measured the impact of these risks by quantifying their individual and aggregate financial impact on our strategic plan, and on our viability when set against measures such as liquidity, credit rating and financial covenant requirements. We also considered operational and commercial impacts. This exercise showed that, over this three-year period, the Group would be able to withstand the impact of the most severe combination of these risks.

At 31 March 2023, the Group had significant available liquidity, including £475 million of cash and US$800 million (£647 million) of committed and undrawn revolving credit facility, of which US$100 million matures in 2025 and US$700 million matures in 2026. The earliest maturity date for any of the Group's loans is October 2023, when US$120 million will mature. In April 2023, US$95 million of this was repaid ahead of maturity from existing cash. Following that, the next debt maturity is October 2025, when US$180 million will mature and which the Group expects to refinance. Given the significant liquidity position, this viability statement is not contingent on such refinancing.

Based on this assessment, the Directors have a reasonable expectation that we will be able to continue operating and meet our liabilities as they fall due between now and 31 March 2026.

Risk report continued

Principal risks



	Strategic risks
1	Strategy delivery
2	Innovation
3	People and talent
4	Climate change and sustainability
	Operational risks
5	Operating safely
6	Product quality
7	Supply chain
8	Business disruption
9	Cyber and IT resilience
	Legal, regulatory and governance risks
10	Legal and compliance
11	Financial controls
12	Regulatory and trade policies

This heat map illustrates the relative positioning of our principal risks after taking into account any mitigating controls in place.

Key to the risks

- **Strategic**
- **Operational**
- **Legal, regulatory and governance**

Climate-related risks

The Board recognises the significant risks posed by climate change and consideration of these risks is part of our enterprise risk framework which is reviewed regularly. The increasing importance of climate change risk is reflected in our new principal risk on 'Climate Change and Sustainability'. This is in addition to climate change being a core element of a number of our other principal risks. Our Chief Executive is ultimately responsible for the Group's preparedness and response to climate-related risks and opportunities.

As explained under the Task Force on Climate-related Financial Disclosures (TCFD) on pages 62 to 66, in 2021 we undertook a Climate Change Risk Assessment to better understand potential impacts of current and future climate-related risks and opportunities in our operations and supply chain. Following the separation of the Primient business in April 2022, this assessment was updated to reflect Tate & Lyle's new operational footprint and supply chain, including the new businesses we acquired over the last two years. The findings of this assessment have been embedded into our enterprise risk management programme. For example, consideration of short-term and long-term climate-related risks for specific sites or supply chains have now been integrated into the risk assessment workshops held across the business each year.

Risk report continued

Risks	How we mitigate the risk	What we've done this year	Trend
Strategic risks			
1. Strategy delivery			
Failing to grow Food & Beverage Solutions would prevent us from delivering against our Group targets. This could reduce our profitability over both the short and long term and damage investors' view of us.	• Revenue and EBITDA, and M&A activity, are key components of successfully growing our business and we have a five-year strategic plan in place to support this. • Our organic and acquisitive growth plan supports our strategy. We have global and regional five-year plans focused on key categories. • Our Board regularly reviews and challenges the strategic direction of the business to ensure we remain competitive and are successful in our chosen markets. • Our Executive Committee regularly reviews our strategic progress, financial performance, opportunities in our markets and competitor activities. • Our M&A team works closely with Innovation and Commercial Development and with Food & Beverage Solutions to find acquisitions and partnerships that will help us grow. • We have incentive schemes and bonus programmes for customer-facing teams tied to strategic, commercial and operational targets.	• We strengthened our customer offering and presence in Asia with the acquisition of Quantum Hi-Tech in China, a leader in FOS and GOS dietary fibres. • We acquired Nutriati, a small ingredient technology business making chickpea protein and flour to expand our customer offering in plant-based proteins. • We expanded our sweetener platform with a distribution agreement to supply erythritol. • We invested in further building our solution selling capabilities in areas such as sensory, nutrition, regulatory and in consumer and category insight. • We executed targeted programmes to develop new ways of working with customers to build stronger solutions-based partnerships. • We expanded our global network of Customer Innovation and Collaboration Centres, opening a new Centre in Santiago, Chile and extending our Centre in Singapore. • We delivered new training and tools for our customers, such as recipe selection and cost analysis for sugar reduction, to increase customer collaboration and knowledge sharing.	
2. Innovation			
Developing and commercialising New Products are essential to our ability to lead the industry in our chosen categories, and therefore to the long-term growth of our business. Without them, we might be unable to meet our customers' future requirements which could damage our performance and reputation, and result in customers switching to competitors.	• We have a robust innovation process that, through both in-house development and external open innovation, delivers a strong pipeline of new ingredients and solutions for our customers. • Our Innovation and Commercial Development (ICD) team monitors consumer and category trends, and works closely with commercial partners to ensure New Products and solutions meet our customers' needs. • Our ICD team develops and connects with external organisations, including biotech, pharma, and food tech ecosystems, to identify and leverage scalable innovation and new product opportunities. • We prioritise partnership opportunities with customers to accelerate development cycles and bring New Products to market faster.	• Investment in innovation and solution selling capabilities such as sensory, nutrition, regulatory and consumer and category insights, increased by 11%. • New Product revenue grew by 17% with strong growth in mouthfeel and fortification platforms. • New Product revenue as a percentage of Food & Beverage Solutions revenue increased to 17%. • We executed targeted programmes to develop new ways of working with customers to build stronger solutions-based partnerships, leading to solutions revenue from new business wins increasing to 18%. • We strengthened our solutions offering for customers with acquisitions of Quantum (dietary fibre) and Nutriati (chickpea protein). • To improve the ability of customer-facing teams to drive customer intimacy and business development relationships, we invested in, and increased, insights-specific resources within our regions. • We expanded our Customer Innovation and Collaboration Centre in Singapore to include an automated mouthfeel and texturants laboratory, and opened a new Centre in Santiago, Chile.	

Our principal risks

Trend compared with 2022 financial year

	Increasing
	Unchanged
	Decreasing

Risk report continued

Risks	How we mitigate the risk	What we've done this year	Trend
Strategic risks continued			
3. People and talent			
To be a successful and purpose-led global business, and to deliver our strategy, having the right capabilities and people is critical. We have active strategies in place to recruit, develop and retain our people and to build a diverse and inclusive workforce.	• Our talent development plans give employees opportunities and training to build their capabilities and resilience. • We have initiatives in place at Group, local and functional levels to progress equity, diversity and inclusion across the organisation. We also have employees dedicated to developing and measuring our progress on equity, diversity and inclusion. • We have set a number of targets up to 2030 to track our progress on delivering equity, diversity and inclusion. • We have a mix of short- and long-term incentives. This includes a bonus scheme available to a broad population of employees. • We have a single global performance management system and talent planning process. • We measure progress against cultural objectives and carry out global employee surveys that help tell us what employees really think about working at Tate & Lyle. • Our Board and Executive Committee plan succession for business-critical roles. • We encourage open and transparent feedback from our people so we are able to react to any challenges that emerge.	• Each year we carry out a global employee engagement survey managed by an external organisation. This year, the response rate was high at 82% and showed an encouragingly strong level of employee engagement. • We provided specific support as needed to employees most impacted by high inflation and the cost-of-living crisis such as one-off payments to some employees and higher salary increases for those on lower pay. • We have a Group-wide programme to support the physical and mental wellbeing of our employees. • We have six Employee Resource Groups which play an important part in enabling employees to experience solidarity, support, education, growth and development. • We introduced policies to promote equity and better work life balance, such as a global policy on equal parental leave, and enhancements to our healthcare offering and vacation policy in North America. • We established four behaviours to underpin our growing culture of innovation and experimentation: courage, challenge, curiosity and create flow. • We accelerated adoption of e-learning for all employees by providing access to learning tools such as LinkedIn Learning and Workday®.	
4. Climate change and sustainability			
Physical and transition climate change risks, such as extreme weather events, temperature rises, water stress and increased regulation, may result in increased volatility in the supply of raw materials, distribution in our supply chain, production costs, capacity constraints and higher costs of compliance. In addition, the failure to meet our long-term sustainability goals could result in financial loss and reputational damage amongst customers, consumers, investors and other stakeholders. The longevity and success of the business fundamentally depends on the health of the natural environment.	• Caring for our planet is one of the three pillars of our purpose, and consideration of the impact of climate change is embedded in our key processes including capital investment, new product development and acquisitions. • We have established a governance process to oversee and monitor our sustainability programme including a Sustainability Committee, chaired by the Chief Executive, which meets at least twice a year, and a Sustainability Working Group which meets at least quarterly. • We have established targets to 2030 for reduction in absolute greenhouse gas emissions, use of waste, water reduction and sustainable agriculture (see pages 54 to 61). • Communication programmes are in place to share the impact of, and support actions to reduce our impact on, climate change. • Our risk management and sustainability teams work within the business to identify and mitigate where possible resource-scarcity issues especially within agricultural ingredient sourcing, and manufacturing, water and energy. • We encourage our people's commitment to environmental improvements and efficiency through our J2E programme (see page 51).	• We made good progress against our 2030 sustainability targets (see pages 54 to 61). • We carried out a comprehensive analysis of what a pathway to net zero emissions would look like for Tate & Lyle, including detailed Scope 1 and 2 decarbonisation reviews at our four largest facilities and an in-depth review of our Scope 3 emissions. As a result of this work, we made a commitment for Tate & Lyle to be net zero by 2050. • We expanded our sustainable agriculture programme for stevia in China working in partnership with the NGO, Earthwatch Europe, and Nanjing Agricultural University. • Through our sustainable agriculture programme in the US with Primient and Truterra LLC, we maintained sustainable acreage equivalent to the volume of corn we use globally each year. • We undertook an ESG (environmental, social and governance) materiality assessment to identify and prioritise key issues and areas affecting our business now and in the future. • We started to explore carbon pricing as an internal mechanism to drive deeper understanding of the impact of our energy choices and capital investments.	

Risk report continued

Risks	How we mitigate the risk	What we've done this year	Trend

Operational risks

5. Operating safely

Risks	How we mitigate the risk	What we've done this year
Safety is not just a priority at Tate & Lyle, it's foundational. Failure to comply with laws and regulations relating to health, safety and the environment could result in us being unable to protect our employees, stakeholders and the wider communities in which we operate. It could also lead to fines and have a negative impact on our reputation.	• We have a continuous improvement plan for Environment, Health, Safety, Quality and Security (EHSQS) in place at all our sites, known as the J2E programme. It is visibly sponsored by the Chief Executive and Executive Committee. • Our EHS Advisory Board, which includes our Chief Executive, receives EHSQS updates and reviews performance quarterly. Our Executive Committee and Board regularly review safety performance and progress against J2E. • The Incident Review Board conducts reviews of major, severe or potentially severe events. • Benchmark, a cloud-based tool, is used to manage EHS data and facilitate EHS reporting.	• We supported our teams in China through an intense period of Covid-19 infections after the government lifted its Covid-19 restrictions at the end of 2022. • Improved safety performance by contractors who did not have any recordable injuries. • By the end of the year, in J2E, 26 sites had passed tollgate 2, 22 sites tollgate 3, 21 sites tollgate 4, six sites tollgate 5, and three sites tollgate 6. Our site in McIntosh, Alabama, US became the first to pass the final stage, tollgate 7. • We completed investments to reduce site risks based on findings from Process Risk and Dust Hazard Assessments. • We integrated the EHS and Quality Management systems. • Following lifting of Covid-19 restrictions, the global EHSQS team resumed on-site assessments and providing hands-on support to all facilities. • Employee wellbeing continued to be included in the J2E programme.

6. Product quality

Risks	How we mitigate the risk	What we've done this year
Poor quality products could cause safety issues and also damage our reputation and relationships with customers. This could have a negative effect on our performance and corporate reputation.	• We have strict quality control and product testing procedures in place. • We regularly test our recall process. • We have a third-party audit programme, supplemented by internal compliance audits. • We assess our raw material suppliers, tollers and third-party warehouses for food safety and quality risks. • We have a programme to manage allergens in our supply chain and ensure our ingredients are either free from allergens or that any allergens are disclosed. • Our Quality Incident Review Board investigates incidents and shares best practice across our sites. • A governance process is in place for Tate & Lyle and Primient to review on a regular basis compliance with the long-term supply and other agreements which determine the safety and quality standard that products sold to each business must meet.	• We started to build a new quality lab within our facility in Hoffman Estates, Illinois, US to enable in-house micro-testing and support. • Our environmental monitoring programme was fully implemented at all sites. • We supported the importation, testing, and management of non-GMO waxy corn from the US into Europe for use in our plants. • Our product recall processes were externally assessed and validated, and a simulation exercise conducted. • We integrated the acquired Quantum Hi-Tech business into our quality policies and processes. • We implemented a new Incident Management programme for quality and delivered the necessary training.

7. Supply chain

Risks	How we mitigate the risk	What we've done this year
Fluctuations in crop prices could affect our margins. Climate and weather-related events, disease, lower yields, competition for acreage and freight restrictions can impact crop availability and therefore price. We may not be able to pass the full increase in raw material prices, or higher energy, freight or other operating costs, on to our customers. Our margins may also be affected by customers not taking expected volumes.	• We have strategic relationships and multi-year agreements with suppliers and trading companies. • Our raw material and energy purchasing policies increase the security of our supply. • A governance process is in place for Tate & Lyle and Primient to review on a regular basis the delivery of the long-term supply agreements we have in place, and related corn procurement services. • We benefit from the scale and expertise of Primient's corn procurement services, providing us with supply security and allowing us to lock in corn prices when we secure customer contracts, thereby reducing cost volatility. • We maintain a strong partnership with our joint venture partner in Primient, KPS Capital Partners.	• Following the outbreak of the conflict in Ukraine, we formed an executive steering committee that met weekly for most of the year to analyse the impact on our supply chain and our customers, and to develop appropriate mitigating actions. • We enhanced our supplier risk programme to add further resilience to our supply base. • We have reviewed our corn supply contracts to allow for improved volume and price management. • Our transportation procurement and logistics teams work together to manage and optimise supplier and customer service levels. • We created additional flexibility in our standard contracts.

Risk report continued

Risks	How we mitigate the risk	What we've done this year	Trend
Operational risks continued			
8. Business disruption			
Business disruptions can occur for a range of reasons, including pandemics, natural disasters, and geopolitical turbulence. There are also many risks in operating our plants which could cause breaks in production leading to disruption to our business and a deterioration in customer services. In all cases, this could impact our financial performance and damage our ability to grow our business.	• We have a global business continuity management framework to enable effective recovery from a major disruption. • Our Risk Committee oversees existing and emerging risks to ensure mitigating actions are in place wherever possible to meet customers' needs. • Having plants in different regions and countries means we can serve customers where practical from elsewhere if a particular area or plant is disrupted, and diversifies our business into different markets and geographies. • Our plant network has a preventative maintenance programme. • Our customer service team is part of Global Operations so works closely with our plants, enabling us to be agile and responsive. • We have contingency plans to manage disruption from extreme winter weather to the extent possible. • Governance process is in place for Tate & Lyle and Primient to review on a regular basis the delivery of the long-term supply and other related agreements.	• We analysed learnings from our Global Pandemic Response Team to ensure we can respond quickly and effectively to future major events such as pandemics. • We operated strict hygiene protocols at all our sites to ensure our people are protected, and our plants kept running. • We continued to implement and refresh our business continuity management framework across the organisation. • In the face of significant supply chain disruption, we worked closely with our external suppliers and customers to manage volatility and minimise business disruption. • We enhanced our sales and operational planning (S&OP) programme by leveraging technology to improve our ability to forecast effectively and strengthen how we supply customers. • We improved the way we manage our inventories in order to better position our ingredients across our markets and support our customers' growth. • Our productivity programme delivered US$21 million of savings.	◀▶
9. Cyber and IT resilience			
We need to maintain the continuing operation and security of our information systems and data. A cyber security breach, whether stemming from human error, deliberate action or a technology failure, could lead to unauthorised access to or misuse of our information systems, technology or data. This, in turn, could result in harm to our assets, data loss and business disruption – and could bring legal risks and reputational damage.	• Our cyber security programme focuses on maintaining and strengthening our defences in terms of our processes, people and technology. • We run compulsory cyber security awareness training which includes simulated phishing campaigns. • We have robust cyber security defences including a continuous programme to detect threats and vulnerabilities, and we undertake independent penetration tests. • Our plants run on separate IT systems which increases their resilience. • We have a 24/7, third-party security operations centre to deal promptly with any issues. • We have investment plans in place to update ageing equipment and address new threats as they emerge. • Acquisitions are aligned to our operational and cyber model as part of their integration journey.	• We completed the separation of our IT systems with Primient. • We improved our email protection by leveraging new monitoring technology, and observing communication threats between us, our suppliers and customers. • We introduced new reporting and dashboarding capabilities across our cyber and operations landscape. • We further developed our monitoring capabilities and automation. • We completed integrations of new businesses acquired in Asia to align them with our operational and cyber model. • We established a separate IT security environment for countries of high risk to improve our resilience. • We further updated and strengthened our Cyber Security Incident Response Plan.	▲
Legal, regulatory and governance risks			
10. Legal and compliance			
If we don't meet our legal and/or regulatory obligations, our relationships with customers and suppliers are likely to suffer, and we could be subject to contractual claims, threats to our licences and, in extreme cases, risks to our directors and officers. It could also affect our performance and corporate reputation.	• Our legal and regulatory teams work closely with colleagues globally to identify legal and regulatory risk, and provide advice and solutions to mitigate it. • We monitor legal and regulatory developments to make sure we know what could affect Tate & Lyle. • We review our key policies and training material regularly. • We run a comprehensive legal and ethics and compliance training programme. • We have a third-party whistleblowing service that gives our employees a way to raise concerns anonymously if they're not comfortable raising them internally. • We have lawyers in each region to work with colleagues to identify and mitigate legal and regulatory risk from the bottom up.	• We continued to embed our contract documentation processes including the tracking of customer terms and conditions, and provided in-depth training to our sales teams. • We worked with our procurement team to strengthen their legal and compliance processes. • We continued to provide legal and ethics and compliance training across the organisation as part of our annual training plan, including training on Code of Ethics, anti-trust/competition, modern slavery, criminal finances and trade secrets. • We reinforced our sanctions procedures and continued to provide training. • We recruited local lawyers in Singapore and China to increase the focus on compliance in the Asia region.	◀▶

Risk report continued

Legal, regulatory and governance risks continued

Risks	How we mitigate the risk	What we've done this year	Trend
11. Financial controls			
Without effective internal financial controls, we could be exposed to the risk of fraud and error in our financial reporting as well as losses from events which may then affect our performance and ability to operate.	• We have a well-established framework of financial policies and standards supported by procedures and controls over key processes – where possible, these controls are automated and we maximise the use of preventative controls. • The design and operating effectiveness of controls are monitored on an ongoing basis and the results are reported regularly to the Audit Committee and Executive Committee. • We have several forums to monitor and manage our financial controls effectiveness, such as our quarterly regional Control Environment Councils chaired by the relevant General Manager. • The Chief Executive and Chief Financial Officer review the business and financial performance at least monthly. • At both the half year and the end of the financial year, confirmation is provided to the Executive Committee, the Audit Committee and the Board that minimum control standards are operating effectively. • Our well-resourced Group Audit and Assurance team provides independent assurance to management and the Board.	• We continued to invest in our financial controls function and our centres of excellence within our Global Shared Services Centre in Poland. • We continued to leverage our Finance Global Process Ownership Forum, to maintain consistency and effectiveness of financial controls at all Group locations. • We continued to provide refresher training for our senior finance team on more complicated areas of finance and accounting which require more judgement, and the importance of effective financial controls. • We created new roles to manage areas of increasing relevance such as sustainability reporting and accounting. • Following completion of the separation of Primient in April 2022, we established additional financial controls to manage the financial impact of the long-term agreements between Tate & Lyle and Primient. We monitor the operating effectiveness of these controls within our established risk and controls framework.	
12. Regulatory and trade policies			
The regulatory status or perception of our ingredients could be affected by things like changes in customers' or consumers' attitudes, changes in food laws and regulations and/or campaigns targeted at specific ingredients or technologies. These could affect our ability or freedom to operate. Government actions or policies could also impose import/export limitations and other barriers on our business. These could lead to additional costs, restrict our growth and limit our ability to operate in certain markets.	• The science behind our ingredients, for example, health claims or nutritional impact, is supported by credible sources and is communicated clearly to and understood by the relevant regulatory authorities. • Our global regulatory team, supported by external consultants, monitors any local regulatory requirements that affect our products. • Our global nutrition team initiates and monitors research and publications on the use and functionality of our ingredients, and maintains a global advisory network of health and nutrition clinicians, academics and experts. • We work closely with thought-leading customers around the world to jointly focus on the science and consumer benefits of our ingredients. • We are members of trade organisations which give us access to broader sources of information and provide, where necessary, a single voice for our industry on issues, both regulatory and public interest, affecting our ingredients. • We engage with political parties, influencers and regulatory authorities in the main countries in which we operate.	• We worked with national and state trade associations as well as local authorities in the US, China and other key countries where we operate to progress our commercial and sustainability goals. • We continued to develop our regulatory team in the Asia, Middle East, Africa and Latin America regions to strengthen relationships with regulators in these markets. • We continued to invest in our Global Nutrition team with funding for studies supporting the safety and efficacy of our ingredients and maintain differentiation against competitors. • We expanded our advocacy programme in key markets; including building partnerships with key customers and by taking up the positions on the Board and as Committee Chair on various key trade associations. • We continued to expand our online Nutrition Centre which includes independent scientific contributions by external experts on key topics of public health and on our ingredients.	

Strategic report continued

Non-financial information statement

The table opposite sets out where you can find the information as required under the non-financial reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006.

Section 172(1) statement and stakeholder engagement

See pages 93 and 94 within Governance for our 'Section 172(1) statement'. This describes how the Directors have had regard to stakeholders' interests when discharging the Directors' duties set out in section 172 of the Companies Act 2006. Our engagement activities with stakeholders and the impact of those interactions are set out from page 88.

The Board approved the Strategic Report on pages 8 to 76 of this Annual Report on 24 May 2023.

By order of the Board

Claire-Marie O'Grady
Company Secretary

Reporting requirements	Relevant policies	Where to read about our impact	Pages
Environmental matters	Global EHS Policy[1]	Environment and sustainability Task Force on Climate-related Financial Disclosures	50 to 62 62 to 67
Employees	Code of Ethics[1] Global EHS Policy[1] Global HR Policy[2] Equal Parental Leave Policy Domestic Abuse Support Policy	Our people Gender pay gap reporting Health and safety Ethics and whistleblowing	42 to 47 46 52 and 53 45 and 93
Human rights	Code of Ethics[1] Anti-Slavery Statement[1] Data protection[2]	Our people Supplier audit programme Risk Report	42 to 47 67 67 to 75
Social matters	Code of Ethics[1] Board Policy on equity, diversity and inclusion[1]	Our people Community involvement Equity, diversity and inclusion matters	42 to 47 48 and 49 Throughout this Report
Anti-bribery and corruption	Code of Ethics[1] Anti-money laundering and Anti-bribery Standard[2] Agents and Distributors[2] Group Competition (Anti-trust)[2] Trade Compliance[2] Gifts and Hospitality Standard[2]	Our people Supplier audit programme Risk Report	42 to 47 67 67 to 75
Business model		Our business model	26 to 28
Non-financial KPIs		Our purpose commitments and targets Gender diversity Health and safety Environment and sustainability	30 and 31 46 and 47 52 and 53 54 to 61
Principal risks		Risk Report	67 to 75

1 Available on our website www.tateandlyle.com and available to employees through the Tate & Lyle intranet.
2 Available to all employees through the Tate & Lyle intranet. Not published externally.

Welcome to the

Governance report

Contents

Board of Directors

Board Committees
Certain responsibilities are delegated to three Board Committees, details of which are provided on pages 98, 100 and 106.

A Audit Committee
R Remuneration Committee
N Nominations Committee

Dr Gerry Murphy
Chair and Chair of the Nominations Committee

N

Date appointed to Board: January 2017
Independent: Yes on appointment
Aged: 67
Nationality: Irish
Skills and expertise:
Gerry started his career in the food and drinks sector and received his PhD in food technology. He has held a number of chief executive roles and has also been an investor and independent director in a number of international listed companies. His significant business and board level experience and detailed understanding of UK corporate governance requirements enable him to provide the Board with valuable leadership.
Current external commitments:
Chair of Burberry Group plc
Previous roles:
Chairman of The Blackstone Group's principal European entity (2009 to September 2019). Senior Managing Director in Blackstone's Private Equity Group (2008 to 2017). CEO of Greencore Group plc, Exel plc, Carlton Communications plc and most recently Kingfisher plc (2003 to 2008). He held non-executive directorships in Intertrust NV, British American Tobacco plc, Invest Europe, Merlin Entertainments plc, Reckitt Benckiser Group plc, Abbey National plc and Novar plc.

Nick Hampton
Chief Executive

Date appointed to Board: September 2014
Date appointed Chief Executive: April 2018
Independent: No
Aged: 56
Nationality: British
Skills and expertise:
Nick brings a wealth of food industry insights to the Board. His general management, financial and operational experience in senior management roles in a major multinational food and beverage business, combined with his experience in leading transformational projects, provides him with the skillset required to inspire and lead the Group.
Current external commitments:
Senior Independent Director at Great Portland Estates plc
Previous roles:
Prior to being appointed Chief Executive, he served as Chief Financial Officer of Tate & Lyle. Before joining Tate & Lyle, he held a number of senior roles over a 20-year career at PepsiCo, including Senior Vice President and Chief Financial Officer, Europe, and President, West Europe Region and Senior Vice President Commercial, Europe.

Dawn Allen
Chief Financial Officer

Date appointed to Board: May 2022
Date appointed Chief Financial Officer: May 2022
Independent: No
Aged: 54
Nationality: British
Skills and expertise:
Dawn brings more than two decades of experience in the global food industry and has a proven track record of financial leadership. Her financial, commercial and international experience is of great value to the Board. Dawn is a member of the Institute of Chartered Accountants of England and Wales.
Current external commitments:
None
Previous roles:
Global CFO & VP, Global Transformation at Mars Incorporated from 2020 until joining Tate & Lyle. During a 25-year career at Mars, she held a number of senior financial roles in Europe and the US including Global Divisional CFO, Food, Drinks and Multisales, and Regional CFO Wrigley Americas.

John Cheung
Non-Executive Director

A N

Date appointed to Board: January 2021
Independent: Yes
Aged: 58
Nationality: Chinese (The People's Republic of China (Hong Kong SAR))
Skills and expertise:
John brings a breadth of food and beverage experience with a deep understanding of markets in Asia, particularly in China. His experience in senior positions in Asia in multiple companies and as a CEO enables him to provide valuable insights into the region.
Current external commitments:
Chief Executive Officer at Zhejiang Supor Co., Limited
Non-executive director at China Feihe Limited
Previous roles:
President of Wyeth Nutrition Global, Chairman and CEO of Nestlé Greater China, VP China at Coca-Cola.

Board of Directors continued

Board Committees

Certain responsibilities are delegated to three Board Committees, details of which are provided on pages 98, 100 and 106.

A Audit Committee
R Remuneration Committee
N Nominations Committee

Patrícia Corsi

Non-Executive Director

R N

Date appointed to Board: May 2021
Independent: Yes
Aged: 50
Nationality: Brazilian

Skills and expertise:
Patrícia brings brand marketing and digital expertise and significant experience and understanding of the Latin American market. She has over 20 years of experience in global consumer products throughout the region.

Current external commitments:
Global Chief Marketing and Digital Officer at Bayer Consumer Health

Previous roles:
SVP and Chief Marketing Officer, Mexico for Heineken NV and held various global brand roles for Unilever as well as marketing roles for Kraft Foods and Tetra Pak International in Brazil.

Dr Isabelle Esser

Non-Executive Director

R N

Date appointed to Board: June 2022
Independent: Yes
Aged: 59
Nationality: Belgian

Skills and expertise:
Isabelle brings over 30 years' experience in global consumer food and ingredient companies, with a particular focus on research and development. Her scientific expertise and extensive technology leadership experience in Tate & Lyle's markets are of significant benefit to the Board.

Current external commitments:
Chief Research, Innovation, Quality and Food Safety Officer at Danone SA

Previous roles:
EVP, R&D Foods Transformation, Global Foods and Refreshment at Unilever PLC and Chief Human Resources Officer at Barry Callebaut AG.

Paul Forman

Senior Independent Director

A N

Date appointed to Board: January 2015
Independent: Yes
Aged: 58
Nationality: British

Skills and expertise:
Paul has wide experience in global manufacturing, commercial, as well as strategy consultancy and M&A advisory services. He brings insight to the commercialisation of innovation pipelines and the implementation of business-to-business customer and market-led strategies in a large multinational company. His experience as a CEO of a number of global companies enables him to provide valuable insights to the Board.

Current external commitments:
Chair-designate as of February 2023 of FSI Ltd, a flavour company purchased by Exponent LLP

Previous roles:
Chief Executive of Essentra plc. Group Chief Executive of Coats plc and Low & Bonar PLC. Served as a non-executive director at Brammer PLC.

Lars Frederiksen

Non-Executive Director

R N

Date appointed to Board: April 2016
Independent: Yes
Aged: 64
Nationality: Danish

Skills and expertise:
As the former CEO of a global speciality food ingredients business, Lars led a successful business transformation and his insights are invaluable to the Board as Tate & Lyle continues to evolve. He also brings operational expertise and an understanding of how to attract and retain talent in a global business.

Current external commitments:
Chairman of Matas A/S
Non-executive director of Falck A/S
Chairman of the Hedorf Foundation
Chairman of PAI Partners SA

Previous roles:
CEO of Chr. Hansen Holding A/S from 2005 until retirement in March 2013, leading a successful listing on the Copenhagen stock exchange during that period. Prior to becoming CEO, he held various management positions at Chr. Hansen.

Board of Directors continued

Board Committees

Certain responsibilities are delegated to three Board Committees, details of which are provided on pages 98, 100 and 106.

- A Audit Committee
- R Remuneration Committee
- N Nominations Committee

Kimberly (Kim) Nelson

Non-Executive Director

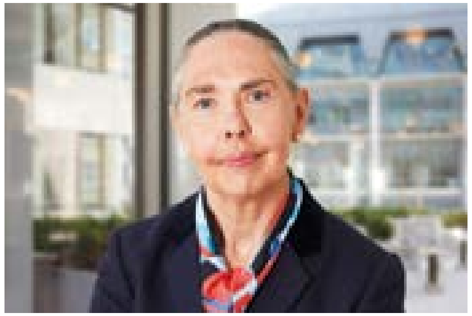
A N

Date appointed to Board: July 2019
Independent: Yes
Aged: 60
Nationality: American

Skills and expertise:
Kim brings substantial experience in the food and beverage industry and specific insights into the US market, having worked for General Mills Inc. for nearly 30 years. During her career at General Mills, she held a number of senior brand and general management roles, including serving as President of the Snacks operating division. She served as Senior Vice President, External Relations, leading on issues and crisis management, environmental, social, governance and global external stakeholder relations.

Current external commitments:
Non-executive director of Cummins, Inc.
Non-executive director of Colgate-Palmolive Company

Previous roles:
President of the Snacks operating division at General Mills Inc. and Senior Vice President, External Relations, from 2010 until retirement in 2018.



Sybella Stanley

Non-Executive Director and Chair of the Remuneration Committee

A R N

Date appointed to Board: April 2016
Independent: Yes
Aged: 61
Nationality: British

Skills and expertise:
Sybella has extensive commercial and financial experience and brings a wealth of knowledge about the London investment community and substantial experience of communicating with this and other investment communities outside the UK. Her long career in corporate finance and M&A is invaluable to the Board's consideration of strategic opportunities.

Current external commitments:
Director of Corporate Finance at RELX plc
Non-executive director of The Merchants Trust PLC
Co-chair of the Somerville College Oxford Development Board

Previous roles:
Originally qualified as a barrister and, before joining RELX in 1997, she was a member of the M&A advisory team at Citigroup and later Barings.

Warren Tucker

Non-Executive Director and Chair of the Audit Committee

A R N

Date appointed to Board: November 2018
Independent: Yes
Aged: 60
Nationality: British

Skills and expertise:
Warren is a chartered accountant and has extensive experience as a former Chief Financial Officer of a large global manufacturing group, where he also co-led the company's organic and strategic growth. His experience in large multinational and business-to-business organisations across several geographies and industries enables him to provide valuable insights to the Board. He also brings an understanding of the London investment community and shareholder institutions.

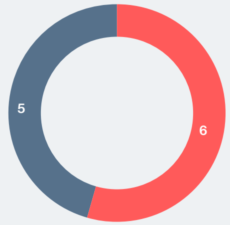
Current external commitments:
Chair of TT Electronics Plc
Audit Committee Chair at Modulaire Group

Previous roles:
Chief Financial Officer for Cobham plc for 10 years until 2013. Most recently non-executive director of Reckitt Benckiser Group plc for a decade until 2020 and non-executive director and chair of the Audit Committee of Survitec Topco Ltd. He also held senior finance roles at Cable & Wireless and British Airways, and was a non-executive director and chair of the Remuneration Committee of Thomas Cook Group plc and a non-executive director at PayPoint plc.

Board composition

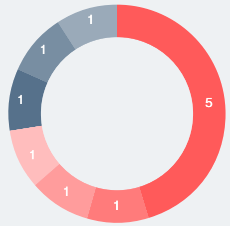
As at 24 May 2023

Gender diversity of Directors



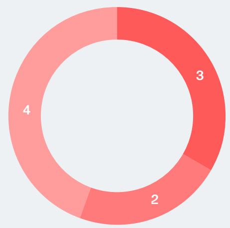
- Men
- Women

Directors' nationalities



- British
- American
- Danish
- Irish
- Chinese
- Brazilian
- Belgian

Tenure of Non-Executive Directors



- Less than 3 years
- 3 to 6 years
- Over 6 years

Our Executive Team

Nick Hampton
Chief Executive

Nationality: British

Nick became Chief Executive of Tate & Lyle in April 2018, having joined as Chief Financial Officer in September 2014. He brings a wealth of food industry insights from his 20-year career at PepsiCo. He has general management, financial and operational experience through senior management roles, as well as experience in leading transformational projects. This provides him with the skills and attributes to inspire and lead the Tate & Lyle team.

Dawn Allen
Chief Financial Officer

Nationality: British

Dawn joined Tate & Lyle in May 2022 as Chief Financial Officer from Mars Incorporated where she was Global CFO & VP, Global Transformation since 2020. Prior to that, during a 25-year career at Mars, she held a number of senior finance roles in Europe and the US. Her financial experience and knowledge of the global food and beverage industry is of great benefit to Tate & Lyle.

Victoria Spadaro Grant
President, Innovation and Commercial Development

Nationality: Argentinian/American

Victoria joined Tate & Lyle in November 2020, from the Italian multinational food company Barilla, where she was the Chief Global Research Development and Quality Officer. Victoria has strong R&D, commercial and customer-facing expertise having previously held positions at Mars, Kraft Heinz and PepsiCo. Victoria has worked and lived in many countries including in Asia, US, Italy and her native Argentina. Her extensive experience driving innovation in the global food and beverage marketplace is key to delivering our growth strategy.

Lindsay Beardsell
Executive Vice President, General Counsel

Nationality: British

Lindsay joined Tate & Lyle in September 2018 from GVC Holdings PLC where she was Group General Counsel. She studied local and European law in the UK, France and Germany, giving her a broad understanding of different legal environments. Lindsay brings a wide knowledge of corporate law and practical legal experience from her early career at Freshfields Bruckhaus Deringer, as well as from her years working in FTSE companies across a diverse range of sectors. Lindsay currently serves as a non-executive director of 4Imprint Group plc.

Andrew Taylor
President, Asia, Middle East, Africa and Latin America

Nationality: American

Andrew joined Tate & Lyle in 2017 as President, Innovation and Commercial Development, having spent 20 years at management consultancy firm Boston Consulting Group (BCG), where he was a Senior Partner and Managing Director, and led BCG's Global Innovation Practice. He took on his current role in October 2020. Andrew's broad international experience and deep understanding of the food industry are key to delivering our strategy in many of the world's higher growth markets.

William (Bill) Magee
President, North America

Nationality: American

Bill joined Tate & Lyle in 2018 as Commercial Vice President for Food & Beverage Solutions, North America. Later that year, he was appointed Senior Vice President and General Manager for Food & Beverage Solutions, North America before becoming President, North America and joining the Executive Committee in October 2021. Previously Bill held senior leadership roles in speciality materials firms including Rohm & Haas, Dow, and H.B. Fuller. Bill's experience and customer focus has been instrumental in driving North America's growth strategy.

Melissa Law
President, Global Operations

Nationality: American

A chemist by training, Melissa joined Tate & Lyle in 2017 after 20 years in the oil industry. Before joining us, she was President of the Global Specialities Division of Baker Hughes, a GE company. Prior to that, she held senior executive management positions in Australasia and the Gulf of Mexico in areas such as commercial management, supply chain and research and technology. Melissa currently serves as a non-executive director for Cactus Inc., a US-based oilfield service provider. Her commitment to making our operations safe and productive places to work is making a real difference across Tate & Lyle.

Tamsin Vine
Chief Human Resources Officer

Nationality: British

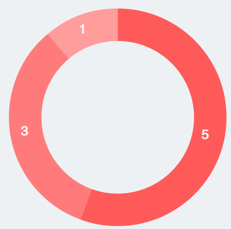
Tamsin joined Tate & Lyle in November 2021 as Vice President of Human Resources, Corporate Functions and VP of Organisational Development and Talent. In December 2022, she was appointed Chief Human Resources Officer. Before joining Tate & Lyle, Tamsin spent 12 years in global roles covering all dimensions of people development at Sodexo, based in Paris. She has also held senior positions at WorldPay as Director of Talent Development and at Vodafone as Senior HR Business Partner.

Rowan Adams
Executive Vice President, Corporate Affairs

Nationality: British

Rowan is the longest serving employee on our Executive Committee. He joined Tate & Lyle in 2001 and has since held a number of senior roles including leading our global strategy team. He became EVP, Corporate Affairs, and joined the Executive Committee in November 2014. His current responsibilities include leading our global sustainability programme. He has deep knowledge and understanding of the Company and our industry. Rowan currently serves as a Trustee of The Royal Engineers Association.

Nationalities of the Executive Committee
As at 24 May 2023



- British
- American
- Argentinian

Corporate Governance: Chair's introduction

Gerry Murphy
Chair

Board members were delighted to return to in-person visits to our sites around the world.

Introduction

When I wrote my introduction last year, we had just successfully completed the sale of a controlling stake in Primient to a long-term financial partner, KPS Capital Partners, LP.

With the completion of this transaction Tate & Lyle is now a growth-focused food and beverage solutions business. As a result, the Board's focus this year has been on the performance of the new Tate & Lyle and how it has adapted to the global economic challenges of high inflation, supply disruption and the war in Ukraine; how it is delivering its strategy as a growth-focused speciality food and beverage solutions business and how it plans to be a responsible, sustainable and profitable business over the longer term.

Last year saw the progressive unwinding of Covid-19 travel restrictions that limited the Board's ability to meet face-to-face with each other and with our people around the world. In January 2023, we were pleased to meet our fellow director, China-based John Cheung, in person for the first time since his appointment to the Board in January 2021.

Board members were also delighted to be able to return to in-person visits to our sites around the world. In September 2022, the Board visited our global innovation centre in Chicago and Board members also visited our sucralose plant in McIntosh, Alabama, US and our corn wet mill in Sagamore, Lafayette, Indiana, US. My fellow directors and I always appreciate the opportunity to visit our sites and meet with our people in their own workplaces, local communities and markets.

Our priorities during the year

Focusing on our future

During the year, the Board devoted time to look in depth at the organic drivers of our future growth including the markets in which we sell our products; the capabilities we are building in our sales and innovation teams; and the capital investment required to keep pace with the growth in demand for our products and the requirements of adapting our business to achieve our net zero target by 2050.

During the year, the company completed the acquisition of Quantum Hi-Tech (Guangdong) Biological Co., Ltd (Quantum), a leading dietary fibre business in China. This was an important acquisition for Tate & Lyle and fully aligned to our growth strategy. The Board receives regular updates about Quantum's performance and is pleased to see it integrating well into Tate & Lyle. John Cheung was able to join Andrew Taylor, our President, Asia, Middle East, Africa and Latin America, on a visit to Quantum and our Chinese stevia business, in Anji county in the Autumn of 2022 and to report, to the Board, his positive impressions of these two important businesses. Personally, I'm very much looking forward to joining Nick on a visit to Quantum and other sites in Asia in the coming months.

At our annual Board Strategy session in December 2022, we looked at some of the mega-trends which will influence the longer-term future of Tate & Lyle for example, the global need for accessible nutrition, the increasing transition to plant-based foods and the potential to further diversify the raw materials (crops) which Tate & Lyle uses to develop its ingredients and solutions.

In addition to these priorities, we also considered the usual subjects on the Board's calendar: financial performance; risk management; environmental, health and safety matters. Our annual Board effectiveness review was externally facilitated this year. Although it was less than three years since our last externally facilitated review, the Board considered that after a year of significant change in structure and the strategic focus of our business it was appropriate for the Board to seek external feedback into its effectiveness and readiness to supervise and support management as the company pursues its growth-focused strategy.

Attending to our relationships with stakeholders

Although the Board is not able to engage directly with all our stakeholders, we always try to consider every perspective in our discussions. Some of the Board's highlights this year include:

Chair's introduction continued

Our people
My Board colleagues and I have been pleased to engage again in person with our people. In addition to our visit to the US as a Board in September 2022, many of my colleagues have made individual site visits and others have engaged virtually. For example, Warren Tucker (Chair of our Audit Committee) and Kim Nelson (member of the Audit Committee) both visited our Global Shared Services Centre in Łódź in Poland in the Autumn of 2022. Warren and Kim were able to thank the team for their support to the business and to recognise both their 10-year anniversary and the tremendous contribution the team is making in support of refugees from the Ukraine crisis. Kim Nelson visited our plant in Boleráz, Slovakia and Sybella Stanley visited our facility in Mold in the UK.

Patrícia Corsi hosted a virtual café in Portuguese for our colleagues in Latin America in August 2022. In the Spring of 2023, I co-hosted a number of virtual cafés with my Board colleagues, John Cheung, Sybella Stanley, Dr Isabelle Esser and Lars Frederiksen for staff in each of our four regions. I always enjoy these sessions. They give the Board the opportunity to thank our people directly for their contribution and to learn through their questions and comments what is on their minds.

Customers
The Board takes close interest in, and receives regular updates on, conversations Nick and his senior leadership team have had with customers and on the feedback they've received. This year, these reports have helped us to understand how well Tate & Lyle is managing the ongoing challenges of high inflation and the innovative ways in which our teams are working with our customers to develop solutions which enable them to provide healthier products for consumers.

Primient
The 2023 financial year was the first year of our relationship with Primient, our joint venture with KPS Capital Partners and an important supplier to Tate & Lyle. The Board takes a keen interest in the success of Primient as both companies work closely together through long-term agreements which provide supply and economic security for both businesses.

Shareholders
Board members enjoyed meeting again with shareholders at our AGM in July 2022. While our overseas Board members Kim Nelson and John Cheung were unable to travel, they did join us via video link.

A culture driven by our purpose
Our purpose of Transforming Lives through the Science of Food inspires all our people including the Board. During the year we were pleased to see how our purpose inspired our refreshed corporate brand including, at the heart of the brand, our new corporate narrative 'Science, Solutions, Society', the promise Tate & Lyle makes to its customers and other stakeholders. This narrative also guides the Board as it thinks about Tate & Lyle's business and how it discharges its governance obligations.

The safety of our people continues to be of significant focus for the Board. As in previous years, we received updates from Nick on health and safety performance at every Board meeting and had two in-depth sessions during the year on the continuing progress of our Journey to Environment, Health, Safety, Quality and Security Excellence (J2E) programme. We also held a detailed session on our sustainability strategy and programme, and our plans to reduce our carbon footprint.

Tamsin Vine, our Chief Human Resources Officer, regularly updates the Board on people issues. While Tate & Lyle has made good progress in recent years, equity, diversity and inclusion continues to be an area of focus for management and the Board alike.

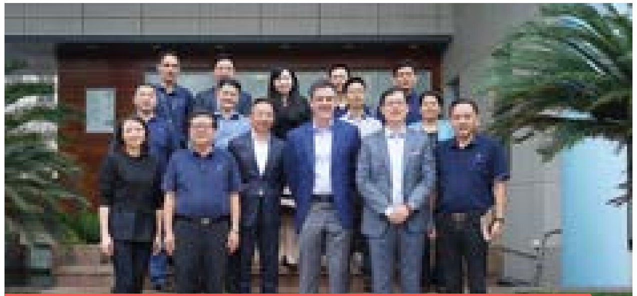
Our ethics and compliance programme is fundamental to ensuring that we operate to the high standards we expect in all aspects of Tate & Lyle's business globally. Each year we review a report from our Head of Ethics and Compliance on the progress of our programme, and the number and nature of reports to our whistleblowing hotline. The Audit Committee also receives reports from the Head of Ethics and Compliance twice a year. We learnt that a higher number of reports were substantiated this year than in the prior year and that there was a greater mix of concerns with most reports coming from Asia followed by Latin America, potentially evidence of better integration of our compliance policies and procedures in those regions, which the Board found to be reassuring.

Our effectiveness as a board
As I mentioned, our Board effectiveness review was externally facilitated this year, with the facilitator attending a number of Board and Committee meetings and interviewing the directors, members of our executive team and members of management (who are regular attendees at our meetings). Interviews were also held with external advisors Deloitte (for the Remuneration Committee) and our external auditor EY (for the Audit Committee) to gain their views.

This year's review, which was rich in insights, showed that the Board and its Committees are operating well. The report prompted a lively discussion about the Board's priorities in the year ahead as described on page 87.

Our focus for the 2024 financial year
At our Capital Markets Event in February 2023, Nick set out the Group's growth-focused strategy and its five-year financial ambition to March 2028. Accordingly, during this year, the Board will concentrate on supporting Nick and his team to deliver on that strategy and ambition while also looking ahead to the challenges and opportunities over the longer term, particularly in the context of sustainability. As always, we will maintain our focus on people and culture, and succession and talent development.

Gerry Murphy
Chair


John Cheung with Andrew Taylor and leaders at Quantum Hi-Tech in Jiangmen, China


Gerry Murphy, Lars Frederiksen, Dawn Allen and Kim Nelson at our sucralose plant in McIntosh, Alabama, US

Our Governance Structure

Leadership

Our governance structure

The Group's primary decision-making body is the Board. It is accountable to shareholders for the Group's financial and operational performance, and is responsible for setting the strategy and ensuring that risk is managed effectively. The Board maintains a schedule of items which it is required to consider and approve. We review this schedule regularly and update it to reflect developments in corporate governance and emerging practice.

As shown in the diagram below, the Board has delegated certain responsibilities to a number of Committees. The Board retains overall accountability and the Committee Chairs are responsible for reporting back to the Board on the Committees' activities. Minutes of and papers for the Committees' meetings are made available to all the Directors on the web-based Board portal.

The Board – Chair: Dr Gerry Murphy

- Accountable to shareholders for the Group's financial and operational performance
- Sets the Group's strategy
- Oversees management's implementation of the strategy
- Monitors the operational, environmental and financial performance of the Group
- Sets the Group's risk appetite
- Ensures that appropriate risk management systems and internal controls are in place
- Sets the Group's ethics and culture and agrees the Group's purpose and values
- Ensures good corporate governance practices are in place

Chief Executive
Nick Hampton

Audit Committee

Chair: Warren Tucker

- Oversees financial reporting, internal financial controls and risk management systems, the risk management process, the internal audit function and the Group's relationship with the external auditor

Read more on → Page 100

Nominations Committee

Chair: Dr Gerry Murphy

- Makes recommendations to the Board regarding the structure, size, composition and succession needs of the Board and its Committees
- Reviews the performance of the Executive Directors
- Oversees succession planning for Directors and senior management

Read more on → Page 98

Remuneration Committee

Chair: Sybella Stanley

- Recommends the Group's Remuneration Policy for Executive Directors
- Sets and monitors the level and structure of remuneration for the Executive Directors and other senior executives
- Sets the Board Chair's fee

Read more on → Page 106

Executive Committee

- Recommends strategic and operating plans to the Board
- Assists the Chief Executive in implementing the strategy agreed by the Board
- Monitors the performance of the Food & Beverage Solutions, Sucralose and Primary Products Europe reporting segments and global support functions
- Monitors performance against our purpose commitments
- Identifies, evaluates, manages, and monitors risks to the Group
- Manages the relationship with Primient

The Executive Committee is supported by a number of operational committees, including the Environment, Health and Safety (EHS) Advisory Board, the Operations Committee, the Risk Committee, the Sustainability Committee and the Capital Approval Committee. Committees may also be established for a finite period to oversee key strategic or operational priorities.

Our Governance Structure continued

Key responsibilities of the Board
At the date of this Annual Report, the Board comprises the Chair, two executive directors and eight non-executive directors. Their responsibilities are summarised below. There is a clear division of responsibilities: the Chair leads the Board and the Chief Executive leads the business.

Chair

Responsible for the effective operation, leadership and governance of the Board

- Chairs Board meetings, Nominations Committee meetings and the Annual General Meeting
- Sets the Board agenda with the Chief Executive and Company Secretary
- Facilitates active engagement by all Directors
- Sets the style and tone of Board discussions
- Ensures the Directors receive accurate, timely and clear information

Chief Executive

Responsible for proposing strategy to the Board and delivering it

- Runs the business
- Communicates within the organisation the Board's expectation with regard to culture, values and behaviours
- Ensures the Board is aware of current business issues

Chief Financial Officer

Responsible for the Group's financial affairs

- Contributes to the management of the Group's business
- Supports the Chief Executive with the development and implementation of the strategy

Non-executive directors

Responsible for overseeing the delivery of the strategy within the risk appetite set by the Board

- Advise and constructively challenge the executive directors
- Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance
- Perform their duties diligently and use best endeavours to promote, protect, develop and extend the business of the Group
- Devote time to develop and refresh knowledge and skills

Senior Independent Director

Responsible for ensuring that the Chair's performance is evaluated

- Acts as a sounding board for the Chair and supports him in the delivery of his objectives
- Serves as an intermediary with the Chair for other Directors if necessary
- Maintains a comprehensive understanding of the major views of shareholders and is available if shareholders have any concerns that they have been unable to resolve through the normal channels

Company Secretary

Responsible for maintaining the governance and listing rules compliance framework

- Supports the Chair, Chief Executive and Committee Chairs in setting agenda items for Board and Committee meetings
- Advises the Board on developments in corporate governance, legislation and regulation
- Assists the Chair and the Chief Executive in ensuring that the Directors are provided with relevant information in a timely manner
- Organises inductions for new Directors and ongoing training for all Directors

Board activity during the year ended 31 March 2023

The Board holds six scheduled meetings each year and a meeting to discuss strategy. This year's meetings were mainly held in person with one or two Board members who were not able to travel occasionally attending via video conference. The Board continues to hold some meetings via video conference.

Strategy

- Undertook a review of the Sweet Green Fields (stevia) acquisition, its business performance and integration and any lessons to be learnt for future acquisitions
- Reviewed progress against the strategic priorities for our Asia, Middle East, Africa and Latin America region, including progress with the integration of the acquired Quantum business
- Held a Board meeting at the Global Innovation Centre in Hoffman Estates, Illinois, US, hearing from the commercial and R&D teams about their strategic priorities particularly for the North American market
- Reviewed the Group's five-year strategic plan
- Held a Board Strategy Day which included a review of the macro-trends likely to fuel Tate & Lyle's growth beyond the next five years
- Considered the Group's strategy for organic and M&A growth opportunities

Financial

- Following the completion of the sale of a controlling stake in Primient on 1 April 2022, approved the payment of a special dividend and share consolidation
- Approved the recommendation to shareholders at the 2022 AGM to reduce the Company's share capital through the cancellation and repayment of the 6½ per cent. cumulative preference shares

Operational/commercial

- Received regular progress updates on the Group's Environment, Health, Safety, Quality and Security performance
- Considered progress against the priorities established by the Global Operations leadership team in July 2021 and its new priorities following the creation of the Primient joint venture
- Board members visited our Sucralose plant at McIntosh, Alabama, US and our corn wet mill at Sagamore, Lafayette, Indiana, US
- Learnt about the initiatives within the commercial and innovation functions to accelerate our solutions offering to customers, including by developing new ways of working with them
- Held a deep dive review of the Group's digital strategy
- Reviewed progress on our long-term purpose targets, including our sustainability targets for 2030 and our pathway towards net zero by 2050

Leadership and employees

- Endorsed the Chief Executive's appointment of Tamsin Vine to the Executive Committee
- Reviewed the Group's people agenda including equity, diversity and inclusion, talent management and bench strength within the organisation
- Considered the impact of the Covid-19 pandemic on the health and wellbeing of our employees, particularly in China

Internal Control and Risk Management

- Considered and agreed the Group's risk appetite and principal risks
- Assessed the effectiveness of our internal controls and risk management systems
- Agreed the Viability Statement as disclosed in the Annual Report 2022
- Approved the adoption of a going concern basis of accounting in preparing the half- and full-year results
- Agreed the Modern Slavery Act statement, available on the Company's website

Governance and stakeholders

- Considered the output and recommendations from the Board effectiveness review
- Discussed feedback from institutional shareholders and analysts
- Reviewed and commented on the materials for the Capital Markets Event held in February 2023
- Reviewed and approved the Directors' register of interests

Board activity continued

Directors' attendance at Board and Committee meetings during the financial year

Name	Board	Audit Committee	Remuneration Committee	Nominations Committee
Dr Gerry Murphy	7/7	5/5[1]	5/5[1]	3/3
Nick Hampton	7/7	5/5[1]	5/5[1]	3/3[1]
Dawn Allen	7/7	5/5	n/a	n/a
John Cheung	7/7	5/5	n/a	3/3
Patrícia Corsi	6/7	n/a	5/5	3/3
Dr Isabelle Esser[2]	6/6	n/a	3/3	3/3
Paul Forman	7/7	5/5	n/a	3/3
Lars Frederiksen	7/7	n/a	5/5	3/3
Kim Nelson	7/7	5/5	n/a	3/3
Sybella Stanley	7/7	4/5	5/5	3/3
Warren Tucker	7/7	5/5	5/5	3/3

1 Although not a Committee member, attended the Committee meetings by invitation.
2 Appointed to the Board as a non-executive director with effect from 1 June 2022.

Board effectiveness review

This year's evaluation of the Board and its Committees was undertaken by an independent Board consultant, Milena Djurdjevic of CalibroConsult. Ms Djurdjevic interviewed members of the Board, the executive team, members of management who routinely engage with the Board, the external advisor to the Remuneration Committee and the Company's auditor. Ms Djurdjevic also attended a number of Board and Committee meetings to observe meeting dynamics. She sought input on a range of matters including: composition; Board and Committee dynamics, engagement with management; effective oversight of matters within remit, including risk; and quality of papers and presentations. The review concluded that the Board and its Committees are effective and benchmark well against other companies of a similar size and scale. The report identified areas for ongoing or increased focus in the 2024 financial year. Please see pages 98, 100 and 106 for information about the effectiveness evaluations of each of the Committees and of individual Directors conducted this year. CalibroConsult does not provide any other services to the Group.

2023 Board effectiveness review

Areas for focus	Action
Continuing to focus on mergers and acquisitions (M&A)	The Board and the management team will continue to review M&A opportunities and to monitor the integration of recent acquisitions including Quantum.
Organic growth and innovation	Revisit Board agendas to ensure that the Board can add value by focusing on the key strategic pillars for future success. Ensure that the Board has a common understanding and appreciation of the digital opportunity for Tate & Lyle.
Building our understanding of customers and consumers	The Board will continue to welcome opportunities to gain a greater understanding of customers, consumers and market trends and how Tate & Lyle can be the solutions partner of choice for our customers.
Board succession planning, and talent development throughout the organisation	The Nominations Committee will focus on succession planning for those non-executive directors who are due to retire from the Board in the near term. The Board will also consider long-term executive succession planning and how we ensure that the Group's talent strategy reflects its future needs.
Culture, equity, diversity and inclusion	The Board will continue to monitor the culture of the organisation with a particular focus on our progress towards greater equity, diversity and inclusion within our business.

Stakeholder engagement

At Tate & Lyle we engage with a wide range of stakeholders, all of whom are essential in enabling us to do business across the world.

The table below describes our key stakeholders and summarises the engagement that has been undertaken across the business, including by the Board, during the year. In addition, the Board's engagement with our workforce is set out from page 90. How the Board understands the interests of stakeholders, and how the Board considers stakeholders' interests in decision making, including examples of principal decisions made in the financial year and our section 172(1) statement, are summarised on page 93.

Stakeholder engagement

	Why they matter	Engagement activities	Outcomes/impact
Shareholders	Our shareholders are investors in and owners of our business, providing the capital we need to invest in and grow the business.	Engagement takes various forms throughout the year by executive directors; our Chair; and our Investor Relations team. A highlight of the year was the Capital Markets Event in February 2023 which reached over 370 investors and analysts. For more information, see pages 91 and 92.	Our engagement activities provide opportunities for management and the Board to communicate our strategy and performance, and to listen and understand shareholders' views and concerns. The Capital Markets Event enabled us to share an overview of our purpose, strategy, science and solutions capabilities and five-year financial ambition to 31 March 2028 with financial analysts and investors. Feedback from the event has been positive. The Board received details of this feedback, and further events to build on this progress are being planned.
Customers	As a business-to-business company, all the ingredients we make are sold to our customers. Listening to our customers helps us to better understand their needs and provide the products and services they want.	We maintain close relationships with our customers at all levels of their organisation, from the Chief Executive to R&D, to Sales and Marketing. We are a growth partner for many of our customers.	Our ingredients help our customers meet growing consumer demand for food and drink which is lower in sugar, calories and fat, and with added fibre and protein which also taste great. Customer insight and market understanding plays an important part in our decision-making process, for example, in areas such as new product development and capacity expansions. During the year, we launched a targeted programme to develop new ways of working with our customers to build stronger solutions-based partnerships. We continued to invest in strengthening our solutions capabilities in areas like sensory, nutrition and regulatory to support our customers.
Employees	Everyone at Tate & Lyle plays a role in driving our success by partnering with each other in an agile way to deliver a consistently great service for our customers, to ensure our plants run safely and efficiently, and that new products are created that provide solutions to address our customers' and consumers' needs.	We listen to our employees to gain their insight and feedback through a range of channels such as team meetings, townhalls and pulse surveys. This feedback helps us to take actions and establish programmes which develop and stretch our employees and helps them both deliver our strategy and fulfil their personal goals. Details of the Board's engagement with employees are set out from page 90.	Having the right culture is central to our success. People are at their best when they feel they are contributing to the Group and are fully engaged and happy in their work. We continued to operate a number of programmes to keep our people safe, well connected and productive. The Board maintains a focus on equity, diversity and inclusion and despite the return to in-person meetings with colleagues, Board members continue to host on-line virtual meetings to reach as wide an employee audience as possible. See pages 42 to 49 for more details on our people and how we engage with them.

Stakeholder engagement continued

	Why they matter	Engagement activities	Outcomes/impact
Suppliers	We cannot conduct or grow our business without the products, expertise, advice and support of our suppliers.	We have a dedicated procurement function, based around the world, which engages with our suppliers to optimise the way we work with them. We build relationships globally, regionally and locally with our suppliers to better understand the markets where we source.	By leveraging third-party supplier relationships we are able to be more agile and meet ever-changing customer demands. This also limits our supply risk across an increasingly complex global supply network.
Communities	It's where our employees and their families live and where we recruit many of the people who work for us. It's also important that, as a significant local employer in some locations, we support the local community not only through employee involvement but as a responsible and sustainable local manufacturer.	Our community involvement programme is centred around three main areas: health, hunger and education, with a particular emphasis on supporting children and young adults. We support projects in our local communities based on these three areas.	Through a range of programmes supporting health, wellbeing and education across the world, we help improve the lives of thousands of people in our local communities. See pages 48 and 49 for more details. Through our partnership with food banks across the world, we have donated 3.6 million nutritious meals to people in need in our local communities since 2020. We also support seven charities working in Łódź, Poland and Boleráz, Slovakia helping refugees fleeing the conflict in Ukraine. In December 2022, we published our third Purpose Report, explaining what our purpose is and setting out our progress on delivering our long-term purpose targets and commitments.
Regulators	Before our new ingredients can be incorporated into our customers' products they must be approved by regulatory authorities.	We have a dedicated team of regulatory experts, based around the world, who actively engage with regulators to provide evidence of, and answer enquiries about, the safety and quality of our ingredients.	By helping regulators understand our ingredients we speed up the process of regulatory approval.
Governments	Government policies on trade, safety and product quality, transport, tax and inward investment, among others, all have an impact on how we do business.	We meet periodically with federal, state and local officials in countries where we have significant operations. We are also members of major trade associations in our key markets, such as the Corn Refiners Association in the US.	Government policies and legislation, in areas such as trade and tax, can have an impact on our ability to operate competitively, and sell and transport our products around the world. At a more local level, permits are needed to operate or expand our production facilities.

Stakeholder engagement continued

People and culture

Engaging with our people

In 2019, the Board considered the 2018 UK Corporate Governance Code requirements on workforce engagement. The Board concluded that each Director should be active in engaging with our people in order to gather their views and to understand the culture within the Group. The Board decided not to introduce any of the three methods suggested in the Code but to develop an approach which built on the mechanisms and practices which we already had in place, in particular the non-executive director site visit programme. The methods of engagement are set out below.

Board members were able to return to a programme of individual site visits during the 2023 financial year and to make an overseas visit to the US as a Board.

It is the practice at each Board meeting for the Chair and the non-executive directors to brief the Board on their interactions with, and impressions of, our people, our sites and our culture. The Board believes that these methods of engagement have enabled them to learn the views of a wide cross-section of the workforce and to understand how our strategy, purpose and priorities are being received, understood and applied across Tate & Lyle.

During the Covid-19 pandemic, while prevented from visiting our sites, Board members actively participated in a range of virtual meetings with employees. These meetings proved so successful that the Board has maintained them and undertook a number during the year, as described below, among other engagement activities.

At Tate & Lyle we consider our workforce to include employees, contractors (in post for three months or more), representatives in countries where we do not have employees and contingent labour. We do not include temporary contract labour (of less than three months), service provision workers, outsourced contract consultants and staff at our joint ventures.

Regional virtual cafés with the Chair and Board members

In the Spring of 2023, our Board Chair, Dr Gerry Murphy, hosted a series of virtual cafés in each of our regions with fellow directors. Here, Gerry Murphy and Sybella Stanley are joined by Murat Orhon, SVP & General Manager, Europe and over 200 colleagues from our sites in the Europe, Türkiye, Middle East and Africa region.

Engagement activities

Reaching the wider workforce	In the Spring of 2023, our Board Chair, Dr Gerry Murphy, hosted a series of virtual cafés in each of our regions with fellow directors, John Cheung (for Asia Pacific), Sybella Stanley (for Europe and Türkiye, Middle East and Africa), Lars Frederiksen (for North America) and Dr Isabelle Esser (for Latin America). These cafés were well attended across all our sites. When the Board visited the US in September 2022, they held townhall meetings at our sites in: Hoffman Estates, Illinois; Sagamore, Lafayette, Indiana; and McIntosh, Alabama.
Engagement in Latin America	Patrícia Corsi hosted a virtual café in Portuguese with employees in Latin America.
Supporting Employee Resource Groups	Kim Nelson continued to provide support to the Black Employee Network, and to IGNITE, the network for Tate & Lyle women and their allies, through a number of fireside chats marking Black History Month and International Women's Day.
Recognising our Global Shared Services team	In October 2022, Chair of the Audit Committee, Warren Tucker and Audit Committee member, Kim Nelson visited our Global Shared Services team in Łódź in Poland. The visit allowed them to celebrate in person the 10th anniversary of the team in 2021 and to recognise their valuable work in support of the business.
Employee surveys and engagement initiatives	The Chief Executive and the Chief Human Resources Officer regularly report to the Board on the outcome of employee surveys and other engagement initiatives. The quarterly business performance dashboard which is shared with the Board contains information on the number of open roles, regrettable resignations and gender diversity throughout the workforce.
CEO Newsletter, 'virtual cafés' and on-site townhalls	Nick Hampton and Executive Committee members share a business update with the workforce via email every two weeks. Nick also holds regular virtual cafés, sometimes with other members of the Executive Committee. Between April 2022 and March 2023, Nick held two virtual cafés with each of our four regions. During the course of the year, Nick and Dawn held townhalls with staff at our sites in McIntosh, Sycamore, Sagamore, Boleráz, Hoffman Estates, Łódź, São Paulo, Santiago, Mexico City and Lübeck. These activities provide our broader employee population with an opportunity to connect with the executive directors.

Stakeholder engagement continued

I enjoyed my visit immensely and was glad to understand in more detail the vision, operations and technical excellence of an important part of the stabilisation and functional systems business, and the pride in the facility from everyone was palpable.

Sybella Stanley
non-executive director on her visit in March 2023 to our blending facility in Mold, UK

Investing in and rewarding our people
The Remuneration Committee considers remuneration arrangements for our global workforce. The Group's remuneration strategy is to provide competitive packages that enable the Group to recruit, retain and motivate high-calibre individuals in the markets where we operate, so that we can deliver consistently strong operational performance and financial results. For more information, see our Directors' Remuneration Report from page 106.

Assessing and monitoring culture
As described in the Chair's introduction to corporate governance on pages 82 and 83, the Board has multiple touchpoints throughout the year which provide opportunities for gauging and monitoring the culture at Tate & Lyle and how it aligns with our purpose and values. These touchpoints include individual Board member engagement activities and management reports to the Board and its Committees on a range of topics including: environment, health and safety performance; results of employee engagement surveys; equity, diversity and inclusion statistics and analysis; reports to the whistleblowing hotline; reports from the Head of Group Audit and Assurance; and reviews of workforce policies and practices. On those occasions where the Board is not satisfied that policy, practices or behaviours are aligned with the Company's purpose, values and strategy, it seeks assurance from management that: (i) it has thoroughly understood the extent of and the reasons for the issue; (ii) it has considered whether the issue concerned could have implications across the wider Group; (iii) corrective action has been taken to address the issue; and (iv) any lessons which might be learnt are identified and communicated across the Group.

Ethics and whistleblowing programme
Speak Up, the Group's whistleblowing programme, has been in place for a number of years in all operations controlled by the Group. This programme, which is monitored by the Board, is designed to enable employees, contractors, customers, suppliers and other stakeholders to raise concerns confidentially about conduct they consider contrary to the Group's values. It may include, for example, unsafe or unethical practices, or criminal offences.

The Speak Up programme provides a number of ways to raise concerns including a telephone reporting line, email and a web-based reporting facility. These multilingual communication channels are operated by independent service providers who submit reports to the Speak Up Committee for investigation as necessary. For more information about Speak Up, see page 45.

Reports received during the year were kept strictly confidential and the concerns identified were referred to appropriate managers within the Group for resolution. Where appropriate, action was taken to address the issues raised. The reports were analysed and monitored to ensure the process continued to be effective. The Board received an analysis of all reports submitted via the Speak Up programme during the year. The Head of Ethics and Compliance reports to the Audit Committee twice a year on the ethics and compliance programme and its activities.

Engagement with investor community
Investors are an essential stakeholder for any listed company. At Tate & Lyle, as well as our institutional investors and debt investors, we have a significant number of retail shareholders, including many employees and retired employees, who have a personal interest in the ongoing success of the Company.

Our Investor Relations programme has two objectives. It aims to help existing and potential investors understand Tate & Lyle, and to ensure that Directors understand the views of our major investors through regular feedback. All Directors receive periodic updates on investor communication activities, including at every Board meeting.

We are guided in our approach by our purpose. We published our annual Purpose Report in December 2022, which set out progress on our purpose targets and commitments to 2030. This report is available on our website at www.tateandlyle.com/purpose.

Institutional investors
The Chief Executive, Chief Financial Officer and our VP, Investor Relations, maintain a programme of meetings with institutional investors from the UK, Europe and North America. Our key meetings take place after our full-year and half-year results, but we also meet investors regularly outside the results cycle. These meetings are often face-to-face but we also use video conferencing technologies to maximise engagement opportunities. Many of these meetings are arranged direct, but we also take part in investor conferences arranged by sell-side institutions. Other members of the senior management team occasionally participate in these conferences where possible, giving investors the opportunity to appreciate the breadth and depth of the executive team.

As well as the full-year and half-year results presentations to investors and analysts, we host conference calls after trading updates are issued. The audio recordings of these calls are made available on our website for a short period after each event. The Chief Financial Officer and VP, Investor Relations, also meet regularly with analysts.

In addition to our regular programme, in February 2023 we hosted a Capital Markets Event for analysts and investors. The videos from this event are available on our website, and more than 370 individuals have viewed them so far. Since the event, we have seen a significant increase in investor demand for meetings.

Feedback
Our corporate brokers regularly seek investors' feedback following key announcements and investor meetings. A summary of feedback is communicated to all Directors. Our advisors also give us updates on best practice in investor relations, which we seek to reflect in our programme. Recent recommendations include suggestions to support our efforts to build a broader shareholder base in continental Europe and North America and expanding time dedicated to the communication of environmental, social and governance (ESG) matters, an area growing significantly in importance to the whole investment community.

Stakeholder engagement continued

Other capital providers
The Chief Financial Officer, Group Treasurer and VP, Investor Relations meet periodically with our committed lending banks, debt investors and ratings agencies (Standard & Poor's and Moody's).

Private (retail) shareholders
We encourage private shareholders to talk to our Company Secretary who will then share their views with the Board. We also include a questions card with the AGM documentation we send to shareholders so that those who cannot come to the meeting can have their questions answered.

Annual General Meeting
The AGM gives all shareholders the opportunity to ask questions of the Board, including about this Annual Report. In 2022, we were once again pleased to invite shareholders to attend an in-person event.

We look forward to meeting shareholders at our AGM in July. The details of the 2023 AGM are set out in the Notice of AGM. Votes received in respect of each resolution put to the AGM, together with the number of abstentions, are announced through a regulatory information service and published on the Company's website. Shareholders can choose to receive shareholder documentation, including the Annual Report, electronically or in paper format, and may submit proxy votes and any questions either electronically or by post.

Engaging with shareholders

Investor calendar
Set out below is a summary of our major investor activity during the year:

April 2022
- Information circular published along with the notice of the General Meeting to approve the special dividend and associated share consolidation

June 2022
- Full-year results issued
- UK investor roadshow meetings – by video and in person
- US investor roadshow meetings – by video
- Annual Report published

July 2022
- US investor roadshow meetings – by video
- Annual General Meeting

September 2022
- Investor conferences in the US – in person

November 2022
- Half-year results issued
- UK investor roadshow meetings – by video and in person
- US investor roadshow meetings – by video
- Investor conference in France – in person
- Investor conference in Ireland – in person

December 2022
- Investor conference in the UK – by video
- US investor roadshow meetings – by video
- Purpose Report published

January 2023
- Trading statement issued

February 2023
- Capital Markets Event
- Investor dinner in the UK

March 2023
- Investor conferences in the UK – in person

Section 172(1) statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, among other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of our pensioners. We acknowledge that every decision we make will not necessarily result in a positive outcome for all our stakeholders. By considering the Company's purpose and values together with its strategic priorities, and having a process in place for decision making, we do, however, aim to make sure that our decisions are consistent and predictable.

For details on how our Board operates and the way in which we reach decisions, including the matters we discussed and debated during the year, the key stakeholder considerations that were central to those discussions and the way in which we have had regard to the need to foster the Company's business relationship with customers, suppliers and other stakeholders, please see the Chair's introduction to corporate governance from page 82, our corporate governance structure from page 84, Board activities on page 86, and stakeholder engagement from page 88.

We set out below some examples of how the Directors have had regard to the matters set out in section 172(1)(a)-(f) when discharging our section 172 duty and the effect of that on decisions taken by them.

Annual strategy review

Each year the Board carries out a review of the Group's strategy, in addition to reviews of the business and enabling units throughout the year. In 2022, at the Board's annual strategy day, directors spent time considering the global mega-trends which could provide opportunities for Tate & Lyle over the longer term, that is five years and beyond. The Board also undertook a deep dive into the current and future potential impacts of climate change with the Institute for Sustainability Leadership at the University of Cambridge. These discussions focused on the long-term interests of the Company, the interests of shareholders, employees, customers and the impact of the Company's operations on the community and environment.

Dividend

The Board recognises the importance of dividends to shareholders and maintains a progressive dividend policy, in the context of its growth-focused strategy, and aims to increase earnings cover over time. As previously described, following payment of the special dividend of £497 million and the associated share consolidation which took place in May 2022, dividends have been rebased to reflect the earnings base of the re-focused Tate & Lyle. The Board approved an interim dividend for the six months to 30 September of 5.4p per share, and according to the rebasing this represented a 40% reduction from the prior year's interim dividend. Total dividends paid to shareholders in the 2023 financial year were £570 million.

As well as the cash dividend option, shareholders are also offered a Dividend Reinvestment Plan alternative.

Responding to the Covid-19 pandemic

During the year, the Board continued to monitor and engage in management's response to the Covid-19 pandemic, particularly for colleagues in China where restrictions remained in place until the end of the 2022 calendar year.

Responding to the war in Ukraine

The war in Ukraine impacted both our business and our employees in Europe, particularly in Poland and Slovakia, who experienced the resulting refugee crisis. For the business, the Board received regular reports from the executive management team about how they were managing impacts such as significant supply chain disruption and rapidly increasing energy costs.

To support charities working in Łódź, Poland and Boleráz, Slovakia, cities where we have operations and which saw an influx of refugees from Ukraine, we set up a global employee matching scheme. Under this scheme, for every pound, dollar or euro donated by an employee, Tate & Lyle doubled the amount and used that money to support local charities in Łódź and Boleráz as well as the British Red Cross.

Responding to the cost-of-living crisis

Donating to food banks has been a part of our community programme for many years. With the cost-of-living crisis we saw demand at food banks increase significantly so we increased our support too. We donated over 600,000 meals in the year taking the total meals donated since 2020 to 3.6 million.

Section 172(1) statement continued

Acquisitions

In June 2022, we announced that we had completed the acquisition of Quantum Hi-Tech (Guangdong) Biological Co., Ltd (Quantum), a leading dietary fibre business in China. Since the acquisition, the Board has taken an active interest in progress towards integrating Quantum into Tate & Lyle to ensure that it operates within our framework of standards and controls and in accordance with our values and purpose for the benefit of all our stakeholders. In the Autumn, non-executive director John Cheung was able to visit Quantum in person and to meet the leadership team and other colleagues. The Quantum team also joined the Chair's virtual café for the Asia region and was able to engage directly with Dr Murphy.

The Board continues to monitor the integration of previous acquisitions in Asia; Chaodee Modified Starch (tapioca) in Thailand and Sweet Green Fields (stevia) in China.

Sustainability

The Board recognises the need for businesses to play their part in reducing global greenhouse gas emissions for the benefit of all our stakeholders. That is why the Board is fully supportive of the Group's sustainability targets and commitments for 2030 aimed at reducing our environmental impact; and was particularly pleased that we were able to eliminate the use of coal in all our operations across the globe in 2021. The Board also fully supports the Company's commitment to reach net zero by 2050. The Board receives regular updates on progress towards our sustainability targets and commitments and considers proposals for capital expenditure at our plants in the context of sustainability among other factors.

Equity, diversity and inclusion

The Board of Tate & Lyle recognises the importance of equity, diversity and inclusion to all its stakeholders and for the success of the Tate & Lyle business.

That is why in December 2021, Tate & Lyle announced a new strategy for equity, diversity and inclusion consisting of four pillars – systems, talent, culture and society and a set of ambitious targets and commitments spanning each of these pillars to 2030 (see page 47). The Board monitors our progress against these targets and commitments and is pleased to see good progress.

Our governance structure

How we have applied the principles of the Corporate Governance Code
Compliance with the 2018 UK Corporate Governance Code: For the year ended 31 March 2023, we are pleased to report that we have applied the principles and complied with the provisions of the Code. The Code can be found at www.frc.org.uk.

1. Board leadership and purpose

A. The role of the Board:
Our Board comprises a diverse group of skilled and experienced individuals as described in their biographies on pages 78 to 80. Working within the governance structure set out on page 84 and through a programme of regular meetings with agendas which focus on financial performance, strategic initiatives, sustainability, risk management, our people and our priorities, together with an annual strategy day, the Board promotes the long-term sustainable success of the Company through the decisions it takes about the products, customers, markets and geographies in which the Group operates and invests. The Board maintains a dividend policy to share the value generated by these operations with shareholders. Tate & Lyle's products, many of which also support health and wellbeing, and our sustainability strategy contribute to the wider society.

→ **For more information about the Group's strategy, see the Strategic Report from page 8.**

B. Purpose, values and culture:
The Board fully endorses Tate & Lyle's purpose of Transforming Lives through the Science of Food. This purpose informs our strategy, our values and our culture and inspires our people. The Board reviews workforce culture and employee engagement through a series of touchpoints throughout the year. The Audit Committee receives quarterly updates from our Group Audit and Assurance function as well as regular updates from our Head of Ethics and Compliance. These updates include the results of internal audits and whistleblowing and provide insights into the culture of the Group and individual areas of the business. The Committee reviewed steps taken by management to address any areas of concern and to ensure follow-up actions were taken.

→ **For more information about: our purpose see page 14; workforce engagement see page 90; Board oversight of culture see page 91; and the work of the Audit Committee see page 100.**

C. Resources and controls:
The Board ensures that the necessary resources are in place for the Group to meet its objectives and measure performance against them. The Group has established an executive Risk Committee and operates a three lines of defence model which provides a framework for establishing a range of internal controls and managing risk.

Conflicts of interest:
The Board has a formal system in place for Directors to declare a conflict, or potential conflict of interest. A statement of Directors' interests in Company shares is set out on page 122.

→ **For more information see the Risk Report from page 67 and the Audit Committee Report from page 100.**

D. Shareholder and stakeholder engagement:
The Board maintains regular engagement, whether directly or indirectly, via feedback from the Chief Executive and other members of management, with shareholders as well as a range of key stakeholders.

→ **For more information on our engagement with shareholders see the Chair's introduction to corporate governance from page 82, the shareholder engagement section on pages 91 and 92 and the Remuneration Committee Chair's introduction to the Directors' Remuneration Report on page 106.**

→ **For information on our approach to stakeholder engagement see from page 88. Our section 172(1) statement is set out from page 93.**

E. Workforce policies and practices:
Our Code of Ethics sets out our values and the standards of behaviour we expect from everyone at Tate & Lyle and those who work with us. We encourage people to report any breaches of the Code through our Speak Up (whistleblowing) programme which is available to all our workforce and to third parties. The Board is given access to the Code training undertaken by our people and reviews the operation of and reports from the Speak Up programme.

→ **For more information about this and our approach to ethics and compliance generally, see page 45.**

Our governance structure continued

2. Division of responsibilities

F. The role of the Chair:
Dr Gerry Murphy, our non-executive Chair, leads the Board and facilitates constructive and open dialogue and debate between the Board and management. Under his leadership the Board is responsible for its overall effectiveness in directing the Company and, every year, the Board conducts a review of its own effectiveness and those of its Committees. The Chair reviews the performance of individual non-executive directors and the Senior Independent Director leads a review of the Chair. The Nominations Committee reviews the performance of the executive directors.

→ **For information about the outcome of the Board's effectiveness review this year see page 87 and the Nominations Committee Report from page 98.**

G. Board composition and division of responsibilities:
The Board comprises ten Directors in addition to the Chair: two executive directors (Chief Executive, Nick Hampton and Chief Financial Officer, Dawn Allen) and eight independent non-executive directors, one of whom is the Senior Independent Director. None of the Directors has served on the Board for more than nine years. The Board considers all the non-executive directors to be independent. The Chair was deemed independent on appointment.

→ **Membership of the Board and information about individual Directors is set out from page 78. The responsibilities of the executive and non-executive directors are described on page 85.**

H. Role of the non-executive directors:
The role of the non-executive directors is to provide constructive challenge and strategic guidance, offer specialist advice and hold management to account. Before every Board meeting the Chair holds a pre-meeting without the executive directors present to gather the views of the non-executive directors on the papers submitted and the topics to be discussed. At the conclusion of each Board meeting, the Chair holds another meeting without the executive directors present to consider and discuss any matters that have arisen during the meeting. The Chairs of the Audit and Remuneration Committees also hold meetings without the executive directors present at each Committee meeting.

Time commitment: in accepting their appointment to the Board of Tate & Lyle, non-executive directors confirm that they are able to allocate sufficient time to discharge their duties effectively. Each year the Nominations Committee reviews the time commitments of the non-executive directors, which indicates that in a typical year, non-executive directors spend between 30 and 46 days on business relating to Tate & Lyle, with the Chairs of the Audit and Remuneration Committees spending the most time.

The Board Chair typically spends two days a week on Tate & Lyle business. In 2019, the Board agreed a framework for determining the number of public company directorships directors can undertake in addition to their appointment at Tate & Lyle in order to ensure that they do not become over-committed.

→ **The significant commitments of each of the Directors are included in the Board biographies from page 78. For more information, see meeting attendance in the 2023 financial year on page 87.**

I. Ensuring the board functions effectively and efficiently:
The Company Secretary works with the Board Chair, the Chairs of the Committees, the Chief Executive and other members of management to ensure that the Board has the policies, processes, information, time and resources it needs in order to function effectively and efficiently. All Directors have access to the advice of the Company Secretary who is responsible for advising the Board on all governance matters. Directors also have access to the advice of the Executive Vice President, General Counsel, as well as independent professional advice at the expense of the Company.

3. Composition, succession and evaluation

J. Succession planning for the Board:
The Nominations Committee (which comprises all the non-executive directors and the Chair) is responsible for succession planning for, and recommending candidates for appointment to, the Board and certain senior management positions. It applies a formal, rigorous and transparent process focused on finding candidates who can support the strategic priorities of the business while also representing the diversity of our global workforce and customer base. The UK Corporate Governance Code provides that all Directors should seek re-election on an annual basis and all Directors, with the exception of Paul Forman who is in his ninth year as a non-executive director, will seek re-election at the forthcoming AGM.

→ **For more information about the work of the Nominations Committee and the Board's policy on diversity and inclusion, see the Nominations Committee Report from page 98.**

K. Skills, experience and knowledge of the Board:
The Nominations Committee ensures that the Board and its Committees have a combination of skills, experience and knowledge necessary to discharge their oversight roles and to support the management team in the execution of the Company's strategy.

→ **For more information on the Board's skills and experience, see page 78 to 80 and the Nominations Committee Report from page 98.**

L. Board evaluation:
In the 2023 financial year, the Board undertook an externally facilitated review, in line with the UK Corporate Governance Code guidance.

→ **For more information, see the Board evaluation on page 87.**

Our governance structure continued

4. Audit, risk and internal control

M. Ensuring the independence and effectiveness of internal and external audit:
The Audit Committee is responsible for reporting to the Board on a range of matters concerning audit, risk and internal controls. In particular, the Audit Committee reviews and monitors the independence and performance of the internal audit function, Group Audit and Assurance, and the external auditor, EY. The Audit Committee has established and monitors a policy for non-audit work which EY is permitted to conduct.

→ **For further information about the role and work of the Audit Committee, external audit and Group Audit and Assurance, see from page 100.**

N. Fair, balanced and understandable assessment:
The Audit Committee reviews the financial statements set out in the Group's annual and half-year results and reports its findings and recommendations to the Board. The Board, as a whole, considers the recommendations of the Audit Committee, the representations made by management and the views of the internal and external auditor in order to satisfy itself of the integrity of the narrative and financial statements and to determine whether the financial and narrative statements when taken together present a fair, balanced and understandable assessment of the Company's position and prospects.

→ **For further information, see the Audit Committee Report from page 100 and the 'fair, balanced and understandable' statement on page 105.**

O. Risk management and internal controls:
The Audit Committee oversees the internal controls framework and receives regular reports from management and the internal audit function on the effectiveness of that framework. It reports its findings to the Board. At least twice a year, the Board reviews the principal and emerging risks which apply to the Group to ensure that they remain current and that, to the extent possible, there are mitigation plans in place to manage those risks in accordance with the risk appetite that the Board determines, from time to time, is appropriate to achieve the long-term strategic objectives of the Group.

→ **For further information, see the Risk Report from page 67 and the Audit Committee Report from page 100.**

5. Remuneration

P. Designing remuneration policies:
The Remuneration Committee is responsible for determining remuneration policies and practices which support the strategy and promote the long-term sustainable success of the Group.

→ **For more information about the work of the Remuneration Committee, see the Directors' Remuneration Report from page 106.**

Q. Executive remuneration:
The Directors' Remuneration Policy was approved by shareholders on 23 July 2020. In accordance with corporate governance requirements, the Directors' Remuneration Policy will be put to shareholders for approval at the Annual General Meeting in July 2023. A copy of the proposed Policy can be found from page 124. As part of the process for developing the Directors' Remuneration Policy, including revisions to the Policy in 2021, the Chair of the Remuneration Committee consulted major institutional shareholders on the Committee's proposals.

→ **The current Directors' Remuneration Policy is available on the Company's website at www.tateandlyle.com.**

R. Remuneration outcomes and independent judgement:
The Remuneration Committee determines remuneration outcomes for the Executive Directors and other members of senior management and in so doing exercises independent judgement and discretion in the context of Company and individual performance and the wider circumstances. No Director or member of management is involved in determining his or her own pay.

→ **For more information about the Remuneration Committee and remuneration outcomes, see the Directors' Remuneration Report from page 106.**

Nominations Committee Report: Chair's introduction

Gerry Murphy
Chair

This year, we will continue our succession planning for those non-executive directors who will retire in the near term.

Succession planning

Non-executive directors

In my introduction to last year's Nominations Committee Report, I explained that this year, we would conduct another externally facilitated review of the Board in order to inform our thinking about non-executive director succession planning in the coming years. As you will read elsewhere in this Report (see page 87), we conducted that review earlier in 2023. Board members and members of our Executive Committee shared their thoughts on the ideal candidate profiles for the non-executive directors we will seek to recruit over the coming months, bearing in mind the evolving balance and diversity of experience of the whole Board and the likely direction of development of new Tate & Lyle in the coming years.

In the near term, Paul Forman, will retire from the Board at the AGM having served on the Board since January 2015. During his time on the Board, Paul has been a member of the Audit Committee and, most recently, our Senior Independent Director. Paul has served with great distinction, playing a particularly valuable role on the Board during our deliberations about the separation of our former Primary Products business into what is now Primient. The Board is grateful to Paul for his dedicated service and wishes him well for the future.

The Board has proposed that Kim Nelson becomes the Senior Independent Director upon Paul's retirement. Kim has served on the Tate & Lyle Board since 2019 and has a deep understanding of the business. In her previous role at General Mills, Kim gained significant experience of external relations which will serve her well in this important Board position.

During calendar year 2024, we anticipate that Sybella Stanley, Chair of our Remuneration Committee and Lars Frederiksen will retire, as they each approach the nine-year anniversary of their appointment to the Board. In contemplation of the departure of these distinguished colleagues, and informed by the results of our externally facilitated review, the Nominations Committee will consider Remuneration Committee Chair succession as well as succession for both Paul Forman and Lars Frederiksen while returning to a Board of ten directors.

Executive Committee members

During the year we continued to keep long-term succession planning for the Executive Directors and other Executive Committee members on our agenda.

Diversity at and below the Board

In a purpose-led business like Tate & Lyle, diversity at all levels is a pre-requisite to future-proofing our Company, by ensuring that our employees reflect the customers and communities we serve. And, as a global business, our Board needs to reflect the rich diversity of the regions where we operate. This is not just a matter of governance and social responsibility, important as these dimensions are, it's just good common sense.

We are pleased that, at the time of writing, our Board is 45% women and 18% from Black, Asian or non-white ethnically diverse groups with a mix of nationalities that reflects the global profile of our business, with a female Chief Financial Officer, a female Chair of the Remuneration Committee and from the conclusion of our AGM a female Senior Independent Director.

It is also why the Board supported management's commitment to achieve 50% gender diversity in leadership and management roles by 2025. These roles extend to more than 500 managers in the top five employee bands. We monitor progress against this target and are pleased to see that in the last 12 months the number of women in leadership and management roles has increased to 44% by 31 March 2023. 56% of the Executive Committee are women.

We were delighted to win the FTSE 250 Trailblazer ExCo and Direct Reports award at the Balance in Business Awards 2023. As at the date of this report, gender diversity of our senior management[1] and their direct reports was 59% female.

Priorities for the year ahead

In addition to our focus on non-executive director succession planning, we will consider long-term succession planning for senior executives at and below the Board and to follow closely the progress of management's talent development and equity, diversity and inclusion initiatives.

Gerry Murphy
Chair

1 In accordance with the Code, senior management is defined as the Executive Committee (including the Chief Executive and Chief Financial Officer) and the Company Secretary.

Nominations Committee Report continued

Committee governance

Responsibilities

The Committee assists the Board by reviewing the size and composition of the Board, including succession planning, and the leadership needs of the Group generally. It recommends candidates for appointment as Directors and as Company Secretary and reviews the performance of the executive directors. Further details of its responsibilities are in the Committee's terms of reference, which the Committee reviews annually and can be found on the Company's website, www.tateandlyle.com.

Composition

During the year under review, the Committee comprised the Chair of the Company and all independent Directors. The Company Secretary is the secretary to the Committee.

Meetings during the year

Meetings are generally held around the time of scheduled Board meetings. The Committee held three meetings during the year. Attendance during the year is set out on page 87.

The Chief Executive and the Chief Human Resources Officer are invited to attend and present to the Committee on an ad hoc basis, depending on the issues being discussed.

Effectiveness

The Committee carried out an externally facilitated review of its effectiveness and the output was discussed by the Committee.

This concluded that the Committee continued to operate effectively and confirmed that the focus for the coming year would be non-executive succession planning while continuing to review executive director succession planning, and succession planning for other members of the executive management team.

Work undertaken during the year

The Committee maintains a calendar of items for consideration at each meeting and reviews and updates it regularly.

Board succession planning

During the course of the year, the Nominations Committee considered and, in May 2023, supported the appointment of Kim Nelson to the role of Senior Independent Director upon the retirement of Paul Forman at the 2023 AGM.

Succession planning for senior management

The Committee also considered succession plans for senior executive roles. During the year, members of the Committee were consulted on the promotion of Tamsin Vine to the Executive Committee as Chief Human Resources Officer.

Review of individual Directors and members of the Executive Committee

Each Director goes through a formal performance review process as part of the annual Board effectiveness review. Dr Gerry Murphy led performance reviews of the non-executive directors. All Directors completed this process during the year.

The Nominations Committee reviewed the performance of the Chief Executive. The Senior Independent Director, Paul Forman, led the review of the Chair.

These reviews confirmed that each Director continues to make an effective contribution to the Board's work and is well prepared and informed about issues they needed to consider. In each case, their commitment remains strong.

The Committee evaluated the performance of the other members of the Executive Committee and reported its conclusions to the Remuneration Committee.

Board diversity

As described in the Chair's introduction to this Nominations Committee Report, the Board believes that a diverse and inclusive culture is a driver of superior business performance, growth and innovation. In its Diversity Policy the Board commits to maintain, as a minimum, female and ethnic representation in line with the current representation on the Board.

The Committee uses search firms who are signatories to the FTSE Women Leaders Enhanced Code of Conduct which seeks to address gender diversity on boards and best practice for the related search processes.

When considering candidate directors, the Committee looks at a number of different criteria, including experience, gender, age, culture and personal attributes such as thinking style. This is reflected in the longlists and shortlists of possible candidates.

As at the date of this Annual Report, the Board comprises the Chair, two executive directors and eight non-executive directors. Female representation (five Directors) equates to 45% of the Board and of the key roles on the Board, a female director (Dawn Allen) is the Chief Financial Officer. Representation from Black, Asian or non-white ethnically diverse groups is currently at 18% on the Board above the target set by the Parker Review.

Diversity below the Board

We recognise that to be a successful company, we must be both diverse and inclusive. We expect everyone, everywhere, to play a role in ensuring we become a truly diverse and inclusive organisation where differences are respected and everyone's contributions are valued.

Our human resources policy sets out our commitment to providing opportunities for all colleagues, irrespective of (among other things) sex, race, ethnicity, colour, religion, background, age and sexual orientation.

The Board supported management's commitment to achieve 50% gender diversity in leadership and management roles across the organisation by 2025 and tracks progress against that target.

Gender identity of sex[1]	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	6	55%	3	4	44%
Women	5	45%	1	5	56%
Not specified/prefer not to say	–	–	–	–	–

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management[2]	Percentage of executive management
White British or other White (including minority-white groups)[3]	9	82%	4	9	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British[4]	1	9%	–	–	
Black/African/Caribbean/Black British[5]	1	9%	–	–	
Other ethnic group, including Arab	–	–	–	–	
Not specified/prefer not to say	–	–	–	–	

1 The information in these tables was collected directly from each individual.
2 For the purposes of this disclosure and in accordance with the Code, 'executive management' means the Executive Committee (including the Chief Executive and Chief Financial Officer).
3 Patrícia Corsi identifies as Latin White.
4 John Cheung identifies as Chinese (The People's Republic of China (Hong Kong SAR)).
5 Kimberly Nelson identifies as African American.

Audit Committee Report: Chair's introduction

Warren Tucker
Chair of the Audit Committee

The Committee was pleased that our internal and external auditors were able to return to in-person visits to our operations around the world.

Introduction

I am pleased to present the work of the Committee during the year. The Committee was delighted to welcome Dawn Allen as the new Chief Financial Officer and to have the opportunity to hear from her regularly throughout the year including her impressions of the Finance function and her plans to further strengthen the Group's internal processes and controls particularly around free cash conversion.

I continued to engage with a wide number of stakeholders, including the Group Audit and Assurance (internal audit) function, senior management and the external auditor (EY) to ensure our processes and controls remain robust. As restrictions continued in China due to the Covid-19 pandemic, and our business there grew with the acquisition of Quantum Hi-Tech, the Committee continued to focus on the operation of the risks and controls framework in our business activities in China.

My Committee colleagues and I enjoyed the opportunity to meet each other in person again along with many members of the finance team at Tate & Lyle. A highlight this year was my visit, with fellow Audit Committee member, Kim Nelson, to our Global Shared Services Centre in Łódź, Poland. We were pleased to have the opportunity to thank the team for their hard work during the separation of the Primient business. The Committee was also pleased that our internal and external auditors were able to return to in-person visits to our operations around the world.

During the year, the Committee approved the appointment of a new lead external audit partner, with effect from the conclusion of the 2023 financial year audit. This appointment follows Mr Brown's mandatory retirement after five years as lead audit partner. The Committee was also engaged in the appointment processes for a new VP, Group Financial Controller and the new Head of Group Audit and Assurance after the incumbents in these roles took up promotions, one inside and the other outside Tate & Lyle. Committee members take a keen interest in talent management within the Finance function at Tate & Lyle and were pleased to see these individuals and their successors progressing in their careers.

Reviews during the year

In addition to the usual review of accounting judgements and disclosures on key accounting matters including accounting for the disposal of Tate & Lyle's share in Primient, exceptional items and taxation (see details set out on page 102), we continued with our practice of looking in particular depth at certain aspects of the control environment. During the year, we again met leaders from the Group Tax and Treasury teams and undertook in-depth reviews into their functions.

The Committee also received updates on the work of the Group Audit and Assurance team, Ethics and Compliance, IT and cyber risks, data privacy management and the Finance talent management programme. Our annual deep dive into IT and cyber risks looked at our cyber security maturity with input from EY as well as the Group's own IT leadership.

The Committee continued to monitor the implementation of Tate & Lyle's controls, processes and ethics and compliance programme into our recently acquired businesses, Quantum Hi-Tech, Sweet Green Fields and Chaodee Modified Starch.

The Committee was reassured by management and the external auditor that the Company continued to operate robust processes and controls throughout this period.

Conclusion

The Committee is mindful of the recent changes to senior management within the Finance function with the appointment of a new VP, Group Financial Controller and also the appointment of a new Head of Group Audit and Assurance. Therefore, I will spend time with these leaders outside the formal meeting cycle to provide support and guidance, where appropriate. In addition, the lead external audit partner, while familiar with our business, will be new to this role and accordingly, I will continue my practice of meeting routinely with EY outside the scheduled Audit Committee meetings.

I hope that you find this report useful in understanding our work in the past year and I welcome any comments from shareholders on my report.

Finally, I would like to thank my fellow colleagues on the Committee for their support during the year and, in particular, to thank Paul Forman, who retires from the Board at the AGM, for his valuable contribution to the work of the Committee over many years.

Warren Tucker
Chair of the Audit Committee

Audit Committee Report continued

Committee governance

Responsibilities

The Committee assists the Board by overseeing financial reporting, internal controls and the risk management process, the Group Audit and Assurance function and our relationship with the external auditor. Further details of its responsibilities are in the Committee's terms of reference on the Company's website, www.tateandlyle.com.

Composition

The Committee currently comprises five independent Directors: Warren Tucker (Chair), John Cheung, Paul Forman, Kim Nelson and Sybella Stanley. Paul Forman will retire from the Board and the Audit Committee at the Annual General Meeting.

The Code stipulates that:

- the Committee, as a whole, shall have competence relevant to the sector in which the Company operates. The Committee considered that it does, as a whole, have extensive experience of global manufacturing and supply organisations, and of business-to-business groups, experience of commercialisation of innovation pipelines and a wealth of knowledge and understanding of the London investment community and governance matters. It continues to strengthen the competencies of its members through deep dives and updates on relevant matters.
- at least one Committee member should have recent and relevant financial experience. Warren Tucker meets this requirement. Warren was Chief Financial Officer of Cobham plc for a decade until 2013 and is a chartered accountant. He also served as an independent non-executive director on a FTSE 100 audit committee from 2010 to May 2020.

The Company Secretary is the secretary to the Committee.

Meetings during the year

Meetings are generally scheduled in line with key times in the Group's financial reporting calendar. The Committee held five scheduled meetings during the year. Attendance during the year is set out on page 87. The Committee has also met once since the end of the financial year and prior to the signing of this Annual Report.

The Chief Financial Officer, Head of Group Audit and Assurance, VP, Group Financial Controller, EVP General Counsel and representatives of the external auditor are invited to, and attend, all relevant parts of each meeting. The Chair of the Board and Chief Executive are also invited to, and attend, each Committee meeting. In addition, senior finance and operational leaders attend and present to the Committee as needed, depending on the issues being discussed.

The Committee meets privately with each of: the Chief Financial Officer; the Head of Group Audit and Assurance; the Chief Executive; and the Company's external auditor on an individual basis to ensure the effective flow of material information between the Committee and management. The Committee also meets without management present at the end of every meeting.

Effectiveness

The Board carried out an externally facilitated review of its performance and that of its committees, including the Audit Committee. For more information see page 87. The external facilitator attended a Committee meeting and sought feedback from the Committee members, certain members of senior management and the external auditor. The output was discussed by the Committee. This concluded that the Committee continued to operate effectively in the year.

Work undertaken during the year

The Committee maintains a rolling calendar of items for consideration at each meeting and reviews and updates it regularly. As well as the work referred to above, the Committee maintained its focus on four main areas: financial reporting; oversight of the external auditor; oversight of the internal audit function; and internal control and risk management. During this financial year, the Committee learnt that Group Audit and Assurance had carried out a comprehensive risk assessment to identify the key fraud risks and key controls in place to prevent and detect instances of fraud. The assessment was carried out with the Primient separation in mind and with the input and collaboration of cross-functional teams and EY.

The Committee received a deep dive presentation from EY and the Group's IT leadership on cyber security maturity and risk management within the Group. The Committee particularly welcomed the creation of a cyber risk assurance map and the opportunity to monitor progress against the key performance indicators of risk identified on the map.

EY also presented to the Committee on the ways in which it uses data analytics in the conduct of the audit.

Financial reporting

At each of its meetings, the Committee reviewed and constructively challenged the accounting methodologies, judgements and disclosures set out in the papers prepared by management and determined, with the input from the external auditor, the appropriateness of these. The significant issues considered by the Committee in relation to this year's financial statements are listed on page 102. Papers on the Group's existing and emerging litigation risks were also considered.

Kim Nelson, Warren Tucker, Dawn Allen and Milosz Aleksander, VP, GSS, at our Global Shared Services Centre in Łódź, Poland

Audit Committee Report continued

Significant matters relating to the financial statements considered by the Committee

Area	Background	Committee's activities and conclusion
Sale of controlling stake in Primient and acquisition of Quantum Hi-Tech	The sale of a controlling stake in Primient to KPS Capital Partners, LP completed on 1 April 2022. The acquisition of Quantum Hi-Tech completed on 9 June 2022.	The Committee considered the completion accounts process and the disposal accounting, including the proposed disclosures in the Group's financial statements in relation to the Primient disposal. In addition, the Committee considered management's assessment (and the external auditor's report thereon) of the purchase price accounting in relation to both these transactions, noting that the valuation of the assets and liabilities in relation to these entities require management to exercise significant judgement in the determination of fair value.
Corn procurement and commodity accounting	With the separation of the Primient business, Primient procures corn for Tate & Lyle and commodity accounting by Tate & Lyle (including within its interest in Primient) for the 2023 financial year and beyond has been simplified. For more information see Note 2. As such, commodity accounting is no longer a significant matter for the Committee.	The Committee considered the work performed by management to determine the appropriate pricing mechanism for the purchase of corn from Primient (both for the manufacturing of corn-based finished goods in the Group's US manufacturing sites and for corn-based finished goods manufactured by Primient and sold to the Group under long-term supply agreements). Whilst not a significant accounting judgement, Committee members considered the commercial risks of adopting different pricing mechanisms.
Exceptional items	We exclude from certain of our alternative performance measures exceptional items which are material in amount and that are outside the normal course of business or relate to events which do not frequently recur. Therefore, these merit separate disclosure in the financial statements in order to provide a better understanding of the Group's underlying financial performance.	The Committee constructively challenged the judgement of management regarding the classification of exceptional items. The Committee also considered the appropriateness of the associated disclosures and concluded that both the judgements made, and the disclosures proposed were reasonable.
Taxation	We operate and pay taxes in multiple jurisdictions, which requires the interpretation of complex tax law. As such, we make provision for potential tax exposures to local tax authorities and reassess these as necessary at the half year and year end. Our assessment is underpinned by a range of judgements from tax professionals and external advisors.	The Committee reviewed the key judgements made in estimating the Group's tax charge along with the key disclosures, set out on page 40 and in Note 11. The Committee was satisfied that the judgements made in estimating the Group's tax charge were reasonable, and that the disclosures were appropriate. The Committee considered and challenged the appropriateness of tax provisions at the balance sheet date, including changes in provisions during the year, as well as the Group's associated tax risks. The Committee also considered the composition of the Group's deferred tax balances and recognition judgements.
Integration of new acquisitions	During the year, we acquired the Quantum Hi-Tech and Nutriati businesses.	The Committee monitors the implementation of Tate & Lyle's controls, processes and ethics and compliance programme into new businesses acquired by the Group.
Impairment reviews	We test all goodwill for impairment annually and additionally as required test all assets where there has been an indicator of potential impairment.	The Committee reviewed and challenged the annual goodwill impairment assessments and considered the appropriateness of management's assumptions. Management concluded that there was significant headroom in its goodwill impairment reviews and, accordingly, no impairments were required in the Food & Beverage Solutions cash generating unit. Impairment reviews were also undertaken on other assets and concluded that any impairments recorded were appropriate. The Committee agreed with these conclusions. The disclosure is set out in Note 19.

Audit Committee Report continued

Focus areas for the Audit Committee in the 2024 financial year

In addition to the recurring matters on the Committee's rolling calendar, the Committee will focus on (i) the integration into our controls framework of our recent acquisitions; (ii) continued enhancements to the risk and controls matrix; and (iii) talent management and succession planning in the Finance function. The Committee will continue to carry out deep dives into our Food & Beverage Solutions business, both at Group functional level and at a regional level, on a rotational basis. In addition, the Committee will continue to review the effectiveness of new controls which will operate in relation to certain aspects of the long-term agreements between Tate & Lyle and Primient. Members of the Audit Committee will also visit a number of our sites, including Quantum, as part of the Board's overseas visit later in the year.

External auditor

As part of the reporting of the half-year and full-year results statements, EY reported to the Committee on its assessment of the Group's accounting judgements and estimates and its control environment. EY did not report any significant deficiencies in controls nor did it disagree with any of the Group's accounting judgements and estimates. The Chair of the Committee meets with EY prior to each meeting and outside the meeting cycle on a regular basis.

Safeguarding the auditor's independence

The independence of the external auditor is essential to the provision of an objective opinion on the true and fair view presented in the financial statements. Auditor independence and objectivity are safeguarded by a number of control measures, including limiting the nature and value of non-audit services performed by the external auditor.

The Committee operates a policy to safeguard the objectivity and independence of the external auditor. This policy sets out certain disclosure requirements by the external auditor to the Committee; restrictions on the employment of the external auditor's former employees; and partner rotation.

During the year, the Committee reviewed the operation and results of this policy and confirmed that, in its opinion, the external auditor remained independent.

Provision of non-audit services

The policy also sets out the circumstances in which the external auditor may be permitted to undertake non-audit services and the services which are not permitted under any circumstances, such as the provision of remuneration advice and internal audit outsourcing.

At each meeting the external auditor reports any non-audit services provided by the auditor and the fees incurred by the Company. Under our policy on non-audit services, the Chief Financial Officer has authority to approve permitted services up to £10,000, with any amounts above that limit requiring approval of the Committee Chair or the Committee itself. Any amounts approved by the Chief Financial Officer are reported to the Committee at its next meeting.

The total amount payable in respect of the Group audit and audit of subsidiaries was £3.4 million. In addition, the fee for the Group's half-year review was £0.1 million, which is included as a non-audit service in accordance with standard practice. Fees paid in respect of non-audit services therefore comprised 3% of the total fees paid to EY.

Audit quality

To maintain audit quality, the Committee reviews and challenges the proposed external audit plan, including its scope and materiality, before approval, to make sure that EY has identified all key risks and developed robust audit procedures and communication plans. This year, the Committee looked closely at the changes to the audit plan introduced as a result of the separation of the Primient business. Throughout the year, the Committee looks at the quality of the auditor's reports and considers its response to accounting, financial control and audit issues as they arise.

The Committee also meets with EY regularly without management present, providing an opportunity to raise any matters in confidence and for open dialogue. This meeting also gives the Committee the chance to monitor the performance of the lead engagement partner both inside and outside Committee meetings.

The Chair meets to review EY's quality reporting and discussed items that could impact Tate & Lyle, in particular the culture of EY's audit division.

Effectiveness of the external auditor

The effectiveness of the external auditor is assessed in accordance with a process agreed by the Committee. As part of the process, the auditor's performance for the 2022 financial year was reviewed against criteria set at the start of the audit, which includes quality and experience of the audit team, audit planning and adaptability to changes in business needs and the control environment, providing objectivity and challenge, project management, and reporting and communication. The Committee also took into consideration the latest FRC's guidance on evaluating audit quality.

The review sought feedback from management at Group and divisional levels most directly involved in the year-end audit and feedback was also sought from EY on the contribution from our management team to an effective audit.

The Committee considered the feedback received together with its wider knowledge and concluded that the external audit process for the 2022 financial year was effective and that EY provided independent challenge to management. Areas of focus were identified for the 2023 financial year.

The Committee will formally assess EY's performance in relation to the 2023 audit following its completion.

Tenure

EY was appointed the Group's external auditor at the Company's AGM in 2018 for the financial year ended 31 March 2019 following a formal tender process. During the year, the Committee approved the appointment of Jonathan Gill to replace Lloyd Brown as EY lead audit partner. In accordance with mandatory requirements, Mr Brown rotates off the engagement after his fifth year as lead audit partner. Mr Gill's appointment takes effect at the conclusion of the 2023 financial year audit.

The Committee recommended, and the Board intends to propose, the reappointment of EY as the Company's auditor for the 2024 financial year. It believes the independence and objectivity of the external auditor and the effectiveness of the audit process are safeguarded and remain strong.

The Committee considers that the Company has complied with the Competition and Markets Authority's Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the financial year under review.

There are no contractual obligations that restrict the Committee's choice of external auditor.

Audit Committee Report continued

Internal audit – Group audit and assurance

Group Audit and Assurance (GAA) is an internal function that provides independent and objective assurance to all levels of management up to the Board. Its responsibilities include evaluating and reporting on the adequacy and effectiveness of the systems of risk management and internal controls operated by management. Management remains responsible for identifying risks and for the design and operation of controls to manage risk effectively.

The GAA function is staffed by professionally qualified and experienced individuals located in London, Chicago, Poland and Singapore. They report to the Head of Group Audit and Assurance, who is based in London, who in turn reports directly to the Chair of the Audit Committee and the Chief Executive.

The Committee received, considered and approved the annual internal audit plan, which was constructed using a risk-based approach taking account of risk assessments, input from senior management and previous audit findings. This year there was an emphasis on the ongoing relationship with Primient, in-person visits and audits to more sites around the Group, a soft audit of Quantum Hi-Tech and a risk review with the Quantum Hi-Tech integration team. GAA also carried out commercial audits with a particular focus on contract compliance in addition to their continued focus on cyber security and IT operations. The audit plan is kept under review depending on the operational limitations and business requirements and any proposed changes to the plan are discussed and agreed with the Committee.

Ongoing visibility of the internal control environment is provided through internal audit reports to management and the Committee. This year, many audits were conducted in person again although some were performed remotely and with an external local co-source partner where appropriate. The reports are graded to reflect an overall assessment of the control environment under review, and the significance of any control weaknesses identified. Remedial actions to address findings are identified and agreed with management. The Committee receives a quarterly status report from the Head of Group Audit and Assurance, detailing progress against the agreed plan, key trends and findings. The Committee places high emphasis on actions being taken as a result of internal audits and regular reports are provided on the status of any overdue actions.

The Committee also carried out its annual review of the effectiveness of GAA. It was undertaken by way of a questionnaire, and feedback was sought from members of the Audit Committee, senior management and external auditor. The Committee concluded that the function continues to operate effectively.

Internal control and risk management

The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving the Group's strategic objectives and for maintaining sound risk management and internal control systems. A formal process is in place which aims to identify and evaluate risks including emerging risks and how they are managed. The Board and management recognised that the risk profile of the Group had changed following the separation of Primient and for that reason conducted a thorough review of the Group's principal risks, emerging risks and risk appetite during the year. These were discussed at, and approved by, the Board. Further details including the description of principal risks are set out on pages 71 to 75.

The objective of the internal control system is to protect the Group's assets and reputation and to ensure the reliability of financial information for both internal use and external publication. The systems of internal control and risk management cannot eliminate the risk of failure to achieve business objectives and can only provide reasonable, not absolute, assurance against material misstatement or loss. The Committee continued to receive and consider regular reports from management and the Head of Group Audit and Assurance, on the effectiveness of the Group's internal controls and risk management system as well as the external auditor on matters identified during its statutory audit work.

During the year, the Enterprise Risk Manager presented to the Audit Committee on risk process enhancements made over the previous 12 months and planned improvements to enhance the risk process over the following 12-month period. He also presented the risk management plan for calendar year 2023 for the Committee's approval.

Internal control over financial reporting

The Group has specific internal mechanisms that govern the financial reporting process and the disclosure controls and procedures around the approval of the Group's financial statements. Twice a year, representatives from the business certify that they have complied with the minimum control standards and that their reported information provides a true and fair view of the state of the financial affairs of their business unit and its results for the period. The results of this financial disclosure process are reported to the Audit Committee.

Annual review of the effectiveness of the systems of internal control

The Board monitors the effectiveness of the Group's systems of internal control and risk management throughout the year. Once a year, the Board, supported by the Audit Committee, conducts its own review of the effectiveness of the systems of risk management and internal control. As last year, the 2023 review was facilitated by GAA and covered the period from the start of the financial year to the date of this Annual Report. The process included a two-stage review to facilitate discussion, with the Audit Committee discussing the results of the review at their meetings in March and May 2023. The Board then discussed the output at its meeting in May 2023.

The 2023 review covered material financial, operational and compliance controls, our values and behaviours, and the risk management process. The review included an independent analysis of the questionnaires and representation letters completed by management to ensure that the responses from management were consistent with the results of its work during the year. The Committee reported to the Board that the process for monitoring and reviewing internal control and risk management processes is robust and appropriate for the size and scale of the business. It was noted that no significant failing or weakness had been identified and confirmed that it was satisfied the systems and processes were functioning effectively.

The Group's going concern and Viability Statement disclosures are set out in the Strategic Report on pages 41 and 69 respectively.

Fair, balanced and understandable reporting

Corporate Governance

Fair, balanced and understandable reporting
Robust year-end governance processes are in place to support the Board's review of the Annual Report which include:

- Ensuring that all of those involved in the preparation of the Annual Report have been briefed on the 'fair, balanced and understandable' requirements;
- Internal verification by the Group Audit and Assurance team of non-financial factual statements, key performance indicators and descriptions used within the narrative;
- Regular engagement with, and feedback from, senior management on proposed content and changes;
- Feedback from external parties (corporate reporting specialists, remuneration advisors, external auditor) to enhance the quality of our reporting;
- Review by the Audit Committee of the governance processes employed to provide assurance that the Annual Report is fair, balanced and understandable, including the opportunity to challenge members of management, Group Audit and Assurance and the external auditor on the robustness of those processes; and
- A process to ensure that unfavourable outcomes have been duly highlighted.

The Board considers that, taken as a whole, the Annual Report is fair, balanced and understandable. The Board further believes that the Annual Report provides the necessary information for shareholders to adequately assess the Company's position and performance, business model and strategy.

Directors' Remuneration Report: Chair's introduction

Sybella Stanley
Chair of the Remuneration Committee

The Committee reflected on the remuneration outcomes in the context of the value created for shareholders in a year of strong financial performance and significant strategic progress for the Group.

Reflecting on our financial performance as context for remuneration outcomes

As you will have read in the introductory statements in this Annual Report, it has been an excellent first year for the new Tate & Lyle, following the separation from Primient in April 2022. We delivered strong financial performance and significant strategic progress despite significant input cost inflation which we managed through a careful balance of solution selling, higher margin products, pricing, productivity, and cost discipline. During the year, Group revenue grew by 18%, adjusted EBITDA by 22% and adjusted diluted earnings per share by 10%. Free cash flow was higher by £47 million at £119 million with cash conversion at 62%, and we delivered US$21 million of productivity savings, well ahead of our target at the start of the year. Return on capital employed improved by 100 basis points to 17.5%. We also progressed our strategy, acquiring Quantum Hi-Tech in June 2022 and increased our expenditure on innovation and solution selling by 11%.

We set out our growth ambition for the new Tate & Lyle at our Capital Markets Event in February 2023 and launched a refreshed brand that underscores our commitment to 'Science, Solutions, Society' as a foundation for closer collaboration with our customers.

Sustainability targets for PSP awards

Sustainability is a major focus for the Board and the Committee. In 2020, we set ambitious 2030 targets for waste and water as well as science-based targets to reduce our greenhouse gas (GHG) emissions in line with the Paris Agreement on Climate Change.

In September 2021, we sought shareholder approval to introduce ESG metrics (with a 20% weighting) to our long-term incentive awards from 2021. In last year's Remuneration Report we confirmed the four metrics that have been selected for this purpose, based on their relevance to our business and the impact we believe we can have in these specific areas. We committed to maintain our sustainability targets following the separation from Primient, recognising that the 2020 'baseline' would need to be restated to reflect the footprint of new Tate & Lyle. That work has now been completed, with independent external support.

Details of the sustainability targets for the PSP awards granted in 2021 and 2022 are set out later in this report. These targets represent a performance corridor for each metric, based on a straight-line progression that would be necessary from our baseline to achieve each long-term sustainability commitment. We recognise that performance improvements are unlikely to be linear in practice and similarly there will be years in which each of these metrics can perform more strongly (or indeed decline), based on a number of operational factors, including the evolution of product mix / volume, and the impact from acquired businesses and factors related to our geographic footprint.

Overall, we are making good progress against our targets (see pages 54 to 61 for more details). We also know this is an area where enabling technologies and stakeholder expectations will continue to evolve, and we will keep our approach for the future under review to ensure targets for future awards remain appropriately stretching.

Recognising the cost of living impact on our people

We are very grateful to our employees for the commitment they have shown to serve our customers and deliver strong financial results throughout the year.

Management and the Committee were mindful of the inflationary and cost of living pressures for employees in many of our major markets. Accordingly, the April 2023 salary review process was structured to provide the general workforce with an appropriate increase that was reflective of the latest available inflation information, while management roles received a lower increase. In this way, financial support was targeted towards the population where it is needed most. Executive director increases were 1.5%, while the headline rate for the general workforce was c. 5-6% in the US/UK.

Recognising particular pressures in relation to food and energy prices in Europe and as winter approached, we made a one-off support payment of €1,150 to eligible colleagues in Europe earning less than €60,000 p.a.

Additionally, in the context of our financial and strategic performance, including performance against our purpose targets, we continue to recognise the majority of our employees with at least six months' service through some form of discretionary reward or recognition for the year.

Performance headlines for the year ended 31 March 2023

Financial performance

- Revenue growth +18%; 19% in Food & Beverage Solutions
- Adjusted EBITDA +22%: inflation offset by solution selling, higher margin products, pricing, productivity and cost discipline
- Adjusted profit before tax +13%: strong performance from core Tate & Lyle business but materially lower profits from minority holding in Primient
- Return on capital employed of 17.5%, improved by 100 bps
- Free cash flow £119m, £47m higher reflecting capital discipline and improved cash conversion

Strategic progress

- Strengthened solutions offering with acquisitions of Quantum (dietary fibre) and Nutriati (chickpea protein)
- Expenditure in innovation and solutions selling increased by 11%
- New Product revenue growth +17% with strong growth in mouthfeel and fortification platforms
- Sustainable agriculture programmes for corn and stevia delivering material improvements

Incentive outcomes for the year

The Committee carefully reviewed variable pay outcomes for Executive Directors and the broader management team against the performance targets established for bonus and long-term incentive awards. These outcomes for Executive Directors are summarised below:

- Annual bonus plan: the Chief Executive/Chief Financial Officer's bonus awards at 96%/95.3% of maximum respectively (as described on page 117) reflects strong Food & Beverage Solutions revenue growth; Group operating profit and adjusted cash flow above stretch targets set at the start of the year; as well as strong progress against strategic non-financial targets, including performance against our purpose and sustainability commitments.
- Performance Share Plan (PSP): awards made in 2020 will vest at 69.5% of maximum (as described on page 119) reflecting: (i) adjusted return on capital employed in the period to 31 March 2023 of 17.5% (ii) compound annual growth in Adjusted Earnings Per Share before tax of 8.5% while (iii) Food & Beverage Solutions volume growth was below the level required for that element to vest.

In its assessment this year, the Committee was particularly mindful to ensure outcomes were not unduly impacted by factors relating to near term inflation; and were assessed on an appropriate like-for-like basis following the separation from Primient (completed in 2022) and business acquisitions since targets were originally established, including Quantum Hi-Tech (June 2022). We were also mindful of shareholder concerns around 'windfall gains' arising from Covid-era market fluctuations in share price. The Committee carefully considered the Company's share price performance, noting that the grant price for the 2020 awards was higher than the grant price for the 2019 awards, and determined that Executives had not unduly benefited from 'windfall gains'.

Reflecting the strong performance across the range of metrics, remuneration outcomes for the year are between 'target' and 'maximum'. Having reviewed these outcomes, the Committee believes these are appropriate in the context of the strong financial performance and progress against our strategic objectives. The Committee also carefully considered the broader stakeholder experience, including the cost of living actions set out above, and the Company's share price performance and total shareholder returns over the relevant performance periods which has been strong relative to our sector and UK listed peers.

Aligning bonus metrics for the year ahead with our reported KPIs and Growth Ambition

Our bonus metrics for Executive Directors are 80% weighted to financial performance, reflecting the combination of (i) top line growth, (ii) profit delivery, and (iii) cash performance. Alongside these financial metrics a 20% component is linked to strategic progress. For the financial year 2024, we are moving from net sales to gross sales and from adjusted profit before tax to EBITDA, so that the financial metrics for our remuneration outcomes are consistent with our headline financial KPIs and are aligned with the investment case and growth ambition set out in our Capital Markets Event on 8 February 2023. These changes are within our existing Policy, and the Committee believes these metrics are appropriate as they are key drivers of growth and value creation, and are aligned with management's ability to drive value generation from operational performance.

Shareholder support for our policy and governance of executive pay

We have engaged proactively with shareholders over successive years, and I am pleased to report that the level of shareholder support for our Remuneration Policy and framework remains strong – our most recent Policy resolutions both received support in excess of 97%:

- Our Policy renewal in 2020 formally adopted structural reductions in bonus opportunity and retirement benefit provision – Executive Directors agreed changes to the level of their own retirement benefits, to give up the equivalent of 10% of salary, so that benefits have been in line with the rate available to the wider UK workforce from 1 April 2021.
- In September 2021, following consultation, shareholders approved an amendment to Policy (with a vote of 99% FOR) to enable the adoption of environmental, social and governance (ESG) metrics into our performance share plan (PSP); and we have also adopted relative Total Shareholder Return (TSR) performance into our PSP from 2021 to demonstrate our commitment to longer-term value creation.
- During 2023, we also engaged with shareholders on the renewal of our Remuneration Policy (without change), minor changes to our bonus metrics; and confirmation of the sustainability targets that will apply to PSP awards (as set out above).

Renewing our current Remuneration Policy without change

The 2023 AGM will include a resolution to approve the Remuneration Policy. The Committee continues to believe that the current policy is aligned appropriately with our business and talent strategy (taking into account the international context in which we operate and compete for talent) and will continue to provide for a strong alignment between the performance of Tate & Lyle and Directors' remuneration.

Accordingly, we are not proposing any further changes and, subject to shareholder approval at this meeting will renew the Policy previously approved by shareholders at the 2020 AGM, incorporating the amendment to include sustainability metrics into the PSP which shareholders approved in 2021.

In closing, I would like to thank my fellow members of the Committee for their diligence throughout the year, and our shareholders for their continued engagement and support.

Sybella Stanley
Chair of the Remuneration Committee

Directors' Remuneration Report continued

Remuneration at a glance

Our remuneration philosophy is simple: we offer competitive packages that mean we can recruit, develop and motivate excellent people wherever they are in the world – people who are not only highly skilled at their jobs, but those who believe in our purpose and will therefore help us create sustainable, long-term, profitable growth.

This philosophy applies to all our people.

What are the components of our executives' remuneration?

Salary + Benefits + Pension contribution + Annual bonus + Performance share plan = Total remuneration

Fixed pay: Salary, Benefits, Pension contribution

Performance-related pay: Annual bonus, Performance share plan

Shareholding requirements: CEO 4 x salary; CFO 3 x salary

How did we determine performance-related pay in 2023?

Annual bonus metrics

Rewards achievement of annual performance objectives:

- Target bonus is 75% of salary; Maximum is 150%
- Maximum cash bonus is 100% of salary
- Any award over 100% is paid in shares, deferred for two years, subject to claw back

Metrics		Threshold	Target	Stretch	Actual	Outcome (% of max)
80% Financial metrics with equal weighting						
Adjusted operating profit (£m)		201	219	229	229	100%
Food & Beverage Solutions (F&BS) net revenue ($m)		1,921	2,024	2,065	2,164	100%
Adjusted operating cash flow (£m)		85	95	105	127	100%
20% Non-Financial						
Strategic/non-financial objectives, including environmental and sustainability goals	Chief Executive		50%	100%	80%	80%
	Chief Financial Officer		50%	100%	77%	77%
Overall outcome for the year ended 31 March 2023	Chief Executive		50%	100%	96%	96%
	Chief Financial Officer		50%	100%	95%	95%

Performance share plan awards vesting in 2023

Rewards achievement of long-term strategic objectives against targets for awards made in 2020

- Maximum award is 300% of salary
- Only 15% of the award vests at 'threshold'
- A five-year timeframe applies: three-year performance period plus a two-year post-vesting holding period

Metrics	Threshold	Stretch	Actual	Outcome (% of max)
40% Adjusted Group ROCE	13%	17%	17.5%	100%
40% Adjusted Group EPS CAGR	5%	10%	8.5%	73.6%
20% F&BS volume CAGR	2%	6%	0.8%	0%
Overall outcome – 2020 award	15%	100%	69.5%	69.5%

■ Actual

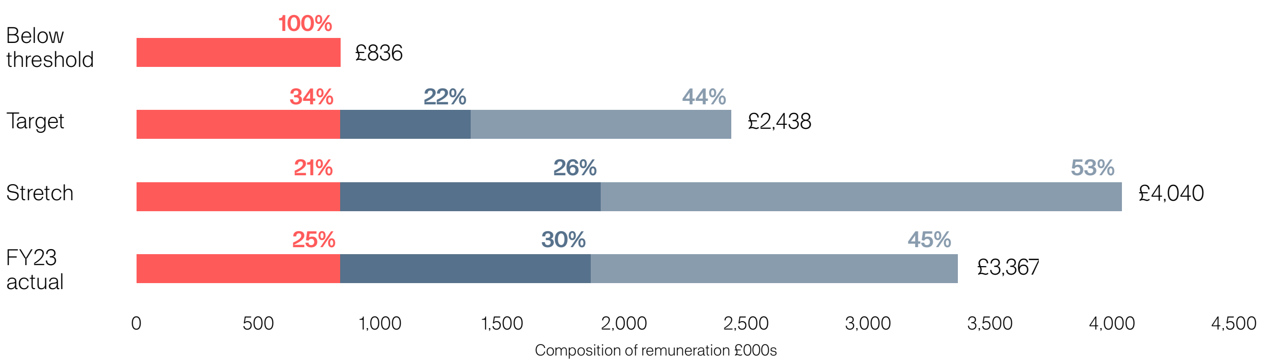
Directors' Remuneration Report continued

How did remuneration outcomes for the year compare with pay policy scenarios?

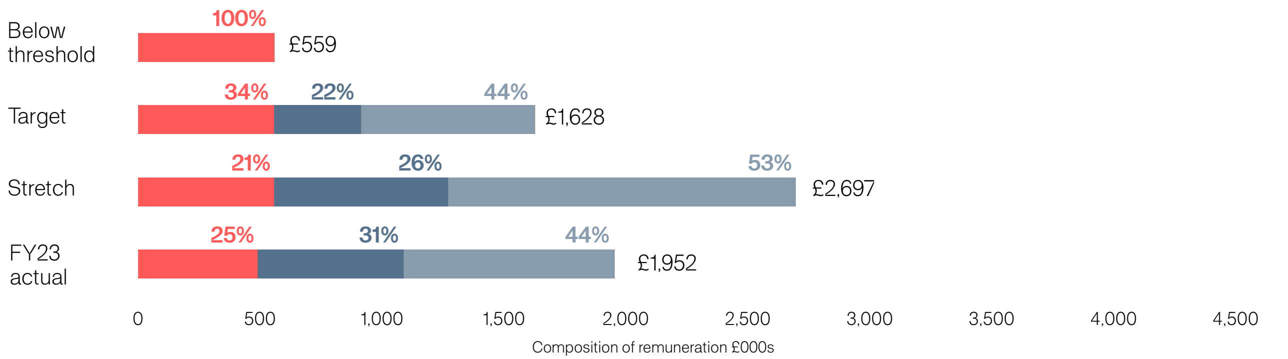
Remuneration outcomes vs policy scenarios for the year ended 31 March 2023

- Base and Benefits
- Annual Bonus
- Performance Share Plan

Chief Executive – Nick Hampton



Chief Financial Officer – Dawn Allen



Policy renewal and arrangements for the year ahead:

Shareholder approval is sought at the 2023 AGM for Policy renewal on a consistent basis:

- The Committee believes that our Policy continues to provide an effective overall framework that is aligned with our long-term ambition, generating returns for shareholders, and value creation for our broader stakeholders, and no changes are proposed.
- The Policy (see pages 124-129) is therefore consistent with the policy previously approved by shareholders at the 2020 AGM, with the amendment to incorporate environmental / sustainability metrics into the PSP for executive committee members and senior leaders which shareholders approved in 2021.

How did Tate & Lyle perform in 2023?

Group adjusted EBITDA [1]
+22%
£320m

Free cash flow [1]
+£47m
£119m

Food & Beverage Solutions revenue
+19%
£1 438m

Group return on capital employed (ROCE) [1]
+100bps
17.5%

Food & Beverage Solutions – New Products revenue
+17%
£239m

Scope 1 and 2 greenhouse gas emissions reduction [2]
6%

Food & Beverage Solutions adjusted EBITDA
+21%
£271m

Beneficial use of waste
92%

Adjusted earnings per share (EPS) [1]
+10%
49.3p

Water use intensity reduction [2]
2%

1 Adjusted EBITDA, adjusted diluted earnings per share, return on capital employed (ROCE) and free cash flow are non-GAAP measures. Changes in adjusted performance metrics are in constant currency and for continuing operations. Comparatives for adjusted performance are in the pro-forma financial information (see 'Useful Information' on page 208).

2 From baseline of year end 31 December 2019. See page 31 for more detail and how performance links to our 2030 targets.

Directors' Remuneration Report continued

Annual Report on Remuneration

Preparation of this Report

This Report has been prepared in accordance with the requirements of the Companies Act 2006 (the Act) and Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the Listing Rules of the UK Listing Authority and the UK Corporate Governance Code. Ernst & Young LLP have audited such content as required by the Act (the information marked as '(audited)').

The Remuneration Committee

Committee membership and meetings during the year

The Remuneration Committee comprised the following independent non-executive directors during the year: Sybella Stanley (Committee Chair), Lars Frederiksen, Warren Tucker, Patrícia Corsi and Dr Isabelle Esser (on joining the Board on 1 June 2022). The Company Secretary serves as secretary to the Committee. Membership and attendance during the year are set out on page 87.

The Chair of the Board; the Chief Executive; the Chief Human Resources Officer; and the VP, Global Compensation and Benefits may be invited to attend meetings to assist the Committee, although none is present or involved when his or her own remuneration is discussed.

The Committee met five times during the year, and once after the end of the financial year and before the signing of this Annual Report. The Committee's external advisor attends each meeting to provide independent advice, and also provides regular updates to the Committee on relevant corporate governance and market-related developments to ensure that the Committee's decisions take Group strategy and the needs of the business into account, while reflecting investor and governance expectations.

Main responsibilities of the Remuneration Committee

The Committee has a formal calendar of items for consideration. The main responsibilities of the Committee include:

- Assessing the appropriateness of executive remuneration in the context of the Group's strategy and priorities as well as overall competitiveness, informed by data from independent, external sources
- Setting the detailed remuneration of the Executive Directors, designated members of senior management, and the Chair of the Board (in consultation with the Chief Executive), including salary or fees, annual bonus, long-term incentives, and contractual terms
- Setting performance targets for awards made to senior executives under the annual bonus plan and the long-term incentive plan, and reviewing performance outcomes
- Reviewing the broader operation of the annual bonus and Performance Share Plans, including participation and overall share award levels
- Reviewing workforce remuneration policies and engagement in accordance with the UK Corporate Governance Code
- Reviewing its own effectiveness each year

The Committee's terms of reference, which are reviewed annually, are available on the Company's website, www.tateandlyle.com.

Committee effectiveness

This year the Board carried out an externally facilitated review of its effectiveness and that of its committees. Feedback was sought from the Committee members, certain members of senior management and the external advisor. The output was discussed by the Committee. This concluded that the Committee continued to operate effectively throughout the year and confirmed the appropriate areas of focus for the year ahead.

Committee advisor

The Committee appointed Deloitte LLP to act as external advisor following a review and competitive tender process in 2012, with a change in lead advisor in 2022. As part of its annual processes, the Committee considered and confirmed that advice received during the year from Deloitte LLP was objective and independent. Deloitte LLP is a signatory to the Remuneration Consultants' Code of Conduct; this gives the Committee additional confidence that the advice received is objective and independent of conflicts of interest. Fees charged by Deloitte LLP for the provision of remuneration advice to the Committee amounted to £30,250 for the year ended 31 March 2023, with fees charged on a time incurred basis. During the year ended 31 March 2023, Deloitte LLP also provided unrelated services to the Group in respect of corporate finance, consulting, tax and compliance.

Remuneration Policy

Summary of the Directors' Remuneration Policy

Executive Directors' remuneration consists of base salary, annual bonus, long-term incentives, share awards, retirement and other benefits as summarised in the 'at a glance' section on pages 108 and 111. Each component has a clear purpose, and the variable elements are driven by achievement against relevant financial and non-financial performance indicators which have a clear link to the Company's strategy and purpose. A strong alignment with shareholders' interests is maintained through a weighting of the package towards performance-based reward as well as significant personal shareholding requirements imposed on each Executive Director. Safety and broader environmental and corporate responsibility matters are specific factors that the Committee may factor into decisions on pay and annual incentive plan outcomes. Malus and claw back provisions apply to incentive awards following release.

Non-Executive Directors receive fees, relating to their Board and Committee responsibilities, and do not receive additional benefits or participate in incentive arrangements.

The Directors' Remuneration Policy (the Policy) was approved by shareholders at the AGM on 23 July 2020 (with 97% of votes cast to support the resolution), and an amendment to the Policy was approved by shareholders on 30 September 2021 (with 99% of votes cast to support the resolution) to enable the adoption of non-financial ESG metrics to be included for PSP awards from 2021, as described on page 119. The Committee will present the 2023 Directors' Remuneration Policy without further change, subject to shareholder approval at the AGM on 27 July 2023.

The Committee retains discretion on specific aspects of the Policy and implementation, as described in the Policy, along with an overriding discretion to determine bonus outcomes and judge the level at which share awards vest, to ensure that payments are consistent with the underlying financial health and performance of the business, within the maximum opportunity stated in the policy tables.

The Committee may make minor changes to the Policy without seeking shareholder approval, for example, to benefit the administration arrangements, or to take account of changes in legislation. Any such changes would be disclosed in the relevant Annual Report.

Directors' Remuneration Report continued

Remuneration framework and key principles

The Group's remuneration strategy and principles apply consistently to employees, managers and executives.

- Our approach is designed to be equitable, transparent and globally consistent, recognising that we recruit talented individuals and operate in an international market
- Base pay and benefits are referenced to the comparative local market, taking account of company size and operations
- Assessments of performance and potential provide meaningful opportunities for career and salary progression, based on an individual's skills and contribution over time
- Individuals in key roles that can drive annual and longer-term performance may be selected to participate in our sales incentive plan, or the annual bonus plan, and/or the Performance Share Plan, to encourage the achievement of genuinely stretching short-term and long-term objectives
- All aspects of remuneration are designed to encourage a focus on long-term, sustained performance and risk management. Outcomes must be achieved in a way that is consistent with the Group's values and Code of Ethics, and that fosters sustainable, profitable growth aligned with our purpose
- Alignment with shareholders' long-term interests is carefully preserved by linking senior executive pay to performance; effective governance around remuneration decisions; setting targets that challenge management to drive high performance; the adoption of shareholding guidelines at senior executive levels; and appropriate malus and claw back provisions

Overview of Executive Director Remuneration framework for the year ended 31 March 2023 and for the year ahead

The table below summarises the operation of our current remuneration arrangements in accordance with the Policy approved by shareholders.

Base salary and employment benefits ●

- Market competitive salary and benefits to attract the right calibre of executives
- Benefits include health insurance, car benefit and defined contribution retirement benefits
- Executive Director retirement benefit levels are aligned to the rate available to the UK workforce

Annual bonus ●○○

For the year ended 31 March 2023

- 80% financial of which:
  - ⅓ Group adjusted operating profit
  - ⅓ Food & Beverage Solutions revenue
  - ⅓ Group adjusted operating cash flow
- 20% non-financial business strategy objectives

Rewards achievement against annual performance objectives:

- Target bonus is 75% of salary; maximum cash bonus is 100% of salary
- Maximum opportunity is 150% of salary
- Any award over 100% is paid in shares, deferred for two years, subject to claw back
- 80% of the bonus is calculated by reference to financial performance conditions
- 20% of the bonus is linked to non-financial strategic objectives to create additional value over time

For the year ahead metrics will reference gross sales and adjusted EBITDA to align with our key financial performance indicators and growth ambition.

Performance share plan ●●●○○

Awards made in 2020:

- 40% Group adjusted EPS
- 20% Food & Beverage Solutions volume
- 40% Group Adjusted ROCE

Supports the Group's strategy to create shareholder value by incentivising sustained profit growth and capital efficiency, continued strategic progress, and to motivate and retain senior talent:

- Maximum award is 300% of salary; 15% of the award vests at 'threshold'
- Awards subject to a three-year performance period plus a two-year post-vesting holding period – five-year total

Conditions for awards made from 2021 include the adoption of environmental, social and governance 'ESG' metric(s), as well as 'total shareholder return' relative to an identified peer group.

Shareholding requirements – to be achieved within five years of appointment ▶▶▶▶▶

- Chief Executive – four times salary
- Chief Financial Officer – three times salary

- Since the 2020 Policy renewal, a post-employment shareholding requirement also applies: for a period of two years following cessation, an executive director will be required to maintain a shareholding in keeping with the guideline prevailing at the time of their departure, or their actual holding on departure (if lower).

Malus and claw back provisions

- Ongoing conditions apply for a period of two years after a bonus award or vesting of PSP awards

Key: Number of years: ● Performance period ○ Deferral/holding period ▶ Ongoing requirements

Directors' Remuneration Report continued

Statement of shareholder voting

The Remuneration Policy was approved by shareholders at the AGM on 23 July 2020 and an amendment was approved on 30 September 2021. The last Annual Report on Remuneration was approved by shareholders at the AGM on 28 July 2022. The following voting outcomes were disclosed after the relevant meeting:

Resolution	Total for (number of votes)	% of vote	Total against (number of votes)	% of vote	Withheld[1] (number of votes)
Directors' Remuneration Policy – 23 July 2020	333,350,795	97.24%	9,474,353	2.76%	1,515,345
Annual Report on Remuneration – 28 July 2022	278,320,960	94.33%	16,741,412	5.67%	1,924,527
Amendment to Directors' Remuneration Policy – 30 September 2021	337,351,740	99.29%	2,427,714	0.71%	92,074

1 Votes withheld are not counted in the calculation of the proportion of votes for or against a resolution.

Resolution to approve the Annual Report on Remuneration at the 2023 AGM

A resolution to approve this Annual Report on Remuneration will be proposed at the AGM on 27 July 2023.

Implementation of the Remuneration Policy in the financial year ending 31 March 2024

The Committee intends that the Policy subject to approval by shareholders at the AGM on 27 July 2023 will apply for a period of three years from that date.

Context for executive remuneration

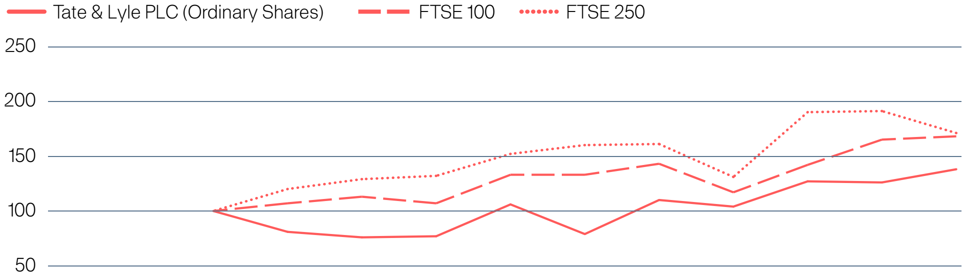
We operate in an international context

Although we are UK-listed and headquartered in London, UK, only about 3% of our revenue[1] is generated in the UK and about 7% of our global workforce are located in the UK. Accordingly, it is important that our remuneration arrangements are and remain competitive in that international context.

1 Geographic sales as per Note 5 to the accounts.

Total shareholder return and Chief Executive's pay

The chart illustrates cumulative total shareholder return (TSR) performance of the Company in comparison with the FTSE 100 and FTSE 250 indices, as they represent a broad equity market with constituents comparable in size and complexity to the Company. The chart shows the value of £100 invested in each Index and the Company in the 10 years starting from 1 April 2013.



	31 March 2014	31 March 2015	31 March 2016	31 March 2017	31 March 2018	31 March 2019	31 March 2020	31 March 2021	31 March 2022	31 March 2023
Chief Executive's[1] total remuneration (£000s per single figure table)										
Nick Hampton	n/a	n/a	n/a	n/a	n/a	3 045	2 499	3 246	2 409	3 367
Javed Ahmed	2 728	996	2 139	3 239	3 672	n/a	n/a	n/a	n/a	n/a
Annual bonus (% of max)	1.6%	0%	77%	80%	72%	53%	78%	90%	67%	96%
LTI vesting (% of max)	67.7%	0.0%	10.9%	50.0%	100%	75.0%	62.5%	57.3%	42.0%	69.5%

1 Nick Hampton has served as Chief Executive since his appointment on 1 April 2018. Javed Ahmed served as Chief Executive from his appointment on 1 October 2009 until 1 April 2018.

Directors' Remuneration Report continued

Comparison of movement in Director and broader employee remuneration

The table below shows the percentage change in remuneration of Directors[1] and the broader employee population over the three-year period ended 31 March 2023.

	2023 vs 2022			2022 vs 2021			2021 vs 2020		
	Salary/ fees	Benefits[7]	Bonus	Salary/ fees	Benefits[7]	Bonus	Salary/ fees	Benefits[7]	Bonus
Average Employee	5%[6]	-6%	28%	3%	-1.2%	-14%	0-3%	-8%	18%
Executive Directors[1]									
Nick Hampton	4%	3%	50%	3%	-20%	-24%	0%	0%	15%
Dawn Allen	n/a	n/a	n/a	–	–	–	–	–	–
Non-Executive Directors[2]									
Dr Gerry Murphy	0%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
John Cheung	0%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Paul Forman	0%	n/a	n/a	0%	n/a	n/a	5%	n/a	n/a
Lars Frederiksen	0%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Kimberly Nelson	0%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Sybella Stanley[3]	6%	n/a	n/a	13%	n/a	n/a	0%	n/a	n/a
Warren Tucker	0%	n/a	n/a	0%	n/a	n/a	8%	n/a	n/a
Patrícia Corsi[4]	0%	n/a	n/a	0%	n/a	n/a	–	–	–
Dr Isabelle Esser[5]	0%	n/a	n/a	–	–	–	–	–	–
Former Directors									
Imran Nawaz	–	–	–	–	–	–	0%	-88%	-100%
Vivid Sehgal	–	–	–	0%	0%	0%	–	–	–
Anne Minto	–	–	–	n/a	n/a	n/a	0%	n/a	n/a
Dr Ajai Puri	–	–	–	n/a	n/a	n/a	0%	n/a	n/a

1 Figures for Directors are consistent with the values shown in the single figure table on page 123.
2 The Chair and non-executive directors do not receive benefits nor participate in bonus arrangements.
3 Fee increases for Sybella Stanley were due to changes in Board responsibilities when she became the Remuneration Committee Chair on 29 July 2021. The increase reflects a full year in the position.
4 Patrícia Corsi joined the Board during the 2022 Financial year .
5 Dr Isabelle Esser joined the Board during the 2023 Financial year.
6 The salary review process was run as normal, with average employee salaries increasing by 5% from 1 April 2022.
7 Benefits changes reflect the cost of provision under insurance and other third-party contracts, and employee elections. Benefit polices in the period are unchanged.

Relative importance of spend on pay

	Year ended 31 March 2023	Year ended 31 March 2022	% Change
Remuneration paid to or receivable by employees	**£290m**	£273m	6.2%
Distributions to shareholders (by way of dividend and purchase of ordinary shares)	**£570m**	£144m	296%

The year-on-year variance in employee remuneration is attributable to factors including foreign exchange rate movements (reflecting our significant US employee base) as well as variable pay arrangements driven by Group financial performance.

The year-on-year change in 'distributions to shareholders' reflects total dividend payments of £570m, including the special dividend payment of £497m made to ordinary shareholders (of £1.07 per ordinary share in the capital of Tate & Lyle) in May 2022.

UK gender pay ratio

Our two employing businesses in the UK each employ fewer than the 250-employee threshold for reporting gender pay statistics. Therefore, we elect to report voluntarily. The Committee supports gender pay reporting and the actions taken in the business to drive gender balance, supporting a culture of inclusion which is representative of our communities. We are committed to providing opportunities based on capability and talent, irrespective of gender, ethnicity, or culture. See page 46 for more information.

CEO pay ratio vs UK employees

Key principles of our people strategy are to provide competitive remuneration for each role in a way that enables the Group to recruit, retain and motivate high-calibre individuals so that we may deliver consistently strong operational performance and financial results; and to provide opportunities to employees for career and salary progression over time, reflecting each individual's contribution and capabilities.

Year	Lower Quartile	Median	Upper Quartile
2023 – pay ratio (total compensation)	75x	37x	22x
2023 – representative employee salary	£36,350	£75,522	£88,500
2023 – representative employee total compensation	£45,132	£91,447	£156,187
2022 – pay ratio (total compensation)	49x	25x	14x
2021 – pay ratio (total compensation)	71x	37x	21x
2020 – pay ratio (total compensation)	55x	27x	13x
2019 – pay ratio (total compensation)	74x	39x	20x

In the table above, total compensation has been calculated for all UK employees individually per the relevant year in a consistent manner for comparison with the CEO 'single figure' total compensation figure in the table on page 123, adjusted only to provide a consistent comparison of employee data on a full-time equivalent basis. (This approach is known as 'Method A' in the reporting regulations and was selected because it provides greater consistency in comparison.)

Directors' Remuneration Report continued

The Committee notes that the median pay ratio figure of 37x has increased year on year. Changes in the overall ratio are driven primarily by performance-related (incentive) outcomes, the value of which is generally greater for executive directors than employees. The ratio this year reflects overall CEO remuneration with variable, performance-related pay outcomes at a higher level than the prior year, as well as strong share price performance since the 2020 PSP award was made, driving the value of long-term incentive awards, which benefits all shareholders. The Committee notes that the 'median' employee in the UK is not a participant in the long-term performance share plan. As such, the ratio remains sensitive to financial performance and consequently to incentive plan outcomes and share price performance (which may lead to greater variability in the CEO pay figure as compared with the broader employee group over time).

Consideration of shareholder views

The Chair of the Remuneration Committee engages with our major institutional shareholders each year specifically on remuneration topics, alongside the Board's shareholder engagement programme.

We consulted with a broad group of our largest shareholders on an amendment to our Policy in connection with the separation from Primient, to enable the adoption of non-financial (ESG, sustainability and purpose-related) targets (in respect of up to 20% of each award) alongside the introduction of relative TSR performance and retaining key financial performance metrics. Shareholders approved this amendment to our policy on 30 September 2021 (with more than 99% of votes cast in approval). Details of these changes are on page 119.

The Committee also receives regular updates on investors' views and corporate governance matters. These lines of communication ensure that emerging best practice principles are factored into the Committee's decision making during the year.

Statement of consideration of employment conditions in the Group

The principles on which we base remuneration decisions for executives (as described on page 111) are consistent with those on which we base remuneration decisions for all employees. In particular, the Committee takes into account the general pay and employment conditions of other employees of the Group when making decisions on executive directors' remuneration. This includes considering the levels of base salary increase for employees below executive level, and ensuring that the same principles apply in setting performance targets for executives' incentives as for other relevant employees of the Group.

The Committee also reviews information on bonus payments and share awards made to the broader management of the Group when determining awards and outcomes at executive director level.

The Committee considers workforce remuneration matters in greater detail at the November meeting each year, and has taken steps to engage with employees on the matters covered by the Code. The Committee did not consult directly with employees on directors' remuneration; however, it developed the policy for executive directors with an understanding and clear oversight of remuneration for the wider workforce. The Chair and other members of the Board enjoy engagement opportunities from time to time with employees across the Company, where employees are provided updates on the Company and its performance and are encouraged to ask questions about the Company, which may include questions on management and remuneration.

General employee salary increases were preserved throughout the pandemic except for a salary freeze for management roles in 2020. Management and the Committee have been mindful of the prevailing inflationary and cost-of-living challenges in many of the countries in which we operate when reviewing the level of salary increases which took effect from 1 April 2023 and, as referenced in the introductory statement to this report, the 'front line' workforce have been prioritised in this salary review, with senior management and executives receiving a significantly reduced level of increase.

Directors' Remuneration Report continued

Fixed elements of Directors' pay

Executive directors' salaries

The Remuneration Committee reviews executive director salaries at the start of each financial year.

Nick Hampton was appointed Chief Executive with effect from 1 April 2018, and received no increase until 2021 (during the same period retirement benefits were reduced by 10% of salary). The Committee has approved a 1.5% increase with effect from 1 April 2023 at a level that is less than the broader workforce (average being 5%) taking his annual salary to £723,000.

Dawn Allen was appointed to the Board on 16 May 2022 as CFO on a salary of £475,000. The Committee has approved a 1.5% increase with effect from 1 April 2023 at a level that is less than the broader workforce (average being 5%) taking her annual salary to £482,125.

Executive directors' pension entitlements (audited)

As reflected in our 2020 Policy renewal, retirement benefits provided to executive director roles in the UK were reduced to 15% of salary, with effect from 1 April 2021. This 15% level aligns with the rate generally available to the broader UK workforce.

Chair's and Non-Executive Directors' fees

Fees are reviewed annually, in accordance with our stated Policy, by the Committee (excluding the Board Chair) in respect of the Board Chair's fee, and by the Board Chair and the executive directors in respect of other non-executive directors' fees.

At the annual review in March 2023, it was noted that no increases had been awarded since 1 April 2018. However, taking into account the general market it was agreed that fees would be increased marginally at this review. Fees, based on individual director responsibilities, are shown in the table below.

Fees (per annum) as at 1 April 2023 (£)	**2023**	2022	% Change
Basic fees			
Board Chair	**355 000**	350 000	1.4%
Non-executive director	**69 000**	68 000	1.5%
Senior Independent Director	**80 000**	78 800	1.5%
Supplemental fees			
Chair of Audit Committee	**18 500**	18 050	2.5%
Chair of Remuneration Committee	**15 000**	13 550	10.7%

Annual bonus

The bonus structure for executive directors described below has applied for a number of years. 80% of the bonus is linked to financial performance conditions, with 20% linked to the achievement of specific 'business strategic' non-financial objectives, to capture the actions and performance necessary to create additional value over time, including environmental and purpose goals.

Objectives are established by the Committee at the start of the year, reflecting the Group's corporate financial and strategic priorities for the year ahead. Achievements against those objectives are reviewed by the Committee at the end of the year to determine a bonus outcome.

In determining final bonus outcomes, the Committee has due regard to the shareholder and broader stakeholder experience and the overall financial performance of the business.

Opportunity (% of salary)	Financial metrics (80% of total):						Strategic objectives (20% of total)
Threshold: 20% Target: 75% Maximum: 150%	Adjusted operating profit (26.6% of total)	+	Group adjusted operating cash flow (26.6% of total)	+	Food & Beverage Solutions net sales (26.6% of total)	+	Aligned to strategic and operational priorities

A minimum level of profit must be achieved before a bonus can be earned for other metrics. Awards are subject to Remuneration Committee discretion, taking into account underlying business performance, and environmental, health and safety performance.

Note: Bonus metrics relate to adjusted metrics and targets are set and actual performance is assessed at budgeted exchange rates for comparability, consistent with our practice in prior years. Performance may therefore differ from the corresponding metrics included in the financial statements.

To eliminate potential volatility due to the pass-through of corn price in our sales, Food & Beverage Solutions sales and Group adjusted operating cash flow targets are set and actual performance assessed at constant (budgeted) corn price and exchange rates, to ensure a like-for-like assessment.

Adjusted operating cash flow is adjusted free cash flow before the impact of retirement cash contributions, net interest and tax paid, and excludes movements for corn-related derivative and margin call movements compared with those included in the budget.

Deferral into shares

Bonus awards up to 100% of base salary are paid in cash. Any excess above 100% of base salary is paid in the form of deferred shares. The shares are released after two years subject to the executive director remaining in service with the Group and carry the right to receive a payment in lieu of dividends (but not the special dividend awarded in 2022) between award and release.

Malus and claw back provisions

Both the cash and share elements are subject to malus and claw back provisions for a period of 24 months following the award. This means that they may be recouped in whole or in part, at the discretion of the Committee, in the exceptional event that results are found to have been mis-stated or if an executive director commits an act of gross misconduct or circumstances leading to corporate failure.

Bonus arrangements for the year ahead

This bonus structure will be retained for the year ahead, with 80% weighted to financial performance, reflecting the combination of (i) top line growth, (ii) profit delivery, and (iii) cash performance, alongside a 20% component linked to strategic progress. For the year ahead, we are moving from net sales to gross sales, and from adjusted operating profit to EBITDA – for consistency with our headline financial KPIs and to align these financial metrics with the investment case and growth ambition we set out as part of our Capital Markets Event on 8 February 2023. The Committee believes these metrics are appropriate as they are key drivers of growth and value creation, and are aligned with management's ability to drive operational performance. As in previous years, the Board considers that bonus targets for the year ahead are commercially sensitive because they may reveal information about the business plan that may damage our competitive advantage, and accordingly does not disclose these on a prospective basis. However, we continue our practice of reporting targets in full, and the level of performance achieved, for each year just ended.

Directors' Remuneration Report continued

Business and performance context for bonus outcomes for the year ended 31 March 2023

Awards are driven by strong financial performance against targets set at the start of the year and against key metrics linked to our strategic goals. The Committee has also considered these bonus outcomes (as set out on the following page) in the wider stakeholder context and considers these appropriate in the context of: positioning Tate & Lyle as a focused speciality food and beverage solutions business; delivering significant strategic progress (for example through the growth of New Product and solution selling revenue and strategic acquisitions that augment our portfolio); driving strong financial performance; and actions taken to further our purpose, including on our environmental commitments, and providing support to our people through current inflationary challenges.

Financial highlights[1]

- Revenue +18%
- Adjusted EBITDA +22%
- Food & Beverage Solutions
  - Revenue +19%
  - Adjusted EBITDA +21%
  - New Products Revenue +17%
- Adjusted profit before tax +13% at £253m
- Return on capital employed +100bps at 17.5%
- Free cash flow +£47m to £119m
- Productivity savings of US$21m

Purpose and strategy progress

- Increased expenditure in innovation and solutions selling by 11%
- New Products as a percentage of Food & Beverage Solutions revenue up to 17%
- Strengthened solutions offering with acquisitions of Quantum (dietary fibre) and Nutriati (chickpea protein)
- 6% reduction in Scope 1 and 2 greenhouse gas (GHG) emissions and 13% reduction in Scope 3 GHG emissions[2]
- 92% of waste beneficially used
- Sustainable agriculture programmes for corn and stevia delivering material environmental improvements
- 44% of leadership and management roles held by women, up 2ppts from last year[3]

Looking after our people:

- In the context of high inflation and cost-of-living pressures, provided higher annual salary increases to those on relatively lower pay and provided one-off support payment to employees in Europe earning less than €60,000 per annum
- Exceeded target to provide 3 million meals to people in local communities through food bank partnerships two years ahead of schedule[3]
- Progressed equity, diversity and inclusion targets up to 2030; met first target to provide leaders of Employee Resource Groups (ERG) to spend 10% of their paid time on ERG work
- Dedicated employee communications and internal social media channels, with regular messages driving engagement with the members of the executive committee

1 Adjusted performance, percentage change in constant currency.
2 From baseline of year ended 31 December 2019.
3 From baseline of 31 March 2020.

Directors' Remuneration Report continued

Annual bonus for the year ended 31 March 2023 (audited)

The table below provides further information on each metric, the targets set at the start of the year and actual performance for the year.

Bonus metric	Link to strategy	Weighting	Target range: Threshold	Target range: Target	Target range: Stretch	Actual performance In the year ended 31 March 2023	Bonus outcome: % of Max	Bonus outcome: % of Salary
80% Financial[1] metrics with equal weighting								
• Group adjusted operating profit before tax, exceptional items, amortisation and net retirement benefit interest	Measures the underlying profit generated by the total business and whether management is converting growth into profit effectively	26.6%	£201m	£219m	£229m	£229m	100%	40%
• Food & Beverage Solutions net sales	Captures 'top line' value-based performance of the Food & Beverage Solutions division	26.6%	US$1,921m	US$2,024m	US$2,065m	US$2,164m	100%	40%
• Group adjusted operating cash flow	Provides a focus on managing working capital and converting profit into cash effectively	26.6%	£85m	£95m	£105m	£127m	100%	40%
20 % Non-financial personal and strategic performance	Measures non-financial performance key to achieving corporate goals	20%	See page 118 for details			Chief Executive	80%	24%
						Chief Financial Officer	76.7%	23%
Financial underpin	The Committee also considers the Group's safety and overall financial performance to ensure that the results across all metrics, financial and strategic, are a fair reflection of the underlying strength and performance of the Group.							

Based on these performance outcomes, annual bonus awards to Executive Directors for the year ended 31 March 2023 have been determined as follows:

		% of Max	% of Salary
Nick Hampton	Chief Executive	96%	144%
Dawn Allen	Chief Financial Officer (appointed 16 May 2022)	95.3%	143%
Any bonus up to 100% of base salary is paid in cash and any balance is paid in the form of deferred shares.			

1 Bonus targets are set and actual performance is assessed at constant (budget) exchange rates, reflecting consistent practice with prior years.

Strategic non-financial objectives

20% of each executive director's bonus opportunity is linked to performance against individual business strategic measures. Payment of this element of the bonus is subject to achievement of a minimum profit hurdle (which has been achieved for the year).

Non-financial objectives are established through a process involving the Nominations and Remuneration Committees at the start of each year, reflecting corporate priorities for the year ahead including progress against our growth-focused strategy, drive progress against sustainability and broader purpose goals, and to develop the Group's culture.

Achievements against those objectives, including specific KPIs, are reviewed by the Committee at the end of the financial year, and a bonus outcome for this element is determined accordingly. The Committee's assessment of the bonus outcome, and key achievements against specific objectives for the year just ended are shown on the next page. Business strategic objectives such as M&A pipeline and customer relationships are often commercially sensitive.

Directors' Remuneration Report continued

Strategic non-financial objectives

CEO: FY23 Objectives and headline assessment

1. Accelerate R&D and innovation
- Investment in innovation and solution selling increased by 11% in customer-facing areas such as sensory, nutrition and regulatory
- Delivered targeted programmes to develop new ways of working with customers to build stronger solutions-based partnerships
- Revenue from solutions wins coming out of the new business pipeline increased by 2 ppts to 18%
- New Product revenue as a percentage of Food & Beverage Solutions at 17%
- New Customer Innovation and Collaboration Centre opened in Santiago, Chile and Singapore Centre expanded to add an area dedicated to mouthfeel solutions
- Expanded patent portfolio with 75 new patents granted in the year

Assessment: Significant progress accelerating the focus on innovation and customer collaboration with New Products and solutions wins both demonstrating positive momentum.

2. Strengthen platforms through acquisitions and new ingredients
- Acquired two businesses to strengthen fortification platform – Quantum Hi-Tech, a leading probiotic FOS and GOS dietary fibre business in China, and Nutriati, a small ingredient technology business developing and producing chickpea protein and flour
- Integration of both new businesses on track
- Strengthened sweetener platform with the addition of erythritol via a distribution agreement

Assessment: Delivered the acquisition of two high-quality businesses, significantly strengthening the fortification platform and customer solutions offering. The integration and performance of both businesses are proceeding as planned.

3. Successfully launch the new Tate & Lyle
- Completed creation of two standalone businesses in April 2022 – Tate & Lyle and Primient
- Built positive relationship with KPS Capital Partners
- Launched new brand to better reflect the new Tate & Lyle
- Capital Markets Event held in February 2023 to set out the purpose, strategy and financial ambition of the new Tate & Lyle

Assessment: Positive relationship built with KPS Capital Partners, and delivered strong communications in relation to new Tate & Lyle including a new brand and a well-received Capital Markets Event.

4. Progress purpose and sustainability targets
- Target to provide 3 million meals through food bank partnerships met two years ahead of schedule
- Sponsored detailed work that led to a commitment to become net zero by 2050
- 6% reduction in absolute Scope 1 and 2 greenhouse gas (GHG) emissions (from 2019 baseline)
- 13% reduction in absolute Scope 3 GHG emissions (from 2019 baseline)
- 92% of waste beneficially used, up 1 ppt
- Sustainable agriculture programmes for corn and stevia delivering strong environmental improvements
- Maintained strong safety focus and culture, with particular support for employees in China during Covid-19 restrictions

Assessment: Strong champion of purpose and sustainability across the organisation, driving good progress against targets and commitments.

5. Build a more inclusive and ambitious culture
- Percentage of women in management and leadership roles (over 500 positions) increased by 2 ppts to 44%
- Targets in place for progressing equity, diversity and inclusion up to 2030
- Four new behaviours introduced and embedded to drive stronger culture of innovation and experimentation

Assessment: Continues to drive a strong sense of equity, diversity and inclusion as demonstrated by the increase in women in senior roles and the targets set up to 2030.

CFO: FY23 Objectives and headline assessment

1. Accelerate growth-focused strategy
- Led development of refreshed five-year strategic and financial plan
- Led strategic process to assess growth opportunities beyond a five-year horizon
- Progressed M&A pipeline including next round of 'bolt-on' targets
- Led the development and alignment of a future digital strategy to enable accelerated growth
- Set up and led programme to identify ways to increase agility, customer focus and investment in innovation and solution selling capabilities

Assessment: Refreshed five-year planning process worked well. Future digital strategy work underway and bolt-on acquisition work ongoing.

2. Maintain financial strength
- Managed process to offset significant increase in input costs through solution selling pricing, mix management, productivity savings and cost discipline
- Strong focus on cash generation with free cash flow £47m higher and cash conversion of 62%
- Net debt reduced by £388m with strong balance sheet supporting investment in future growth
- Promoted disciplined use of capital with return on capital employed improving by 100 bps to 17.5%

Assessment: Strong financial disciplines were maintained, cash flow was good and the work to offset input cost inflation was delivered successfully.

3. Drive a culture of productivity and cost discipline
- Delivered productivity savings of US$21 million (£17 million), more than double the target at the beginning of the 2023 financial year
- Enhanced culture and processes to drive strong cost discipline across the organisation
- Oversaw implementation of 20-year supply agreements with Primient which are operating effectively
- Maintained a robust control environment across the business including new acquisitions
- Embedded sustainability within the M&A and capital investment processes, and put in place dedicated resource within the finance function to focus on sustainability including the provision of Accounting for Sustainability training.

Assessment: Championed a culture of productivity with the target set at the start of the financial year being exceeded. Increased focus on sustainability to drive delivery of purpose targets.

4. Successfully launch the new Tate & Lyle
- Led investor engagement programme to promote understanding of new Tate & Lyle and build strong connections with external stakeholders
- Developed five-year financial ambition for new Tate & Lyle to 31 March 2028
- Prepared and helped deliver Capital Markets Event in February 2023 setting out the purpose, strategy and financial ambition of the new Tate & Lyle

Assessment: Key contribution to successful Capital Markets Event and launch of new five-year financial ambition. Good progress engaging with investor community and promoting understanding of new Tate & Lyle.

5. Build a more inclusive and ambitious culture
- Developing roadmap to create a world-class, diverse finance team that attracts, retains and develops the best talent.
- Actively increasing diversity within the senior finance team
- Strong advocate of new behaviours to drive stronger culture of innovation and experimentation across the organisation.

Assessment: Developed new vision for finance function and simpler future organisational design. Developing senior team to increase diversity and promote internal talent.

Directors' Remuneration Report continued

Long-term incentive – Performance Share Plan

The Performance Share Plan (PSP) provides a share-based incentive to closely align executive directors' and senior executives' interests with the strategy and with the interests of shareholders over the long term.

Maximum award level

Awards to executive directors and other senior executives have been granted at the discretion of the Committee, with flexibility for the Committee to make awards of up to 300% of base salary where appropriate to ensure market competitiveness, while taking into account Group performance. Individual awards made in any year are considered by the Committee on a case-by-case basis. This overall limit has not been increased since 2010. The level of vesting if threshold conditions are met is 15% of the total award.

Vesting outcome for awards made in 2020

The table below summarises the achieved assessment of actual performance against the conditions set for the award made in 2020.

Metrics for awards 2020	Link to strategy	Target range (Threshold-Stretch)	Actual performance outcome for 2020 award	Combined vesting outcome for 2020 award
Adjusted ROCE (40%)	Drives efficient investment for value-added returns from the total business	13%–17% p.a. in the final year of the three-year performance period	17.5% p.a. (above range)	69.5% of the 2020 award will vest – Group ROCE performance is above range required while Group adjusted earnings per share performed in range, and F&BS volume growth % was below the target range required
Adjusted earnings per share (40%)	Key performance metric to drive sustainable long-term profitable growth	5%–10% p.a. three-year compound growth	8.5% p.a. (in range)	
F&BS volume growth (20%)	Lead indicator of strategy execution and F&BS value growth	2%–6% p.a. three-year compound growth	0.8% p.a. (below range)	

Note: Targets are set and performance is assessed at reported exchange rates. F&BS metrics relate to the reportable segment.

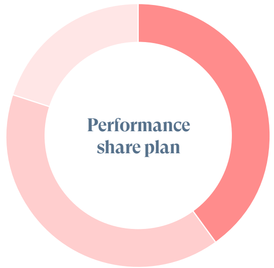
In its assessment, the Committee was particularly mindful to ensure that the 2020 award outcomes did not generate any 'windfall gain' from Covid-era share price fluctuations (noting the grant price was higher than the prior year award), and that performance was assessed against the targets that were originally set on an appropriate like-for-like basis, following the separation from Primient which completed in 2022 (and material business acquisitions including Quantum Hi-Tech in June 2022).

Performance conditions applicable to awards granted from 2021

In connection with the separation from Primient to form a focused global food and beverage solutions business, we consulted shareholders on the proposed performance conditions for awards from 2021. Shareholders approved an amendment to our Directors' Remuneration Policy on 30 September 2021 (with more than 99% of votes FOR), to enable the adoption of non-financial (ESG, sustainability and purpose-related) targets alongside the introduction of relative TSR performance and retaining key financial key performance metrics. This performance framework therefore reflects the strategic focus of our business and our ambition for the future in financial and shareholder value terms, but also in terms of the contribution we can make to our people, communities, and the environment. These metrics, and the strategic rationale, are summarised below. The target ranges shown below for each metric were carefully considered by the Committee, taking into account the investment case we set out for shareholders alongside the separation from Primient, and our ambition for growth, as well as taking into account a number of reference points, including internal and external benchmarks of performance and global market growth in the speciality food ingredient industry. This approach is intended to place a clear focus on long-term strategic growth and market out-performance, to drive long-term value creation.

Performance share plan awards granted in 2020

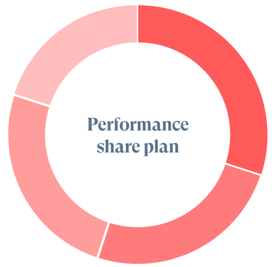
Rewards achievement of long-term strategic objectives approved following review in 2016:



- **40% Adjusted ROCE on total operations**
- **40% Adjusted EPS**
- **20% Food & Beverage Solutions volume growth**

Performance share plan awards granted since 2021

Rewards achievement of long-term strategic objectives for new Tate & Lyle:



- **30% Compound annual organic revenue growth**
- **25% Relative Total Shareholder Return**
- **25% Adjusted ROCE**
- **20% Purpose and sustainability metrics: reduction in greenhouse gas emissions, beneficial use of waste, reduction in water use, and gender diversity**

Metrics for awards from 2021 (weighting)	Rationale for metric (Link to investment case)	Target range (Threshold-Stretch)
Compound annual organic revenue growth (30%)	Key performance metric to drive long-term profitable growth	3% – 8% p.a. three-year compound annual growth over the three-year Performance Period
Relative Total Shareholder Return (25%)	External measure of shareholder value/return	'Median' to 'upper quartile' relative to global industry peers (see below) over the three-year Performance Period
Adjusted ROCE (25%)	Drives disciplined and efficient investment for value-added returns from the total business	13% – 17% in the final year of the three-year performance period
Purpose and sustainability metrics (20%): Reduction in greenhouse gas emissions, beneficial use of waste, reduction in water use intensity and gender diversity	Central to positioning as a purpose-led organisation e.g. aligned to our commitment to be net zero by 2050	Targets linked to ESG and sustainability commitments aligned with pre-existing 2030 commitments, re-stated to reflect our business following the separation from Primient

Targets for financial metrics are set, and performance is assessed at reported exchange rates. The TSR comparator group is comprised of the following businesses, chosen as they represent global peers and industry participants that collectively provide an appropriate benchmark for performance: AAK (Sweden), Archer Daniels Midland (US), Balchem (US), Christian Hansen (Denmark), Corbion (Netherlands), Croda (UK), DSM (Netherlands), Givaudan (Switzerland), Glanbia (Ireland), IFF (US), Ingredion (US), Kerry (Ireland), Novozymes (Denmark), Sensient (US), Symrise (Germany). In selecting a comparator group, the Committee noted that a number of more direct competitors are not publicly listed.

Directors' Remuneration Report continued

Performance underpin
Before any shares are released in relation to any award, the Committee must also be satisfied that the level of vesting determined by performance against these targets is justified by the broader underlying financial performance of the Group.

Recognising the importance of the dividend to our investors, the Committee retains a specific discretion to reduce PSP vesting if dividends paid by the Group over the performance period do not conform with our stated dividend policy.

Post-vesting holding period
Executive directors are required to hold shares for a two-year period after the end of the three-year performance period; the combined total period is five years. This holding period sits alongside the existing personal shareholding requirements and claw back/malus provisions and demonstrates a strong long-term alignment with shareholder interests.

Malus and claw back provisions
Awards made under the PSP are subject to malus and claw back provisions for a period following the vesting date and extending to the fifth anniversary following the date of grant. During this period, the Committee may determine that an award will lapse wholly or in part (or may require that a participant shall repay up to 100% of the value of any award that has vested by virtue of performance), in the event of circumstances including the following: material misstatement of financial results; misconduct which justifies, or could justify, summary dismissal of the participant; or if information emerges which would have affected the value of the original award that was granted to a participant, or the level at which the performance conditions were judged to have been satisfied; or in the event of circumstances leading to corporate failure.

Impact of capital events
In keeping with our Policy, the impact on the incentive plans arising from a merger or acquisition or other material corporate activity is specifically considered by the Committee, and the Committee retains the authority to vary the performance targets to ensure that these are neither easier nor more demanding than the original targets. This principle remains important as we seek to grow the business through organic sales growth and returns, as well as value-added strategic M&A-related activity over time.

Change of control
The Company's share plans contain provisions relating to a change of control. Outstanding awards would normally vest in full and become exercisable on a change of control, subject to the satisfaction of any performance conditions assessed at that time, and, at the Committee's discretion, in proportion to the time served during the performance period.

Arrangements for the year ahead
The same performance metrics and targets as adopted following shareholder approval in 2021 and under the 2023 renewal are intended to apply for awards made in the year ahead and will be kept under review ahead of the grant in any year to ensure they remain appropriately stretching.

ESG targets
We introduced ESG metrics (with a 20% weighting) to our long-term awards with effect from 2021, and previously confirmed the four metrics against which performance will be assessed, based on their relevance to our business model, and the impact we believe we can have in these specific areas. The targets against these metrics are consistent with the 2025 and 2030 sustainability commitments we set out in 2020, as applicable to the continuing business (following the separation from Primient in 2022).

The targets shown below are for the PSP awards made to date (i.e. awards granted in 2021 and 2022, which will be assessed in 2024 and 2025 respectively) and represent a performance corridor for each metric, based on a straight-line progression that would be necessary from our 2020 baseline to achieve each long-term sustainability target. We recognise that performance improvements are unlikely to be linear in practice (e.g. step change improvements against some metrics will depend on future, multi-year capital investment projects) and similarly there will be years in which each of these metrics can perform more strongly (or indeed decline), based on a number of operational factors, including the evolution of product mix and volume, and the impact from acquired businesses and factors related to our geographic footprint. We know this is an area where regulations, stakeholder expectations, and enabling technologies are evolving rapidly.

We receive independent external support in this area (from AECOM), including with the assessment of performance; and we will keep our approach under review to ensure targets for future awards and associated performance periods remain appropriate.

		2021 PSP Award assessed 31 Mar 24		2022 PSP Award assessed 31 Mar 25	
Sustainability metrics	Baseline (restated for new T&L)	Threshold	Stretch	Threshold	Stretch
GHG emissions ~30% absolute reduction in Scope 1+2 CO_2e emissions by 2030	546,454 tonnes CO_2e (continuing operations)	6%	12%	9%	15%
Waste Beneficial use of 100% of waste by 2030	65% beneficial use of waste	72%	79%	76%	83%
Water 15% reduction in water use intensity by 2030	5.61 cubic metres per tonne of production	3%	6%	5%	8%
Gender diversity 50% of women in leadership and management roles (over 500 positions) by 2025	27%	40%	47%	43%	48%

'Baseline' against which performance is assessed will update over time to reflect acquired businesses.
All performance subject to variability, based on multiple factors (volume / product mix across plant network / geographic footprint).

Directors' Remuneration Report continued

Statement of directors' share awards (audited)

Awards made during the year ended 31 March 2023 (audited)

	Award	Type of award	Date of grant	Number of shares	Face value of award	Performance conditions	Performance period	% of vesting at threshold
Nick Hampton	Performance Share Plan[1]	Conditional award	3 August 22	296 771	2 137 196	30% Compound annual organic revenue growth; 25% Adjusted ROCE; 25% Relative shareholder return; 20% ESG metrics	Three financial years ending 31 March 2025 plus two-year holding period	15%
	Group Bonus Plan[2]	Conditional award	3 August 22	190	1 368	None	Two-year deferral	n/a
Dawn Allen	Performance Share Plan[1]	Conditional award	3 August 22	197 875	1 424 997	30% Compound annual organic revenue growth; 25% Adjusted ROCE; 25% Relative shareholder return; 20% ESG metrics	Three financial years ending 31 March 2025 plus two-year holding period	15%
	Appointment award A[3]	Conditional award	3 August 22	109 005	785 000	Specified individual and business objectives (See footnote 3)	One-year	n/a
	Appointment award B[3]	Conditional award	3 August 22	131 917	950 000	30% Compound annual organic revenue growth; 25% Adjusted ROCE; 25% Relative shareholder return; 20% ESG metrics	Three financial years ending 31 March 2024 plus two-year holding period	15%

1 Under the terms of the Performance Share Plan approved by shareholders, the number of shares comprising an award in any year is calculated based on the average share price over the last three months of the preceding financial year, being 720.15 pence per share for the 2022 award. In 2022, the Committee approved awards of 300% of salary for both the Chief Executive and Chief Financial Officer, which is within our approved Remuneration Policy. Performance conditions applicable to PSP awards made in 2022 are described on page 119.

2 Deferred bonus awards were granted under the annual bonus plan (as described on page 111). The full value of these awards has been previously disclosed for each Director in the single figure table in last year's Annual Report and is similarly included in the 2022 figure in the single figure table on page 123 of this Report. The share allocation was made during the year ended 31 March 2023, and shown in the table above, based on the average share price over the last three months of the preceding financial year, being 720.15 pence per share for the 2022 award. Deferred bonus awards were subject to performance conditions in the year ended 31 March 2022 and remain subject to continued employment in accordance with the Scheme rules.

3 These awards were made in connection with Dawn Allen's appointment, to compensate her for incentives forfeited with her previous employer, as described with the announcement of her appointment on 9 February 2022, and in the 2022 Directors' Remuneration Report, comprising: (i) a Restricted Stock Award (RSA) of £785,000 worth of shares in Tate & Lyle PLC, capable of vesting on the first anniversary of employment with Tate & Lyle, subject to achievement of performance conditions relating to specified individual and business objectives; and (ii) an Award with a headline value of £950,000, subject to the same performance conditions as Performance Share Plan Awards made to executive directors in 2021, and capable of vesting following the announcement of full-year financial results for the year ending 31 March 2024. Both awards were calculated based on the average share price over the last three months of the preceding financial year, being 720.15 pence per share. These compensatory awards are subject to forfeiture/repayment in full if Ms Allen ceases to be employed in the first 36 months of employment due to her resignation or dismissal for cause.

Having assessed performance during the year ended 31 March 2023, the Committee approved the vesting of the Restricted Stock Award in full, following the first anniversary of appointment (16 May 2023), considering Dawn Allen's specific contributions to the business during the financial year, including:

- Introducing a new financial framework, based on a strong understanding of the Tate & Lyle business and its key value drivers; and to manage financial risk in the uncertain external environment including in relation to the rapid increase in input cost inflation seen during the year.
- The building of strong relationships with the Board, Executive Committee and broader organisation as shown by ability to drive an increased focus on cash generation, working capital discipline and financial controls, as well as working with the executive team to refresh the five-year strategic plan.
- Delivery of a successful Capital Markets Event in which we set out a new five-year financial ambition.
- Establishing an enhanced vision and ways of working for the finance function, by engaging team members through onboarding and consistent communications, and evolving the finance leadership team with equity, diversity, and inclusion in mind.

Note that the value of the share award (at the date of vesting) is shown in the single figure table on page 123.

Directors' Remuneration Report continued

Share awards made in previous financial years to 31 March 2022 (audited)
The table below summarises awards made in prior years that are held by Executive Directors.

	As at 31 March 2022 (Number)	Awards vested during year (Number)	Awards lapsed during year (Number)	Awards exercised during year (Number)	As at 31 March 2023 (Number)	Grant price at date of award (Pence)	Market price on date awards exercised (Pence)[1]	Vesting date
Nick Hampton								
Performance Share Plan								
2019[1]	287 278	287 278	166 622	120 656	–	694.45	778.6	After 31/03/22
2020[2,3]	273 295	–	–	–	273 295	729.98	–	After 31/03/23
2021	284 259	–	–	–	284 259	722.93	–	After 31/03/24
Group Bonus Plan								
2020	15 487	15 487	–	15 487	–	729.98	778.6	27/06/22
2021	32 195	–	–	–	32 195	722.93	–	27/05/23

1 Awards are structured as nil cost options; awards were exercised with a nil exercise price.
2 The performance conditions for the PSP awards made in 2020 are described on page 119. The three-year performance period for these awards began on the first day of the financial year in which the award was granted.
3 The PSP award made in 2020 to Mr Hampton will vest at 69.5%, following the Committee's assessment of performance conditions (as described on page 119).

Sharesave plan awards
Executive directors may participate in the HMRC-approved Sharesave Plan, under which option awards are granted on the same terms to all participating employees. These awards are not subject to performance conditions, and are normally exercisable during the six-month period following the end of the relevant three- or five-year savings contract. The exercise price reflects a 20% discount to market value as permitted under HMRC rules and is applicable to all participants.

	As at 1 April 2022 (Number)	Options awarded during year (Number)	Options vested during year (Number)	Options exercised during year (Number)	Options lapsed during year (Number)	As at 31 March 2023 (Number)	Exercise price (Pence)	Exercise period
Nick Hampton								
Savings-related options 2021	3 321	–	–	–	–	3 321	542	01/03/25 to 31/08/25
Dawn Allen								
Savings-related options 2022	–	5 253	–	–	–	5 253	571	01/03/28 to 31/08/28

Personal share ownership requirements (policy on executive share ownership)
The Committee believes that material personal investment in Company shares serves to strengthen the long-term alignment of interests between senior executives and shareholders.

The Chief Executive has a target share ownership requirement of four times base salary, to be achieved within five years of appointment. Nick Hampton was appointed Chief Executive from 1 April 2018. At 31 March 2023, Mr Hampton holds shares in accordance with policy of just under seven times his base salary, exceeding this requirement.

The Chief Financial Officer has a target share ownership requirement of three times base salary, to be achieved within five years of appointment. Dawn Allen was appointed Chief Financial Officer from 16 May 2022. At 31 March 2023, Ms Allen is working towards this shareholding requirement.

Under the shareholding policy, the value of deferred shareholdings is assessed net of income tax, at the prevailing share price. The Committee monitors progress against the share ownership requirements annually.

Awards made to executive directors under the PSP are subject to a mandatory two-year post-vesting holding period.

Post-employment shareholding policy
A post-employment shareholding requirement was introduced in 2020. Executive directors will normally be required to maintain a shareholding in keeping with the guideline prevailing at the time of their departure, or their actual holding on departure (if lower), for a period of two years following cessation of employment.

Directors' interests (audited)
The interests held by each person who was a director during the financial year in the ordinary shares in the Company are shown below. All these interests are beneficially held, and no director had interests in any other class of shares. The table also summarises the interests in shares held through the Company's various share plans and as a result of the share consolidation in May 2022.

	Total as at 31 March 2022	Total as at 3 May 2022[4]	Interest in shares[1]	Awards – conditional on performance[2]	Shares – not conditional on performance[3]	Options – not conditional on performance[7]	**Total as at 31 March 2023**
Chair							
Dr Gerry Murphy	30 000	25 713	25 713	–	–	–	**25 713**
Executive directors							
Nick Hampton	1 541 135	1 448 948	623 566	854 325	32 385	3 321	**1 513 597**
Dawn Allen	–	–	9 650	438 797	–	5 253	**453 700**
Non-executive directors							
John Cheung	–	–	5 000	–	–	–	**5 000**
Paul Forman	10 000	8 571	8 571	–	–	–	**8 571**
Lars Frederiksen	15 000	12 857	12 857	–	–	–	**12 857**
Kimberly Nelson[5]	4 400	3 771	3 771	–	–	–	**3 771**
Sybella Stanley	4 983	4 271	4 271	–	–	–	**4 271**
Warren Tucker	11 603	9 944	9 944	–	–	–	**9 944**
Patrícia Corsi	–	–	–	–	–	–	**–**
Dr Isabelle Esser[6]	–	–	–	–	–	–	**–**

1 Includes shares owned by connected persons.
2 Awards under the PSP, and the RSA award made to Dawn Allen. PSP awards made in 2020 were made as options with a nil exercise price; PSP awards made in 2021 and 2022 were made as conditional shares as set out in previous tables.
3 Deferred share awards made under the Group Bonus Plan.
4 Shares held outright were subject to consolidation as agreed at the General Meeting on 26 April 2022, resulting in ordinary shareholders receiving six new ordinary shares with a nominal value of 29 1/6 pence each for every seven existing ordinary shares with a nominal value of 25 pence each that they previously held. Interests in shares held through the company's various share plans have not been subject to consolidation. The figures in this column represent the aggregate interests following the consolidation.
5 Kimberly Nelson's shares held as American Depository Receipts (ADRs).
6 Dr Isabelle Esser was appointed as a Director on 1 June 2022.
7 These are HMRC approved sharesave plan awards.

There were no changes in directors' interests in the period from 1 April 2023 to 24 May 2023.

Directors' Remuneration Report continued

Single figure table (audited)

£000s	Salary/fees		Benefits[1]		Pension		Total fixed remuneration		Annual bonus[2]		Share awards		Total variable remuneration		Total remuneration	
Year ended 31 March	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Board Chair																
Dr Gerry Murphy	350	350	–	–	–	–	350	350	–	–	–	–	–	–	350	350
Executive directors																
Nick Hampton	712	685	17	17	107	103	836	805	1 026	686	1 505[3]	918	2 531	1 604	3 367	2 409
Dawn Allen[6]	417	–	11	–	63	–	491	–	597	–	864[5]	–	1 461	–	1 952	–
Non-executive directors[4]																
John Cheung	68	68	–	–	–	–	68	68	–	–	–	–	–	–	68	68
Paul Forman	79	79	–	–	–	–	79	79	–	–	–	–	–	–	79	79
Lars Frederiksen	68	68	–	–	–	–	68	68	–	–	–	–	–	–	68	68
Kimberly Nelson	68	68	–	–	–	–	68	68	–	–	–	–	–	–	68	68
Sybella Stanley	82	77	–	–	–	–	82	77	–	–	–	–	–	–	82	77
Warren Tucker	86	86	–	–	–	–	86	86	–	–	–	–	–	–	86	86
Patrícia Corsi	68	62	–	–	–	–	68	62	–	–	–	–	–	–	68	62
Dr Isabelle Esser[7]	57	–	–	–	–	–	57	–	–	–	–	–	–	–	57	n/a
Former directors																
Anne Minto	–	27	–	–	–	–	n/a	27	–	–	–	–	–	–	n/a	27
Imran Nawaz	–	39	–	1	–	6	–	46	–	–	–	–	–	–	n/a	46
Vivid Sehgal	–	356	–	10	–	53	–	419	–	–	–	–	–	–	n/a	419
Totals	2 055	1 965	28	28	170	162	2 253	2 155	1 623	686	2 369	918	3 992	1 604	6 245	3 759

1 Benefits for executive directors include health insurance and car allowance.
2 Annual Bonus includes the value of deferred shares (based on the average share price over the period 1 January – 31 March 2023). The cash bonus award (with payment conditional on approval of the dividend at the AGM) to Nick Hampton is £712,400.
3 This is the PSP award made in 2020. PSP award outcomes are discussed on page 119 and the value is included in this table above based on a share price of 792.5 pence, being the closing price on 22 May 2023 when the Remuneration Committee determined the extent to which the performance conditions were met.
4 In accordance with the Group's expenses policies, non-executive directors receive reimbursement for their reasonable expenses for attending Board meetings. In instances where those costs are treated by HMRC as taxable benefits, the Group also meets the associated tax cost to the non-executive director through a PAYE settlement agreement with HMRC. Amounts are minimal and do not show in the table after rounding.
5 This is the Restricted Share Award made in connection with appointment, subject to the performance conditions referenced on page 121 and the value is included in this table above based on a share price of 792.5 pence, being the closing price on 22 May 2023 when the Remuneration Committee determined the extent to which the performance conditions were met.
6 Dawn Allen was appointed as CFO on 16 May 2022.
7 Dr Isabelle Esser was appointed to the Board on 1 June 2022.

Payments to past directors and payments for loss of office (audited)

There have been no payments to past directors other than as disclosed in this Report. No loss of office payments have been made during the year.

Executive directors' external appointments

Nick Hampton was appointed as a non-executive director of Great Portland Estates plc on 17 October 2016 and under the terms of the Remuneration Policy is entitled to retain those fees.

2023 Remuneration Policy

The Remuneration Committee presents the 2023 Directors' Remuneration Policy, which is subject to shareholder approval at the AGM on 27 July 2023. The Committee intends to operate within this policy for a three-year period from that date.

Following a careful review, as described in the Committee Chair's letter (see page 106), the Committee believes that our current Remuneration Policy and approach following shareholder approved amendments alongside the separation from Primient remain appropriate in the context of our business strategy and shareholder expectations.

Consideration of shareholder views

The Chair of the Remuneration Committee engages with our major institutional shareholders each year specifically on remuneration topics, alongside the Board's shareholder engagement programme.

The Committee also receives regular updates on investors' views and corporate governance matters. These lines of communication ensure that emerging best practice principles are factored into the Committee's decision-making during the year.

Our current Directors' Remuneration Policy was formally approved at the AGM in 2020 and an amendment which was approved at the General Meeting 30 September 2021. This is now proposed for renewal at the 2023 AGM on a consistent, continuing basis. We have consulted with major shareholders on the development of the Policy and do not propose any material changes to our Remuneration Policy. We consulted at length in 2021 in relation to changes to the operation of our performance share plan, to enable the adoption of environmental, social and governance (ESG) metrics into our performance share plan (PSP); and we have also adopted relative Total Shareholder Return (TSR) performance into our PSP from 2021 to demonstrate our commitment to long-term value creation for executive directors, and our proposed 2023 Remuneration Policy reflects this approach.

With these changes, we believe we continue to take a considered and balanced approach to directors' remuneration.

The Committee retains discretion on specific aspects of policy and implementation, as described in the Remuneration Policy, along with an overriding discretion to determine bonus outcomes and judge the level at which share awards vest, to ensure that payments are consistent with the underlying financial health and performance of the business, within the maximum opportunity stated in the Policy tables. The Committee may make minor changes to the Policy without seeking shareholder approval, for example to benefit the administration of arrangements, or to take account of changes in legislation. Any such changes would be disclosed in the relevant Annual Report.

Remuneration strategy and key principles

The Group's remuneration strategy and supporting principles, which apply consistently to employees, managers and executives, are summarised below:

Remuneration strategy

Our remuneration strategy is to offer competitive packages that mean we can recruit, develop and motivate excellent people wherever they are in the world. By 'excellent' we mean people who are not only highly skilled at their jobs, but those who believe in our purpose and will therefore help us create sustainable, long-term, profitable growth.

Key principles

- Our approach is designed to be equitable, transparent, and globally consistent, recognising that we recruit talented individuals and operate in an international market.
- Base pay and benefits are referenced to the comparative local market.
- All aspects of remuneration are designed to encourage a focus on achievement of genuinely stretching short-term and long-term objectives, which adhere to the Code of Ethics and foster sustainable, profitable growth.
- Alignment with shareholders' long-term interests is carefully preserved by linking senior executive pay to performance; effective governance around remuneration decisions; setting targets that challenge management to drive high performance; the adoption of shareholding guidelines at senior executive levels; and appropriate malus and claw back provisions.

We operate in an international context

Although we are UK-listed and headquartered in London, UK, only about 3% of our global sales are made to the UK and only about 7% of our global workforce are located in the UK. Accordingly, it is important that our remuneration policy and arrangements are competitive in that international context.

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Directors' Remuneration Report continued

Remuneration policy for executive directors

Element	Purpose	Policy	Maximum opportunity	Operation / performance framework	Changes to policy
Base Salary ●	Providing market competitive fixed remuneration to attract executives of the required calibre	• Salaries are referenced to the comparative local market taking account of company size and operations, the individual's skills, experience, personal performance and circumstances (e.g. following promotion into a new or expanded role)	• Increases are typically limited to the general increase for Group employees in the same local market	• Base salary reviews take into account increases awarded to employees below executive level, and the impact on pension and other consequences of increases, and reflect personal performance consistent with the approach applicable to employees generally	• No changes to the policy in favour of directors have been made
Benefits ●		• Benefits are provided in line with comparative local market practice and may include, e.g. car (or allowance), health insurance, life cover, and retirement benefits – on a similar basis to those benefits provided to all employees in the location • Situation-dependent benefits may include: – Reimbursement of reasonable expenses incurred in the course of business, and settlement of taxes where required – Participation in benefits generally available to the local employee population (including for example, HMRC-approved Sharesave plans) – Relocation benefits, including healthcare – Payment in lieu of dividends on specific awards	• The value of non-cash benefits is determined by the cost of provision, for example third-party health insurance premiums • Receipt of any benefits would be in accordance with policies applicable more generally to employees in the same location • Retirement and/or cash benefits in lieu of pension for executive directors have been reduced to 15% of salary, aligned with the rates generally available to the UK workforce since 1 April 2021	• Retirement benefits are provided by way of defined contribution or equivalent cash arrangements • Employment and incidental benefits are not performance-related by nature • Payment in lieu of dividend may apply to specific awards where any applicable conditions have been satisfied at vesting. Accordingly, no additional performance conditions apply • No performance conditions are attached to Sharesave awards because the Sharesave plan is an all-employee scheme	• No changes to the policy in favour of directors have been made
Annual bonus ●○○ **Max opportunity** 150% of salary	Supporting near-term growth goals by rewarding strong annual financial and performance objectives	• The Annual Bonus Plan rewards achievement of financial and other objectives established by the Committee for the relevant financial year • The bonus award may comprise cash and deferred shares, depending on the level of award • The final bonus award is made at the Committee's discretion. Subject to the overall maximum, the Committee may make appropriate adjustments to ensure that the bonus outcomes are a fair reflection of the underlying performance of the Company and may also take into account factors such as Group safety, operational performance, and personal performance	• Target is 75% of salary for executive directors • Maximum cash bonus is 100% of salary • Maximum total bonus opportunity is 150% of salary, with any award over 100% paid in shares, which are deferred for two years • Deferred shares carry the right to receive a cash payment in lieu of the dividend	• Key financial performance metrics are selected by the Committee. Additionally, the Committee may select quantifiable metrics aligned with strategic and/or operational objectives on a personal or collective basis • Targets for each metric are set at the start of each financial year, taking account of the business strategy, performance in previous years, market expectations and the prevailing economic climate • Financial performance has the greatest weighting • A minimum profit hurdle applies before any bonus is payable against any of the metrics • Malus and claw back provisions apply: cash and shares may be recouped in specific circumstances during the two-year period following the end of the financial year to which the bonus relates • For the financial year ending 31 March 2024: – 80% of the bonus will relate to three equally weighted financial metrics: • Group Adjusted EBITDA • Group adjusted operating cash flow • Gross sales – 20% of the bonus will relate to strategic non-financial objectives	• No changes to the policy in favour of directors have been made; however, minor changes to the financial metrics have been adopted for the year ahead

Key: Number of years: ● Performance period ○ Deferral/holding period ▶ Ongoing requirements

Directors' Remuneration Report continued

Remuneration policy for executive directors continued

Element	Purpose	Policy	Maximum opportunity	Operation / performance framework	Changes to policy
Performance Share Plan ●●●○○ **Max opportunity** 300% of salary	Supporting the Group's strategy by incentivising sustained profit growth and capital efficiency over successive three-year performance periods, and retaining talent	• Awards over Tate & Lyle PLC shares may be made, at the Committee's discretion, on an annual basis taking an individual executive's contribution and performance into account. • Awards will only vest to participants if demanding performance requirements have been achieved over a performance period of at least three financial years commencing with the financial year in which the award is made • A two-year post-vesting holding period follows the three-year performance period – so awards to executive directors have a five-year horizon	• Flexibility to make awards of up to 300% of base salary (at the time of award) to ensure market competitiveness and taking account of the Company's performance. • The award will lapse entirely if threshold performance targets are not achieved • Only 15% of any award made to executive directors vests for achieving threshold performance.	• The following performance metrics were adopted for awards made from 2021: organic revenue growth; Return on Capital Employed (ROCE); Relative Total Shareholder Return (TSR); and environmental, social and governance (ESG) metrics. The weighting given to 'ESG' metric(s) will not exceed 20% of the award • These metrics are key determinants of stakeholders and broader shareholder value creation, reflecting: the effectiveness of strategic investment decisions, the ambition we have set out to grow our Food & Beverage Solutions focused business and the growth in financial value of the whole group • Metrics and targets are reviewed by the Committee ahead of each annual grant, to ensure these remain appropriately stretching over the performance period • If material changes to the metrics are proposed, the Committee would consult with key shareholders in advance of making a new award • The Committee must be satisfied that the level of vesting is justified by the broader underlying financial performance of the Company • A dividend underpin gives the Committee discretion to reduce PSP vesting if dividends over the performance period do not conform to the stated dividend policy • Malus/claw back provisions: awards may be recouped in specific circumstances during the two-year period following the end of the performance period	• No changes to the policy have been made
Personal share ownership ▶▶▶▶▶	Supporting the Group's strategy by incentivising sustained profit growth and capital efficiency over successive three-year performance periods, and retaining talent	• Minimum shareholding requirements must be built over a five-year period following appointment • This policy is extended so that executive directors are required to maintain a holding following cessation of employment	• The shareholding guidelines are periodically reviewed in light of market practice and are currently: – CEO: 4 times base salary – CFO: 3 times base salary	• The value of an executive's interests in shares is directly affected by share price performance over time • For a period of two years following cessation of employment, an executive will be required to maintain a shareholding in keeping with the guideline prevailing at the time of their departure, or their actual holding on departure (if lower)	• No changes to the policy have been made

Key: Number of years: ● Performance period ○ Deferral/holding period ▶ Ongoing requirements

Directors' Remuneration Report continued

Remuneration Policy for the Chair and non-executive directors

The Board Chair and non-executive directors receive a fee for their services, and do not participate in the Group's incentive or pension schemes, do not receive any other benefits, and have no right to compensation if their appointment is terminated.

Chair and non-executive directors' fees

Non-executive directors' fees (excluding the Chair) are reviewed annually by the Chair and executive directors of the Board. The Chair's fee is reviewed annually by the Committee.

Aggregate fees depend on the responsibilities assumed by each non-executive director. A basic fee is paid to the Chair, to the Senior Independent Director and to each non-executive director. In addition, supplemental fees are payable to the Chairs of the Audit and Remuneration Committees, to reflect the extra responsibilities required by each of these positions.

Increases in fees arising from the normal annual review will generally be limited to the market increase applicable to UK employees generally. However, a higher or lower increase may be awarded to ensure that fees paid are commensurate with those paid by other UK-listed companies over time and are set at a level to retain individuals with the necessary experience and ability to make a substantial contribution to the Group.

Service contracts

The Group's policy regarding executive directors' service contracts and appointment terms is to take account of market practice, and to ensure that provisions in relation to notice periods or termination payments are not excessive, as well as to ensure that contracts provide appropriate protection for the Group, for example, in relation to restrictions on competition, solicitation of customers or employees, and the protection of intellectual property.

Executive directors are employed under service contracts providing for six months' notice from the executive and 12 months' notice from the Group.

The Chair and non-executive directors have letters of appointment and do not have service contracts or notice periods. Under the terms of their appointment, they are usually expected to serve on the Board for between three and nine years, subject to their re-election by shareholders. The Chair and non-executive directors receive a fee for their services, and do not participate in the Group's incentive or pension schemes, do not receive any other benefits, and have no right to compensation if their appointment is terminated.

Service contracts for executive directors and letters of appointment for the Chair and non-executive directors are available for inspection at the Company's registered office.

Beyond the items disclosed in this Report, there are no further obligations on the Company which could give rise to a remuneration or loss of office payment to a director.

Provisions in relation to incentive plans

Potential impact of mergers and acquisitions or other corporate activity:
In the context of a merger or acquisition, or other relevant corporate activity, any potential impact on the incentive plans would be specifically considered by the Committee. In such circumstances, the Committee retains the authority to vary the performance target or the vesting outcome to ensure that outcomes are equitable for both the participant and shareholders.

Change of control:
All of the Company's share plans contain provisions relating to a change of control. Outstanding awards would normally vest and become exercisable on a change of control, subject to the satisfaction of any performance conditions at that time, and, at the Committee's discretion, in proportion to the time served during the performance period.

Policy on the terms of directors' appointment

In order to ensure the continued growth and success of the business over time, the Company must have the flexibility to appoint new individuals to the Board, either by way of internal promotion or external appointment, on terms that are sufficient to attract and motivate individuals of the highest calibre.

The following key principles describe our intended approach in these circumstances (and are consistent with the principles that apply to the broader employee population):

- The starting point for structuring any package on appointment will be the annual remuneration framework under the remuneration policy that has been approved by shareholders and is current at the time of the appointment.
- To respond to specific circumstances and/or to allow for differences in practice over time and by location, the Committee retains flexibility outside policy to provide market-referenced benefits which are considered necessary or appropriate to the role, for example in relation to: healthcare, insurance, transport, and security – in a manner that is consistent with provision to other employees of the Group.
- Where an appointment requires an individual to relocate, internationally or otherwise, the Company may agree to make payment(s) to offset certain expenses incurred as a consequence of relocation or may provide benefits in line with our global/domestic mobility policy, on appointment and on an ongoing basis, depending on the circumstances. Such benefits may include, for example: travel; relocation and tax-related assistance; and similar repatriation benefits in due course.
- The current policy provides for a maximum level of variable remuneration that is equivalent to 450% of base salary in the financial year of appointment. This is consistent with the aggregate current maxima under the Annual Bonus Plan and the Performance Share Plan. The Committee retains flexibility to alter the balance between short-term and long-term elements within this overall maximum, and awards may be made on different terms.
- Where an internal candidate is appointed, contractual commitments that have been made prior to appointment to the Board, along with any benefits and/or incentive awards that have been awarded at that time, may remain in effect and be honoured, even if they would not otherwise be consistent with the shareholder-approved remuneration policy in effect at the time.

Directors' Remuneration Report continued

- In order to secure the appointment of a suitable external candidate, the Committee retains the flexibility to provide additional compensation for the value of incentive awards or other benefits that are forfeited on leaving a former employer. In such circumstances, the Committee may make use of cash and/or shares, as it considers appropriate in the circumstances. The Committee will exercise careful judgement in formulating the terms on which such a compensatory award will be made, taking into account the form of award(s) that are forfeited, the timeframes over which they may otherwise have been earned and any performance conditions that would have applied.

This policy is intended to enable the Committee to structure an offer on terms that it considers to be in the best interests of the Company and its shareholders. Depending on the circumstances, and any restrictions or requirements that may apply, the Company may consult with key shareholders as part of this process and/or disclose terms on which a new appointment is made through a regulatory information service.

Policy on payments in connection with loss of office

It is the Group's policy that executive directors are normally employed on contracts that provide for not more than 12 months' notice from the Company and at least six months' notice from the executive. To protect the Company's interests, restrictive covenants (non-compete/non-solicitation) apply for a period of 12 months following termination, less any period of 'garden leave'. The Chief Executive and Chief Financial Officer are each employed on contracts consistent with this policy.

The treatment of executive directors leaving the Company is designed to support a smooth transition from the Company, encouraging an orderly transfer of responsibilities, and taking into account the interests of shareholders in securing the sustained performance of the business beyond the executive's departure.

Termination for dishonesty or misconduct are circumstances in which the executive would retain only the minimum contractual entitlements on departure, consistent with the need to avoid providing any element of reward for failure. In these circumstances no bonus award would be made, and unvested deferred shares or performance share awards would lapse. Dishonesty or misconduct may lead to the operation of malus and/or claw back provisions.

An executive's departure in compassionate circumstances such as death or permanent disability would generally result in the most beneficial terms being received, summarised below.

If an executive departs from the Company in other circumstances, the treatment would be considered at the Committee's discretion and approved on a case-by-case basis, in keeping with the principles above. Such circumstances would potentially result in treatment that is more favourable than the contractual minimum but no more generous than that which applies under the 'compassionate circumstances' mentioned above.

Treatment in compassionate circumstances (e.g. death or permanent disability)	
Salary and benefits	Paid or provided pro-rata in the normal course to the termination date; the Company has the option to make a payment in lieu of notice in relation to the fixed elements of remuneration only (base salary, pension, and contractual benefits) in relation to any period of contractual notice that is not worked.
Annual bonus award or Performance Share Plan vesting	Subject to Committee discretion, any bonus or the vesting of Performance Share Plan award(s) will normally be considered and approved based on the extent to which the original performance targets are assessed to have been met at the end of the relevant performance period, reduced pro-rata for time over the relevant financial year(s) prior to the termination date.
Deferred bonus awards and PSP awards subject to a holding period	Deferred bonus awards may continue in effect, or be released early at the Committee's discretion, depending on the circumstances. The post-vesting holding period applicable to Performance Share Plan awards made from 2020 will continue to apply following cessation of employment.

In addition to contractual rights to any payment on loss of office, any employee, including executive directors, may have statutory and/or common law or other rights to certain additional payments, for example in a redundancy situation. Similarly, additional consideration may be provided, if necessary, to secure specific agreements following separation (for example an enhanced non-compete provision) that protect the Company's interests.

Depending on the role and circumstances of departure, a director who has been relocated may be repatriated in accordance with previously agreed terms. The Company may pay some or all of the costs incurred by the executive in respect of legal, financial, outplacement or other relevant personal advisory services and/or expenses in connection with relocation. The Committee will approve such arrangements on a case-by-case basis, with a view to maintaining compliance with regulatory requirements and consistency with internal Company policies that may apply.

Incorporation of previously approved remuneration policy statements

It is generally intended that provisions consistent with previously disclosed directors' remuneration policies and/or incentive plans previously approved by shareholders will continue to apply after the resolution to adopt the remuneration policy set out in this Policy Report is approved. Such provisions will allow, without limitation:

- Contractual commitments entered into before the policy takes effect, or before an individual was subject to this policy on directors' remuneration, to be honoured.
- The satisfaction of awards and/or commitments made in relation to incentive plan awards (providing they were consistent with the policy in effect at the time the original award/ commitment was made).

Directors' Remuneration Report continued

Executive Directors' external appointments

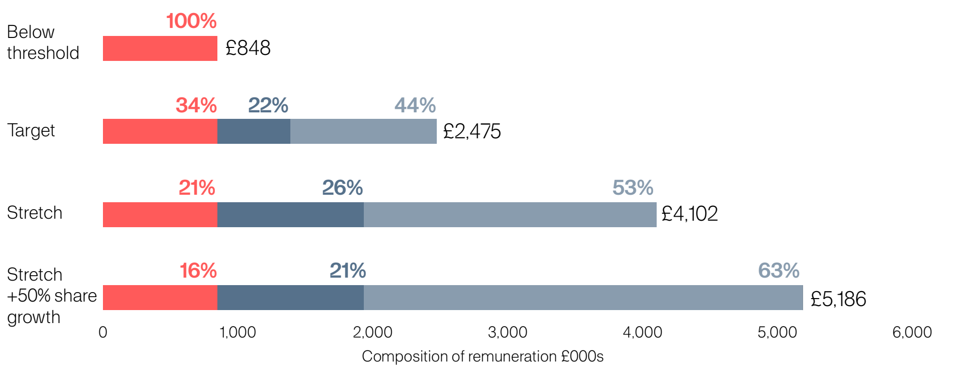
The Board believes that the Company can benefit from executive directors holding external non-executive directorships.

Such appointments are subject to approval by the Board and are normally restricted to one position for each executive director. Fees may be retained by the executive director concerned.

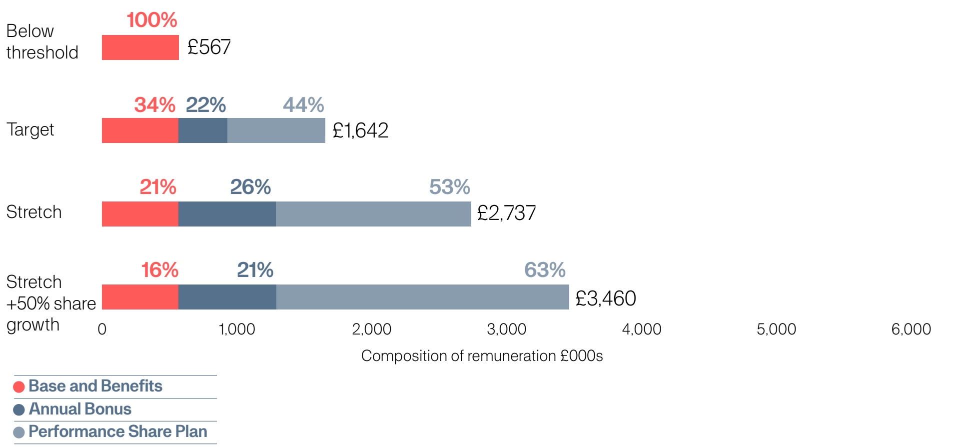
Application of remuneration policy for Executive Directors

The charts below illustrate the value that may be delivered from each element of the package under different performance scenarios, reflecting the structural reduction in bonus opportunity adopted in the 2020 Policy. The charts also illustrate the incremental value that would be delivered under a 'stretch' performance scenario if the share price increased by 50% between award and release of the long-term incentive award (under which scenario all shareholders would benefit from similar gains) based on FY24 salary.

Chief Executive – Nick Hampton



Chief Financial Officer – Dawn Allen



Statement of consideration of employment conditions in the Group

The principles on which we base remuneration decisions for executive directors as described from page 124 are intended to be consistent with those on which we base remuneration decisions for all employees, including setting base pay, and performance targets for incentives. The Committee also reviews information on bonus payments and share awards made to the broader management of the Group when determining awards and outcomes at executive director level.

We continue to schedule time to consider matters related to remuneration policies for the wider workforce, engaging with employees on matters covered by the UK Corporate Governance Code,

On behalf of the Board

Sybella Stanley
Chair of the Remuneration Committee

24 May 2023

Directors' Report

About the Directors' Report

The Directors' Report comprises the Board of Directors from pages 78 to 80, Governance section from pages 84 to 105, the Directors' Report on pages 130 and 131 and the Useful Information section from pages 206 to 212. Other information that is relevant to the Directors' Report, and which is incorporated by reference into the Directors' Report, is disclosed as follows:

- Likely future developments and performance of the Company (throughout the Strategic Report)
- Engagement with suppliers, customers and others (throughout the Strategic Report and pages 88 to 92)
- Engagement with employees (pages 42 to 46 and 88 to 91)
- Respect for human rights (pages 45, 67, and 74)
- Going concern (page 41)
- Greenhouse gas emissions (pages 56 and 57)
- Financial instruments (Note 29)
- Post balance sheet events (Note 37).

Results and dividend

A review of the consolidated Group's results can be found from pages 10 to 75. An interim dividend of 5.4 pence per ordinary share was paid on 4 January 2023. The Directors recommend a final dividend of 13.1 pence per ordinary share to be paid on 2 August 2023 to shareholders on the register on 23 June 2023, subject to approval at the 2023 Annual General Meeting (AGM). The total dividend for the year is 18.5 pence per ordinary share (2022 – 21.8 pence).

The Trustees of the Tate & Lyle PLC Employee Benefit Trust (the EBT) have waived their right to receive dividends over their total holding of 3,965,498 shares as at 31 March 2023.

Research and development

The Group spend on research and development during the year was £46 million (2022 – £41 million). More details can be found on pages 25 and 37.

Articles of Association

The Articles of Association set out the internal regulation of the Company and cover such matters as the rights of shareholders, the appointment and removal of directors, and the conduct of the Board and general meetings. Copies are available on request and are displayed on the Company's website, www.tateandlyle.com.

In accordance with the Articles of Association, directors can be appointed or removed by the Board or by shareholders in a general meeting. Amendments to the Articles of Association have to be approved by at least 75% of those voting in person or by proxy at a general meeting of the Company. Subject to UK company law and the Articles of Association, the directors may exercise all the powers of the Company, and may delegate authorities to committees, and may delegate day-to-day management and decision-making to individual executive directors. Details of the Board Committees can be found on pages 98, 100 and 106.

Share capital

Following shareholder approval at the 2022 AGM, and subsequent approval by the High Court, the reduction of the Company's share capital, through the cancellation and repayment of its 6½ per cent cumulative preference shares (the 'Preference Shares') became effective on 4 October 2022 and the repayment of amounts due to holders of Preference Shares including the accrued dividend entitlement to the date of repayment occurred in October 2022.

As at 31 March 2023, the Company had nominal issued share capital of £117 million. To satisfy obligations under employee share plans, the Company issued 37,015 ordinary shares during the year. The Company issued 17,426 shares during the period from 1 April 2023 to 24 May 2023. Further information about share capital is in Note 23. Information about options granted under the Company's employee share plans is in Note 32.

The Company was given authority at the 2022 AGM to make market purchases of up to 40,160,380 of its own ordinary shares. The Company made no purchases of its own ordinary shares during the year ended 31 March 2023, and the EBT purchased 1,300,000 shares during the year. This authority will expire at the 2023 AGM and approval will be sought from shareholders for a similar authority to be given for a further year.

Restrictions on holding shares

There are no restrictions on the transfer of shares in the capital of the Company. No limitations are placed on the holding of shares and no share carries special rights of control of the Company. There are no restrictions on voting rights. The Company is not aware of any agreements between shareholders that may restrict the transfer or exercise of voting rights.

Directors' Report continued

Shareholders' rights

Holders of shares have the rights accorded to them under UK company law, including the rights to receive the Company's annual report and accounts, attend and speak at general meetings, appoint proxies and exercise voting rights.

Further details regarding the rights and obligations attached to shares are contained in the Articles of Association which are available on the Company's website, www.tateandlyle.com.

Directors' indemnities and insurance cover

The Company has agreed to indemnify the directors, to the extent permitted by the Companies Act 2006, against claims from third parties in respect of certain liabilities arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the Company and any of its subsidiaries. The directors are also indemnified against the cost of defending a criminal prosecution or a claim by the Company, its subsidiaries or a regulator, provided that where the defence is unsuccessful, the director must repay those defence costs. These indemnities are qualifying indemnity provisions for the purposes of Sections 232 to 234 of the Companies Act 2006.

The Company also maintains directors' and officers' liability insurance cover, and reviews the level of cover each year.

Change of control

At 31 March 2023, the Group had a committed bank facility of US$800 million with a number of relationship banks which contains change of control clauses. The Group also had US$800 million of Private Placement Notes which contain change of control provisions. In aggregate, this financing is considered significant to the Group and in the event of a takeover (change of control) of the Company, these contracts may be cancelled, become immediately payable or be subject to acceleration. Since 31 March 2023, the Company repaid US$95 million of the Private Placement Notes early. See Note 26 for further information.

All the Company's share plans contain provisions relating to a change of control. Further information is set out in the Directors' Remuneration Policy.

DTR rule 5 disclosure

The Company was notified under Rule 5 of the Disclosure Guidance and Transparency Rules of the following holdings of voting rights in its shares during the financial year ended 31 March 2023:

	Number of shares	% held
Norges Bank	16,181,740	4.03%
Ameriprise Financial, Inc.	39,613,621	9.86%
BlackRock, Inc.	24,340,324[1]	5.18%
Bank of America Corporation	4,160,046	1.03%

1 The last notification was received from BlackRock, Inc. on 17 November 2021, meaning the number of shares represents the holding prior to the share consolidation undertaken on 3 May 2022.

The Company was not notified of any other changes in holdings between 1 April and 24 May 2023.

Political donations

In line with the Group's policy, no political donations were made in the UK or in any country during the year. Tate & Lyle's US business does not operate a Political Action Committee.

Subsidiaries and branches

A list of the Group's subsidiaries is set out in Note 38. The Group has branches in China, Hong Kong and New Zealand.

Directors' statement of responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards, and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- provide additional disclosures when compliance with the specific requirements in UK-adopted international accounting standards and in respect of the Company financial statements, FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance
- state, in respect of the Group financial statements, whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- state, in respect of the Company financial statements, whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Group and/or the Company will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the Group and the Company financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

In accordance with Disclosure Guidance and Transparency Rule 4.1, the directors confirm, to the best of their knowledge that:

- the Group financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company and undertakings included in the consolidation taken as a whole;
- the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- they consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position, performance, business model and strategy.

Disclosure of information to auditor

So far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group and Company's auditor is aware of that information.

The Directors' Report on pages 78 to 105, pages 130 and 131 and pages 206 to 212 and the Directors' Remuneration Report from pages 106 to 129 of this Annual Report were approved by the Directors on 24 May 2023.

Claire-Marie O'Grady
Company Secretary

24 May 2023

Welcome to the Financial statements

Contents

Independent Auditor's Report to the members of Tate & Lyle PLC

Opinion
In our opinion:

- Tate & Lyle PLC's Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Tate & Lyle PLC (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023 which comprise:

Group	Parent company
Consolidated statement of financial position as at 31 March 2023	Balance sheet as at 31 March 2023
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	Related notes 1 to 13 to the financial statements including a summary of significant accounting policies
Consolidated statement of changes in equity for the year then ended	
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 39 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- We assessed the risk around going concern at the interim review and again at the planning and year-end phases of the audit;
- In conjunction with our walkthrough of the Group's financial close process, we confirmed our understanding of management's going concern assessment process and also engaged with management early to assess the key factors considered in its assessment;
- We obtained management's going concern assessment, including the cash flow forecast model and covenant calculation for the going concern period to 31 March 2025. The Group has modelled a number of downside scenarios in their liquidity forecasts in order to incorporate unexpected changes to the forecasted liquidity of the Group;
- We tested the clerical accuracy of the model used to prepare the Group's going concern assessment;
- We considered the appropriateness of the methods used to calculate the cash forecasts and determined through inspection and testing of the methodology and calculations, that the methods utilised were appropriate and reasonable taking into account the changes in the Group;
- We assessed management's ability to forecast with reference to historical accuracy of forecasts prepared for going concern and impairment tests in prior periods;
- We tested the key inputs to the model, including checking cash and cash equivalents of £475 million at 31 March 2023, operating cash generation and financing commitments and agreed them to the latest Board-approved forecasts that factored in the downside scenarios. We confirmed the details of the available committed and undrawn US$800 million revolving credit facility, US$100 million of which expires in March 2025 and the remainder in March 2026, with reference to agreements and to third party confirmations;
- We assessed the reasonableness of the key assumptions, in the context of our understanding of the Group and its principal risks and from other supporting evidence gained from our audit work. This included review of minutes of board meetings and our procedures in respect of goodwill impairment reviews and on other external market data, including analyst forecasts and competitor trading updates;
- We checked that all debt repayments within the going concern period were correctly included in the forecasts, including the US Private Placement Notes debt repayment of US$95 million which we have inspected bank statements to confirm payment;
- We understood the potential downside scenarios that management had applied and assessed their likelihood and whether other more severe scenarios could apply and the associated impact on liquidity headroom;
- We considered the appropriateness of key assumptions in management's reverse stress testing and assessed the likelihood of the various scenarios that could erode liquidity headroom;
- We performed testing to evaluate whether the covenant requirements of the Group borrowings would be met under all base and downside scenarios;
- We reviewed minutes of board meetings, analysts' reports and trading updates released to the market from competitors and customers with a view to identifying any matters which may impact the going concern assessment and contradict the findings made from the procedures we performed above;
- We reviewed the Group's going concern disclosures included in the Directors' Report on page 41 and Note 1 to the consolidated financial statements on page 133 in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Independent Auditor's Report to the members of Tate & Lyle PLC continued

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period to 31 March 2025.

In relation to the Group and Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and Parent Company's ability to continue as a going concern.

Overview of our audit approach

Audit scope	– We performed an audit of the complete financial information of six components and audit procedures on specific balances for a further three components. – The components where we performed full or specific audit procedures accounted for 86% of the adjusted PBT measure used to calculate materiality, 84% of Revenue and 80% of Total assets.
Key audit matters	– Revenue recognition, including the risk of management override – Purchase Price Accounting ("PPA") – Primient
Materiality	– Overall Group materiality is £13 million which represents 5% of profit before tax adjusted for exceptional items and amortisation of acquired intangible assets ("adjusted profit before tax").

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent Internal audit results when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the reporting components of the Group, we selected nine components covering entities within US, UK, China, Slovakia and Netherlands, which represent the principal business units within the Group.

Of the nine components selected, we performed an audit of the complete financial information of six components ("full scope components") which were selected based on their size or risk characteristics. For the remaining three components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

In addition to the full scope components and specific scope components, we also instructed three components to perform specified procedures over certain aspects of the financial statements. This included procedures relating to cash and cash equivalents, inventory and the completeness and valuation of insurance provisions, to gain sufficient coverage over these balance sheet accounts at the year-end.

The table below illustrates the coverage obtained from the work performed by our audit teams.

	Number		% Group adjusted profit before tax		% Group revenue		% Total assets		See notes
Year ended 31 March	**2023**	2022	2023	2022	2023	2022	2023	2022	
Full scope	6	5	64%	80%	55%	74%	66%	76%	A
Specific scope	3	2	22%	4%	31%	14%	14%	2%	A, B
Coverage	**9**	7	**86%**	84%	**86%**	88%	**80%**	78%	
Specified procedures	4	3	3%	(2)%	3%	1%	5%	3%	B
Remaining components	81	88	11%	18%	11%	11%	15%	19%	C
Total reporting components	94	98	100%	100%	100%	100%	100%	100%	

Notes

A. The Group audit risk in relation to revenue recognition was subject to audit procedures at three full scope and one specific scope components.

B. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

C. Of the remaining components that together represent 11% of the Group's adjusted profit before tax, none are individually greater than 5% of the Group's adjusted profit before tax measure used to calculate materiality. For these components, we performed other procedures, including analytical review, testing of consolidation journals, intercompany eliminations, and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements.

Changes from the prior year

The changes in the scope of our audit, which is mainly being driven by the reshaping of the Group include the following:

- Inclusion of the Primient joint venture as a full scope component considering the size of the investment and the overall contribution it is expected to make to the Tate & Lyle Group results.
- Inclusion of Quantum Guangdong as a full scope component following the completion of its acquisition in the year.
- Inclusion of Tate & Lyle Boleráz s.r.o. and Tate & Lyle Netherlands B.V. as specific scope components.
- Removal of Tate & Lyle Solutions Brasil Limitada from our scope given the decrease in size of the component following the Primient transaction.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction. Of the six full scope components, audit procedures were performed on four of these directly by the component audit team whilst the remaining two were completed by the primary audit team. For the three specific scope and four specified procedures components, where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

During the current audit cycle, we completed a combination of physical site visits to components and alternative oversight procedures, including hosting a global planning event in London with all components and our group shared service team. Our physical site visits include the Senior Statutory Auditor and delegates visiting the US and China full scope components. These visits involved meetings with local management, reviewing relevant working papers on risk areas and discussions with the component teams on the audit approach and any issues arising from their work.

Independent Auditor's Report to the members of Tate & Lyle PLC continued

The Group audit team interacted virtually on a regular basis with all component teams during key stages of the audit. Our interactions involved using video technology and our global audit software to meet with our component teams to discuss and direct their audit approach, review relevant working papers and understand their significant audit findings, particularly over the risk areas identified. We also attended meetings with local management and attended, in person or virtually, all full scope and specific scope component audit closing meetings.

This, together with the procedures performed at Group level, gave us sufficient appropriate evidence for our opinion on the Group financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Group. The Group has determined that the most significant future impacts from climate change on its operations will be from disruption of production facilities, distribution networks and corn and stevia supply from acute weather events and incremental changes in climatic conditions. These are explained on pages 62-66 in the required Task Force for Climate-related Financial Disclosures and on pages 146 to 147 in principal risks and uncertainties. They have also explained their climate commitments on page 55. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in Note 1 (Climate change considerations), how they have reflected the impact of climate change in their financial statements. In Note 19 (Goodwill and other intangible assets) to the financial statements, narrative explanation including further details over the Group's considerations have been provided.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 63 to 65 and the significant judgements and estimates disclosed in note 2 and whether these have been appropriately reflected in asset values and useful economic lives and cash flow projections used in assessing the recoverable amount of the Group's CGU's, the Group's going concern and viability assessment and in the Group's share based payment charge. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the audit committee
Revenue recognition, specifically in relation to the risk of management override (Group) **£1,751 million (2022 – £3,312 million)** *Refer to the accounting policies (page 152); and Note 5 of the Consolidated Financial Statements* The majority of the Group's sales arrangements are generally straightforward, requiring little judgement to be exercised. However, management's reward and incentive schemes, based on achieving sales and profit targets, may create pressure to manipulate results. There is a risk that management may override controls to intentionally misstate revenue through recording fictitious revenue transactions in the underlying subledgers or as consolidation journals.	– Performed walkthroughs of significant classes of revenue transactions to understand related significant processes and to identify and assess the design effectiveness of key controls – Understood how the revenue recognition policies are applied. We understood the relevant controls including IT controls over the revenue applications – Tested the underlying IT systems and the controls related to manage access, manage change and IT operations to investigate whether there was any evidence of override of the underlying IT systems which could facilitate management override – As part of our revenue testing, we used data analysis tools on revenue populations in the year to test the correlation of revenue to cash receipts to verify the occurrence of revenue. We identified any material transactions which fell outside the expected transactions flow and tested these to confirm that they were valid business transactions and were appropriately accounted for – Performed cut-off testing over a sample of revenue transactions around the year end date, to check that they were recognised in the appropriate period – Performed other audit procedures specifically designed to address the risk of management override of controls. This included journal entry testing, applying particular focus to significant manual or unusual journal entries to ensure each entry is supported by an appropriate, underlying business rationale, is properly authorised and accounted for correctly in the correct period	Based on the procedures performed, we did not identify any evidence of material misstatement in the revenue recognised in the year or evidence of management override of controls.

Independent Auditor's Report to the members of Tate & Lyle PLC continued

Risk	Our response to the risk	Key observations communicated to the audit committee
	The procedures detailed above were performed principally by component audit teams for all in scope locations with trading revenues and reviewed by the Group audit team.	
Purchase Price Accounting ("PPA") – Primient The Group completed the sale of a 50.1% controlling interest of Primient on 1 April 2022. Primient is no longer consolidated in Tate & Lyle and is now accounted for as a joint venture using the equity method of accounting as per IAS 28 Investments in Associates and Joint Ventures. The assets and liabilities of Primient are initially recognised at their fair value, which requires management to exercise significant judgement in the determination of fair value. The key assumptions relate to the valuation of the customer relationship intangible asset and fair value of PP&E. The valuation of these assets is materially sensitive to changes in assumptions.	– We obtained an understanding of management's process over the transaction, including management's review and approval of key assumptions prepared by Deloitte (external advisors supporting management with the PPA). – We tested the clerical accuracy of the fair value calculations. – We assessed the competence of Deloitte and evaluated whether management's assumptions and conclusions are reasonable. – We evaluated the key assumptions within the prospective financial information, being the revenue growth rate and operating profit margin against external sources and historical performance. – We reviewed the disclosures within the Annual Report & Accounts and concluded that this provides the required disclosures. We involved EY valuation specialists as part of our team to assist in our evaluation of; – Completeness of the population of identified assets and liabilities; – Appropriateness of the valuation methodologies used, particularly the valuation of the customer lists on a 'with or without' methodology; and – The reasonableness of the significant assumptions, including discount rates and asset obsolescence.	We completed our testing over the significant inputs, methodology applied and key judgements in management's assessment of the Primient purchase price allocation, concluding management's approach, assumptions used and conclusions reached are reasonable.

In the prior year, our auditor's report included key audit matters in relation to commodity co-product valuation and tax impacts of the sale of the controlling stake in Primient. Given the completion of the disposal of Primient, these key audit matters are no longer applicable for the Group.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £13 million (2022: £20 million), which is 5% (2022: 5%) of profit before tax adjusted for exceptional items and amortisation of acquired intangible assets. We believe that profit before tax adjusted for exceptional items and amortisation of acquired intangible assets provides us with the most relevant profit basis as the exceptional items were non-recurring and not related to the ongoing trading of the Group whilst amortisation of acquired intangible assets has resulted from the two acquisitions in the period.

We determined materiality for the Parent Company to be £13.5 million (2022: £13.1 million), which is 0.5% (2022: 0.5%) of total assets. The materiality of the Parent company is greater than the Group because the Parent company is a holding company with significant total assets. For any Parent Company balances that are consolidated into the Group financial statements, an allocation of Group performance materiality was used.

STARTING BASIS	– £248 million (profit before tax)
ADJUSTMENTS	– £14 million exceptional items – (£19) million for the amortisation of acquired intangible assets
MATERIALITY BASIS	– £253 million (adjusted profit before tax)
MATERIALITY	– Materiality calculated of £13 million (5% of materiality basis)

Independent Auditor's Report to the members of Tate & Lyle PLC continued

Performance materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was to set performance materiality at 75% (2022: 75%) of our planning materiality, namely £9.7 million (2022: £15 million). We have set performance materiality at this percentage due to our assessment of the risk of material misstatement at that component.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £9.7 million to £2.9 million (2022: £11.3 million to £1.1 million).

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.6 million (2022: £1 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report set out on pages 1 to 132, including the Strategic report on pages 8 to 76 and the Governance report on pages 77 to 132 other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 41;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 69;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 41;
- Directors' statement on fair, balanced and understandable set out on page 105;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 67 to 75;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 104; and;
- The section describing the work of the Audit Committee set out on pages 100 to 104.

Independent Auditor's Report to the members of Tate & Lyle PLC continued

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 132, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are:
  - Those that relate to the form and content of the financial statements: UK adopted International Accounting Standards (for the Group), FRS 101 (for the Parent Company), the Companies Act 2006 and the UK Corporate Governance Code;
  - Those that relate to the relevant tax compliance regulations in the jurisdictions in which the Group operates; and
  - In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being the Listing Rules of the UK Listing Authority, and those laws and regulations relating to health and safety and employee matters.
- We understood how Tate & Lyle PLC is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of Board minutes and papers provided to the Audit Committee and attendance at all meetings of the Audit Committee, as well as consideration of the results of our audit procedures across the Group.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur. We did this by:
  - Meeting with management from various parts of the business to understand where they considered there to be susceptibility to fraud;
  - Assessing whistleblowing incidences for those with a potential financial reporting impact;
  - Considered performance targets and their propensity to influence efforts made by management to manage earnings or influence the perceptions of analysts;
  - Understanding the Group's annual bonus scheme and long-term incentive plan performance targets and their propensity to influence on efforts made by management to manage revenue and earnings;
  - Considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls
  - Understanding the related party transactions and significant transactions occurring with related parties in the year; and
  - Assessing the key judgements and estimates and significant transactions occurring in year;
- Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included incorporating data analytics in testing of manual journals (for example with respect to our work on revenue recognition noted on page 136 above) and were designed to provide reasonable assurance that the financial statements were free from fraud or error
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations, including specific instructions to full and specific scope component audit teams. At a Group level, our procedures involved: enquiries of Group management and those charged with governance, legal counsel, internal audit and division management across all regions in the Group. Our procedures also included testing over manual consolidation journals and journals indicating large or unusual transactions based on our understanding of the business. At a component level, our full and specific scope component audit team's procedures included enquiries of component management; journal entry testing; and focused testing over areas we considered more susceptible to management override, including as referred to in the "Revenue recognition" key audit matters section above. Any instances of non-compliance with laws and regulations, including in relation to fraud, were communicated by/to components and considered in our audit approach, if applicable. In addition, we completed procedures to conclude on the compliance of the disclosures in the annual report and accounts with all applicable requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the members of Tate & Lyle PLC continued

Other matters we are required to address

- Following the recommendation from the audit committee, we were appointed by the Company on 26 July 2018 to audit the financial statements for the year ending 31 March 2019 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 5 years, covering the years ending 31 March 2019 to 31 March 2023.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lloyd Brown
(Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

24 May 2023

Consolidated Income Statement

Continuing operations	Notes	Year ended 31 March 2023 £m	2022 £m
Revenue	5	1 751	1 375
Operating profit	6	196	67
Finance income	10	12	1
Finance expense	10	(32)	(26)
Share of loss of joint venture	22	(24)	–
Profit before tax		152	42
Income tax expense	11	(25)	(16)
Profit for the year – continuing operations		127	26
Profit for the year – discontinued operations	12	63	210
Profit for the year – total operations		190	236
Attributable to:			
– owners of the Company		190	236
– non-controlling interests		–	–
Profit for the year – total operations		190	236
Earnings per share		**Pence**	Pence
Continuing operations:	13		
– basic		31.3p	5.5p
– diluted		30.8p	5.5p
Total operations:	13		
– basic		47.0p	50.7p
– diluted		46.2p	50.2p

Consolidated Statement of Comprehensive Income

	Notes	Year ended 31 March 2023 £m	2022 £m
Profit for the year – total operations		190	236
Other comprehensive income/(expense)			
Items that have been/may be reclassified to profit or loss:			
Gain on currency translation of foreign operations	24	62	86
Fair value loss on net investment hedges	24	(33)	(52)
Fair value loss on net investment hedges transferred to the income statement	24	28	–
Gain on currency translation of foreign operations transferred to the income statement on sale of a subsidiary	24	(81)	–
Fair value gain on cash flow hedges transferred to the income statement on sale of a subsidiary	24	(48)	–
Net (loss)/gain on cash flow hedges	24	(2)	82
Recycling of cost/(cost) of hedging	24	5	(5)
Share of other comprehensive (expense)/income of joint ventures	22, 24	(5)	10
Tax effect of the above items	11	6	(20)
		(68)	101
Items that will not be reclassified to profit or loss:			
Re-measurement of retirement benefit plans:			
– actual return lower on plan assets	31	(289)	(70)
– net actuarial gain on retirement benefit obligations	31	295	67
Changes in the fair value of equity investments at fair value through OCI	18, 24	3	(4)
Tax effect of the above items	11	–	–
		9	(7)
Total other comprehensive (expense)/income		(59)	94
Total comprehensive income – total operations		131	330
Analysed by:			
– Continuing operations		68	9
– Discontinued operations		63	321
Total comprehensive income – total operations		131	330
Attributable to:			
– Owners of the Company		131	330
– Non-controlling interests		–	–
Total comprehensive income – total operations		131	330

Consolidated Statement of Financial Position

	Notes	At 31 March 2023 £m	Restated* 2022 £m
ASSETS			
Non-current assets			
Goodwill and other intangible assets	19	452	278
Property, plant and equipment (including right-of-use assets of £39 million (2022 – £40 million))	20	488	431
Investments in joint venture	22	199	–
Investments in equities	18	42	46
Retirement benefit surplus	31	18	23
Deferred tax assets	11	13	9
Trade and other receivables	17	11	1
Derivative financial instruments	29	–	3
		1 223	791
Current assets			
Inventories	15	446	317
Trade and other receivables	17	351	270
Current tax assets	11	9	11
Derivative financial instruments	29	3	13
Other current financial assets	29	–	2
Cash and cash equivalents	16	475	110
		1 284	723
Assets classified as held for sale	12	–	1 737
		1 284	2 460
TOTAL ASSETS		2 507	3 251
EQUITY			
Capital and reserves			
Share capital	23	117	117
Share premium	23	408	407
Capital redemption reserve		8	8
Other reserves	24	143	222
Retained earnings		513	865
Equity attributable to owners of the Company		1 189	1 619
Non-controlling interests		1	1
TOTAL EQUITY		1 190	1 620

	Notes	At 31 March 2023 £m	Restated* 2022 £m
LIABILITIES			
Non-current liabilities			
Borrowings (including lease liabilities of £44 million (2022 – £49 million))	26	592	658
Retirement benefit deficit	31	118	130
Deferred tax liabilities	11	30	51
Provisions	33	5	12
		745	851
Current liabilities			
Borrowings (including lease liabilities of £10 million (2022 – £10 million))	26	121	21
Trade and other payables	25	372	294
Provisions	33	13	11
Current tax liabilities	11	62	23
Derivative financial instruments	29	4	31
		572	380
Liabilities directly associated with assets held for sale	12	–	400
		572	780
TOTAL LIABILITIES		1 317	1 631
TOTAL EQUITY AND LIABILITIES		2 507	3 251

* For the reclassification of certain items between net assets classified as held for sale and the continuing Tate & Lyle Group refer to Note 1.

The notes on pages 146 to 197 form part of these financial statements. The consolidated financial statements on pages 141 to 197 were approved by the Board of Directors on 24 May 2023 and signed on its behalf by:

Nick Hampton
Director

Dawn Allen
Director

Consolidated Statement of Cash Flows

	Notes	Year ended 31 March 2023 £m	2022 £m
Cash flows from operating activities – total operations			
Profit before tax from total operations		248	296
Adjustments for:			
– depreciation of property, plant and equipment (including right-of-use assets and excluding exceptional items)	20	59	74
– amortisation of intangible assets	19	36	26
– share-based payments	32	20	12
– net impact of exceptional income statement items	8	(129)	36
– net finance expense	10	20	28
– share of loss/(profit) of joint ventures	22	24	(8)
– net retirement benefit obligations		(9)	(7)
– other non-cash movements	27	(7)	(38)
Changes in working capital	27	(110)	(250)
Cash generated from total operations		152	169
Net income tax paid		(19)	(45)
Exceptional tax on gain on disposal of Primient		(42)	–
Interest paid		(25)	(21)
Net cash generated from operating activities		66	103
Cash flows from investing activities			
Purchase of property, plant and equipment		(70)	(132)
Acquisition of businesses, net of cash acquired	35	(192)	1
Disposal of subsidiary (net of cash)	12	1 045	–
Investments in intangible assets		(8)	(16)
Purchase of equity investments	18	(3)	(4)
Disposal of equity investments	18	10	4
Interest received		11	1
Dividends received from joint ventures	22	41	33
Redemption of shares held in joint venture	22	1	–
Net cash generated from/(used in) investing activities		835	(113)

	Notes	Year ended 31 March 2023 £m	2022 £m
Cash flows from financing activities			
Purchase of own shares including net settlement	23	(13)	(13)
Cash inflow from additional borrowings		1	2
Cash outflow from repayment of borrowings		(3)	(60)
Repayment of leases	21	(13)	(32)
Dividends paid to the owners of the Company	14	(570)	(144)
Net cash used in financing activities		(598)	(247)
Cash and cash equivalents			
Balance at beginning of year		127	371
Net increase/(decrease) in cash and cash equivalents	28	303	(257)
Currency translation differences	28	45	13
Balance at end of year	16	475	127

A reconciliation of the movement in cash and cash equivalents to the movement in net debt is presented in Note 28.

Included in the total cash and cash equivalents of £127 million at 31 March 2022 is £17 million classified as held for sale. See Note 12.

The cash flows from discontinued operations included above are presented in Note 12.

Consolidated Statement of Changes in Equity

	Share capital and share premium £m	Capital redemption reserve £m	Other reserves £m	Retained earnings £m	Attributable to the owners of the company £m	Non-controlling interests £m	Total equity £m
At 1 April 2021	524	8	144	777	1 453	1	1 454
Profit for the year – total operations	–	–	–	236	236	–	236
Other comprehensive income/(expense)	–	–	97	(3)	94	–	94
Total comprehensive income	–	–	97	233	330	–	330
Hedging gains transferred to inventory	–	–	(26)	–	(26)	–	(26)
Tax effect of the above item	–	–	7	–	7	–	7
Transactions with owners:							
Share-based payments, net of tax	–	–	–	12	12	–	12
Purchase of own shares including net settlement (Note 23)	–	–	–	(13)	(13)	–	(13)
Dividends paid (Note 14)	–	–	–	(144)	(144)	–	(144)
At 31 March 2022	524	8	222	865	1 619	1	1 620
Profit for the year – total operations	–	–	–	190	190	–	190
Other comprehensive (expense)/income	–	–	(65)	6	(59)	–	(59)
Total comprehensive (expense)/income	–	–	(65)	196	131	–	131
Hedging gains transferred to inventory	–	–	(19)	–	(19)	–	(19)
Tax effect of the above item	–	–	5	–	5	–	5
Transactions with owners:							
Share-based payments, net of tax	–	–	–	22	22	–	22
Issue of share capital	1	–	–	–	1	–	1
Purchase of own shares including net settlement (Note 23)	–	–	–	(13)	(13)	–	(13)
Dividends paid (Note 14)	–	–	–	(570)	(570)	–	(570)
Other movements	–	–	–	13	13	–	13
At 31 March 2023	**525**	**8**	**143**	**513**	**1 189**	**1**	**1 190**

Notes to the Consolidated Financial Statements

1. Basis of preparation

Description of business

Tate & Lyle PLC (the Company) is a public limited company incorporated in the United Kingdom and registered in England. It is the ultimate parent of the Tate & Lyle PLC Group. The Company's ordinary shares are listed on the London Stock Exchange.

The Company and its subsidiaries (together 'the Group') provide ingredients and solutions to the food, beverage and other industries. The Group operates from numerous production facilities around the world.

The Group's operations now comprise four operating segments: Food & Beverage Solutions, Sucralose and Primary Products Europe and Primient. The Group's reportable segments are the same as its operating segments. Segment information is presented in Note 5 as well as details of the change to reflect the new Group structure.

Accounting period

The Group's annual financial statements are drawn up to 31 March. These financial statements cover the year ended 31 March 2023 with comparative financials for the year ended 31 March 2022.

Basis of accounting

The consolidated financial statements on pages 141 to 197 have been prepared in accordance with UK adopted International Accounting Standards.

The Group's principal accounting policies are unchanged compared with the year ended 31 March 2022. The Group's principal accounting policies have been consistently applied throughout the year. Descriptions and specific accounting policy information on how the Group has applied the requirements of UK adopted International Accounting Standards are included throughout the notes to these financial statements. All amounts are rounded to the nearest million, unless otherwise indicated.

Discontinued operations and application of Held for Sale

On 1 April 2022 the Group completed the disposal of a controlling stake in a new company and its subsidiaries ('Primient' or the 'Primient business' or 'Primient disposal group'), comprising its Primary Products business in North America and Latin America and its interests in the Almidones Mexicanos S.A. de C.V. ('Almex') and Covation Biomaterials LLC, formerly 'Bio-PDO' ('Covation') joint ventures, to KPS Capital Partners, LP ('KPS') (the 'Transaction'). The Group currently holds a 49.7% interest in Primient, decreased from the 49.9% interest held at completion of the Transaction due to the redemption of a number of shares held by the Group for the return of £1 million to the Group.

In accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', from 1 July 2021 the Group classified the business that became Primient on 1 April 2022 as a disposal group held for sale and a discontinued operation. 1 July 2021 reflects the date that negotiations on substantive matters with KPS were completed. An operation is classified as discontinued if it is a component of the Group that: (i) has been disposed of, or meets the criteria to be classified as held for sale; and (ii) represents a separate major line of business or geographic area of operations or will be disposed of as part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations. The results of discontinued operations are presented separately from those of continuing operations. Refer to Note 12 for further details on discontinued operations.

Prior year restatement

Following the completion accounts exercise which took place after the Transaction date, the balance sheet at 31 March 2022 was restated to correctly reflect certain additional non-current assets being assigned to the Primient disposal group held for sale (impact on non-current assets: reducing Property, Plant and Equipment by £66 million, reducing Goodwill and other intangible assets by £5 million and increasing Assets held for sale by £71 million). This restatement impacted the balance sheet only for the year ended 31 March 2022.

Going concern

The Directors are satisfied that the Group has adequate resources to continue to operate as a going concern for the foreseeable future and that no material uncertainties exist with respect to this assessment. In making this assessment, the Directors have considered the Group's balance sheet position and forecast earnings and cash flows for the period from the date of approval of these financial statements to 31 March 2025. The business plan used to support the going concern assessment (the 'base case') is derived from Board-approved forecasts together with certain downside sensitivities.

Further details of the Directors' assessment are set out below:

At 31 March 2023, the Group has significant available liquidity, including £475 million of cash and US$800 million (£647 million) of committed and undrawn revolving credit facility, of which US$100 million matures in 2025 and US$700 million matures in 2026. The earliest maturity date for any of the Group's loans is October 2023, when US$120 million will mature. In April 2023, US$95 million of this has been repaid ahead of maturity from existing cash. For the purpose of the going concern assessment, it is anticipated that the remaining US$25 million will also be repaid from existing cash.

The Group has only one debt covenant requirement which is to maintain a net debt to EBITDA ratio of not more than 3.5 times. On the covenant-testing basis this was 0.6 times at 31 March 2023. As set out below, for a covenant breach to occur it would require a significant reduction in Group profit. Such reduction is considered to be unlikely.

In concluding that the going concern basis is appropriate, the Directors have modelled the impact of a 'worst case scenario' to the 'base case' by including the same two plausible but severe downside risks also used for the Group's viability statement, being: an extended shutdown of one of our large corn wet mill manufacturing facilities following operational failure or energy shortage; and the loss of two of our largest Food & Beverage Solutions customers. In aggregate, such 'worst case scenarios' did not result in any material uncertainty to the Group's going concern assessment and the resultant position still had significant headroom above the Group's debt covenant requirement. The Directors have also calculated a 'reverse stress test' which represents the changes that would be required to the 'base case' in order to breach the Group's debt covenant. Such 'reverse stress test' showed that the forecast Group profit would have to reduce significantly in order to cause a breach.

Accordingly, the Directors have concluded that there are no material uncertainties with respect to going concern and have adopted the going concern basis in preparing the consolidated financial information of the Group as at 31 March 2023.

Climate change considerations

In preparing the consolidated financial statements, the Directors have considered the impact of climate change, particularly in the context of the risks identified in the TCFD disclosures set out on pages 62 to 66 and our sustainability targets. Climate change-related considerations made in respect of the financial statements relate principally to (i) the impact of climate change on the going concern assessment and viability assessment, (ii) the impact of climate change on the cash flow forecasts used in the impairment assessment of non-current assets including goodwill for the Foods & Beverage Solutions cash-generating unit, and (iii) the impact on the share-based payment charge for the year as a result of the performance against certain Purpose and sustainability targets.

These climate change considerations are not considered to be areas of significant judgement or sources of estimation uncertainty in the current year. These considerations are also not expected to have a significant impact on the Group's going concern assessment to 31 March 2025 nor the viability of the Group over the next three years.

Notes to the Consolidated Financial Statements continued

1. Basis of preparation continued

Basis of accounting continued

The Directors considered further whether any reduction of the useful lives of assets as a result of climate-related matters, which would have a direct impact on the amount of depreciation recognised each year from the date of re-assessment, could have a significant impact on the financial statements. The Directors concluded that the impact of the Group's decarbonisation commitments does not have a material impact on the results for the year.

In view of the evolving risks associated with climate change, the Directors will regularly assess these risks against judgements and estimates made in preparation of the Group's financial statements.

Foreign currency

The consolidated financial statements are presented in pound sterling, which is also the Company's functional currency. Where changes in constant currency are presented, they are calculated by retranslating current year results at prior year exchange rates. Calculations of changes in constant currency have been included in 'Additional information' within this document.

Accounting standards adopted during the year

In the current year the Group has adopted, with effect from 1 April 2022, the following new accounting standards:

- Amendments to IFRS 3 *Business Combinations;*
- Amendments to IAS 16 *Property, Plant and Equipment* – Proceeds before intended use;
- Amendments to IAS 37 *Provisions, contingent liabilities and contingent assets* – Onerous contracts (cost of fulfilling a contract); and
- Annual Improvements to IFRS Standards 2018-2020.

The adoption of these amendments from 1 April 2022 had no material effect on the Group's financial statements.

Accounting standards issued but not yet adopted

No other new standards, new interpretations or amendments to standards or interpretations have been published which are expected to have a significant impact on the Group's financial statements.

Alternative performance measures

The Group also presents alternative performance measures, including adjusted earnings before interest, tax, depreciation and amortisation ('adjusted EBITDA'), adjusted profit before tax, adjusted earnings per share, free cash flow, net debt to EBITDA and return on capital employed. These measures are used for internal performance analysis and incentive compensation arrangements for employees. They are presented because they provide investors with additional information about the performance of the business which the Directors consider to be valuable. Reconciliations of the alternative performance measures to the most directly comparable UK adopted International Accounting Standards measures are presented in Note 4.

During the year the Group has changed its alternative performance measure relating to operating profit from adjusted operating profit to adjusted EBITDA in order to enhance comparability with its industry peers.

Alternative performance measures reported by the Group are not defined terms under UK adopted International Accounting Standards and may therefore not be comparable with similarly-titled measures reported by other companies.

Pro-forma impact of the disposal of the Primient business

Due to the significance of the Primient disposal, where relevant, the Group has also provided pro-forma financial information in order to provide shareholders with better comparability of the performance of the continuing operations. Refer to Useful Information on page 208, and where indicated in the notes to the financial information, where certain comparative information for adjusted results is pro-forma information.

2. Significant judgements and estimates

In preparing these consolidated financial statements, management has made judgements and used estimates and assumptions in establishing the reported amounts of assets, liabilities, income and expense under the Group's accounting policies. Judgements are based on the best evidence available to management. Estimates are based on factors including historical experience and expectations of future events, corroborated with external information where possible. Judgements and estimates and their underlying assumptions are reviewed and updated on an ongoing basis, with any revisions being recognised prospectively.

However, given the inherent uncertainty of such estimates, the actual results might differ significantly from the anticipated ones. Information about the accounting estimates and judgements made in applying these accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are set out below.

Taxation (Note 11)

Key sources of estimation uncertainty

The Group's current and deferred tax balances are subject to estimation uncertainty, which could also impact the effective tax rate in the next financial year.

The specific sources of estimation uncertainty are as follows:

(a) Resolution of uncertain tax provisions: at 31 March 2023, the Group has recorded current tax liabilities of £45 million (2022 – £46 million) for uncertain tax positions (refer to Note 11). Such provisions arise because the Group operates in an international tax environment and is subjected to periodic tax examination and uncertainties in a number of jurisdictions. Such examination can include, inter alia, transfer pricing arrangements relating to the Group's operating activities, historical reorganisations and the deductibility of interest on certain intra-group borrowing arrangements. The issues involved are complicated and may take a number of years to resolve. Tax liabilities, if required, have been estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty. These accounting estimates considered the status of the unresolved matter, the relevant legislation, advice from in-house specialists, opinions of professional firms and past experience and precedents set by the particular tax authority. Of the £45 million total of uncertain tax positions held at 31 March 2023, between zero and £1 million of the balance could be resolved in the year ending 31 March 2024. Such resolution could be favourable or unfavourable. Of the £46 million balance at 31 March 2022, £18 million met the criteria for being released in the year ended 31 March 2023. This compares to the range of possible outcomes coming into the year for potential releases of provisions of between zero to £5 million. The increased release was the result of the completion of two years of tax audits in the US (compared to the anticipated completion of one year's audit).

Notes to the Consolidated Financial Statements continued

2. Significant judgements and estimates continued

Taxation (Note 11) continued

(b) Recognition of deferred tax assets: at 31 March 2023, the Group has recorded deferred tax assets of £13 million (2022 – £9 million) and deductible temporary differences for which the unrecognised deferred tax asset is £200 million (2022 – £209 million) (refer to Note 11), the most significant of which relates to unrecognised tax losses in the UK. Management assesses the likelihood of their recoverability within a reasonable foreseeable timeframe, taking into account the future expected profit profile and business model of each relevant company or country, and any potential legislative restrictions on use. A 10% increase in forecasted UK taxable income would lead to a £1 million increase in deferred tax assets recognised.

Retirement benefit plans (Note 31)

At 31 March 2023, the present value of the benefit obligations of the plans was £1,142 million (2022 – £1,474 million). The present value of the benefit obligations is based on key assumptions including actuarial estimates of the future benefits that will be payable to the members of the plans. Changes to key assumptions could have a material impact on the reported amounts and, as a result, represent a significant accounting estimate.

Key sources of estimation uncertainty

The present value of the benefit obligations is most sensitive to the discount rate applied to the benefit obligations, assumed life expectancies, and expected future inflation rates. Sensitivity analysis is included in Note 31.

Whilst assumptions are established on a consistent basis reflecting advice from qualified actuaries, using published indices and other actuarial data, management must apply judgement in selecting the most appropriate value from within an acceptable range.

Changes in the assumptions used in determining the present value of the benefit obligations will have an impact on the Group's income statement through their effect on the service cost and the interest on the net deficit or surplus in the plans. However, most of the impact of such changes, together with fluctuations in the actual return on the plan assets, will be reflected in other comprehensive income.

Exceptional items (Note 8)

Key source of judgement

Exceptional items comprise items of income, expense and cash flow, including tax items that: are material in amount; and are outside the normal course of business or relate to events which do not frequently recur, and therefore merit separate disclosure in order to provide a better understanding of the Group's underlying financial performance. Examples of events that give rise to the disclosure of material items of income, expense and cash flow as exceptional items include, but are not limited to: significant impairment events; significant business transformation activities; disposals of operations or significant individual assets; litigation claims by or against the Group; and restructuring of components of the Group's operations.

For tax items to be treated as exceptional, amounts must be material and their treatment as exceptional enable a better understanding of the Group's underlying financial performance.

Exceptional items in the Group's financial statements are classified on a consistent basis across accounting periods. The classification of income and expense as exceptional items is a significant judgement.

Accounting for the Group's investment in Primient (Note 22)

Key source of judgement

The Directors have determined that there is a significant accounting judgement with respect to the Group's accounting for its 49.7% interest in the Primient business following the completion of its disposal. The Group equity accounts for this interest as a joint venture.

Such accounting is appropriate because the Group does not have unilateral control over Primient. Instead, important operational decisions are decided by a majority vote by the Primient board (KPS has the right to appoint four directors and the Group has the right to appoint two) with more significant strategic matters requiring unanimous agreement of both shareholders. In addition, from completion, the Group and Primient entered into certain long-term agreements, principally relating to the supply of product between one another; such agreements do not afford either party rights that are indicative of unilateral control.

As a result, decisions about relevant activities are principally reserved for the two shareholders and cannot be decided upon unilaterally by either shareholder. Therefore, the Group's interest in Primient meets the definition of a joint venture.

Fair value of purchases, sales and inventory of corn-based products (Notes 15, 29 and 30)

2023 Financial year

On completion of the Primient disposal transaction on 1 April 2022, the Group has continued to apply cash flow hedge accounting to manage its economic price exposure on the purchase of energy and chemicals used in the production process. All corn procurement activities transferred to Primient on completion of the disposal and the Group procures corn from Primient (both for the manufacturing of corn-based finished goods in the Group's US manufacturing sites and for corn embedded in the finished goods manufactured by Primient and sold to the Group under long-term agreements). The Group has ceased to apply fair value hedge accounting to manage the net corn risk and instead manages the corn price risk by using economic hedging principles such as entering into offsetting positions with its supplier (Primient) and customers. As a result, the fair value of purchases, sales and inventory of corn-based products is no longer a source of estimation uncertainty in the current financial year.

2022 Financial year

In the comparative period, the Group managed its US net corn position, comprising the purchase, sale and inventory of corn and corn-based goods, including co-products, on a net basis. As a result, the Group previously designated the components of its US net corn position in effective fair value hedge accounting relationships whereby the hedged item was a group of items with offsetting risk positions. This resulted in each element of the net corn position being marked to market and financial instruments (mainly corn futures contracts) were used as hedging instruments to manage this net position. Recording all components of the US net corn position at fair value aligned with the underlying economics and risk management of the business prior to the Transaction. The estimates used to determine these fair values were a key source of estimation uncertainty in the prior year.

Notes to the Consolidated Financial Statements continued

2. Significant judgements and estimates continued

Fair value of purchases, sales and inventory of corn-based products (Notes 15, 29 and 30) continued

The breakdown of its net corn position is shown below for the comparative period only.

	Year ended 31 March 2022 £m
Hedged items:	
Corn purchase contracts	44
Corn sale contracts	(78)
Co-product sale contracts	54
Corn and elevator inventory	69
Co-products inventory	(5)
Total hedged items	84
Financial instrument products (hedging instrument)	(5)
Net corn position	79

Key sources of estimation uncertainty (2022 financial year only)

Of the components of the net corn positions set out above, those components which had the greatest estimation uncertainty were the fair values of basis and co-products. As a result, for the comparative period only, the IAS 1 required disclosures about the nature of these items and the estimation uncertainty inherent in them is set out in Note 29. The nature of these items is included below:

Basis represents the difference in price between the corn pricing on the Chicago Mercantile Exchange and localised pricing that can be achieved for physical delivery. It is typically driven by local supply, demand and logistics factors. At 31 March 2022, the fair value adjustments made to basis was a net asset of £20 million. This was included as a component within corn purchase contracts, corn sale contracts and corn and elevator inventory.

Co-products included in fair value hedges comprise corn gluten feed, corn gluten meal and corn oil, which are manufactured as part of the corn wet-milling process. Before the Transaction, the Group could hold either a net long or short position for each co-product based on the volume of co-products made, bought or forward sold at any point in time. The net position of fair value adjustments made to co-product positions at 31 March 2022 was £54 million assets for sales contracts (including co-product credits in corn sales contracts) and £5 million liability for inventories.

3. Key accounting policies

The consolidated financial statements have been prepared under the historical cost convention, modified in respect of the revaluation to fair value of certain investments in equities, derivative financial instruments, non-derivative financial instruments in fair value hedge relationships (2022 financial year only), certain inventories (2022 financial year only), assets held by defined benefit pension plans and assets held for sale (2022 financial year only).

Descriptions and specific accounting policy information on how the Group has applied the requirements of UK adopted International Accounting Standards are included throughout the notes to these financial statements.

Key accounting policies, where information can be found in the applicable note, include:

- Revenue recognition (Note 5)
- Income taxes (Note 11)
- Discontinued operations (Note 12)
- Goodwill and other intangible assets (Note 19)
- Leases (Note 21)
- Foreign currency translation of subsidiaries (Note 24)
- Financial instruments (Notes 17, 18, 25, 26 and 29)
- Retirement benefit obligations (Note 31)
- Share-based payments (Note 32)

4. Reconciliation of alternative performance measures

Income statement measures

For the reasons set out in Note 1, the Group also presents alternative performance measures including adjusted EBITDA, adjusted profit before tax and adjusted earnings per share, which are used for internal performance analysis and incentive compensation arrangements for employees. They are presented because they provide investors with additional information about the performance of the business which the Directors consider to be valuable.

During the year, the Group has changed its alternative performance measure relating to operating profit from adjusted operating profit to adjusted EBITDA in order to enhance comparability with its industry peers.

For the years presented, alternative performance measures exclude, where relevant:

- Exceptional items (excluded as they are material in amount; and are outside the normal course of business or relate to events which do not frequently recur, and therefore merit separate disclosure in order to provide a better understanding of the Group's underlying financial performance);
- Amortisation of acquired intangible assets (costs associated with amounts recognised through acquisition accounting that impact earnings compared to organic investments);
- Amortisation of other fair value adjustments on acquisition (costs associated with amounts recognised through acquisition accounting that impact earnings compared to organic investments);
- Tax on the above items and tax items that themselves meet these definitions. For tax items to be treated as exceptional, amounts must be material and their treatment as exceptional enable a better understanding of the Group's underlying financial performance; and
- IFRS 5 held for sale adjustment consisting of 1) cessation of depreciation and amortisation of assets of the Primient business; and 2) cessation of equity accounting of the share of profits and dividends received from the Group's existing joint venture interests. These adjustments relate to the year ended 31 March 2022 only. Within adjusted discontinued operations these adjustments were excluded in order to provide a better understanding of the Group's underlying financial performance on a like-for-like basis.

The change for the exclusion of 'amortisation of other fair value adjustments on acquisition' reflects the relative size of the Quantum acquisition compared to previous recent Group acquisitions and was made to treat the amortisation or unwind of all fair value adjustments consistently with the amortisation of acquired intangibles. This change does not impact the comparative year presented.

Note also that given the size of the Group's retained share in the Primient joint venture, the Group's adjusted profit before tax will exclude its share of any of the above items relating to the Primient joint venture. This change does not impact the comparative year presented.

Where indicated, comparatives are presented on a pro-forma basis to provide investors with better comparability of the performance of continuing operations (see Note 1).

Notes to the Consolidated Financial Statements continued

4. Reconciliation of alternative performance measures continued

Income statement measures continued

Alternative performance measures reported by the Group are not defined terms under UK adopted International Accounting Standards and may therefore not be comparable with similarly-titled measures reported by other companies. The following table shows the reconciliation of the key income statement alternative performance measures to the most directly comparable measures reported in accordance with UK adopted International Accounting Standards:

	Year ended 31 March 2023			Year ended 31 March 2022		
Continuing operations £m unless otherwise stated	**Reported**	**Adjusting items**	**Adjusted reported**	Reported	Adjusting items	Adjusted reported
Revenue	1 751	–	1 751	1 375	–	1 375
EBITDA	291	29	320	147	93	240
Depreciation[1]	(59)	1	(58)	(56)	–	(56)
Amortisation	(36)	23	(13)	(24)	10	(14)
Operating profit	196	53	249	67	103	170
Net finance expense	(20)	–	(20)	(25)	–	(25)
Share of (loss)/profit of joint venture	(24)	48	24	–	–	–
Profit before tax	152	101	253	42	103	145
Income tax expense	(25)	(25)	(50)	(16)	(12)	(28)
Profit for the year	127	76	203	26	91	117
Basic earnings per share (pence)	31.3p	–	–	5.5p	–	–
Diluted earnings per share (pence)	30.8p	18.5p	49.3p	5.5p	19.4p	24.9p
Effective tax rate expense %	16.8%		19.9%	38.4%		19.3%

1 For the year ended 31 March 2023, depreciation includes depreciation of £1 million related to the Quantum acquisition fair value adjustments which is excluded from adjusted operating profit.

The following table shows the reconciliation of the adjusting items impacting adjusted profit for the year:

		Year ended 31 March	
Continuing operations	Notes	**2023 £m**	2022 £m
Exceptional costs included in operating profit	8	28	93
Amortisation of acquired intangible assets	19	23	10
Unwind of fair value adjustments (including £1 million of depreciation)		2	–
Adjusting items excluded from share of profit of joint venture	22	48	–
Total excluded from adjusted profit before tax		101	103
Tax credit on adjusting items	11	(25)	(24)
Exceptional tax charge	8, 11	–	12
Total excluded from adjusted profit for the year		76	91

Cash flow measure

The Group also presents an alternative cash flow measure, 'free cash flow', which is defined as cash generated from total operations, after net interest and tax paid, after capital expenditure and excluding the impact of exceptional items.

Net Capital expenditure is the net impact of the purchase and sale of property, plant and equipment, intangible assets and certain equity investments. The definition of free cash flow has been amended to make clear that capital expenditure is measured on a net basis i.e. net cash received/paid for property, plant and equipment, intangible assets and certain equity investments. This change has been made to bring the definition more in line with other similar companies. This change does not impact the comparative year presented.

Tax paid refers to tax paid for the Group's operations excluding any tax paid for its share of the Primient joint venture's results. The Group receives specific dividends from Primient in order to settle such tax liabilities. As all dividends received are excluded from free cash flow, it is appropriate to exclude tax paid out of the receipt of these dividends. This change does not impact the comparative year presented.

The following table shows the reconciliation of free cash flow relating to continuing operations:

	Year ended 31 March	
Continuing operations	**2023 £m**	2022 £m
Adjusted operating profit from continuing operations	249	170
Adjusted for:		
Adjusted depreciation and adjusted amortisation[1]	71	70
Share-based payments charge	20	10
Other non-cash movements[2]	(8)	4
Changes in working capital[3]	(105)	(68)
Net retirement benefit obligations	(9)	(7)
Net capital expenditure	(71)	(75)
Net interest and tax paid[4]	(28)	(32)
Free cash flow from continuing operations	119	72

1 Total depreciation of £59 million (2022 – £56 million) less £1 million of depreciation related to Quantum acquisition fair value adjustments (2022 – £nil) and amortisation of £36 million (2022 – £24 million) less £23 million (2022 – £10 million) of amortisation of acquired intangible assets.
2 In the year ended 31 March 2023, other non-cash movements excludes an inflow of £1 million for an item not included adjusting operating profit.
3 In the year ended 31 March 2023, changes in working capital excludes the 2022 financial year bonus payment of £7 million to employees who have transitioned to Primient which is classified as a discontinued cash outflow. This impact is partially offset by the increase of a legal provision relating to discontinued operations. Refer to Note 12.
4 In the year ended 31 March 2023, net interest and tax paid excludes tax payments of £47 million relating to the Group's share of Primient's tax including the exceptional tax on the gain on disposal of Primient (£42 million).

Notes to the Consolidated Financial Statements continued

4. Reconciliation of alternative performance measures continued

Cash flow measure continued

The following table shows the reconciliation of free cash flow to net cash generated from operating cash flows:

Continuing operations	Notes	Year ended 31 March 2023 £m	2022 £m
Free cash flow from continuing operations		119	72
Adjusted for:			
Add: free cash flow relating to discontinued operations	12	(7)	(56)
Less: exceptional cash flows	8	(59)	(60)
Less: tax payments relating to Primient and gain on disposal		(47)	–
Less: interest received		(11)	(1)
Add: net capital expenditure		71	148
Net cash generated from operating activities – total operations		66	103

Financial strength measures

The Group uses two financial metrics as key performance measures to assess its financial strength. These are the net debt to EBITDA ratio, and the return on capital employed ratio.

For the purposes of KPI reporting, the Group uses a simplified calculation of these KPIs to make them more directly related to information in the Group's financial statements. The net debt to EBITDA ratio using the calculation methodology prescribed for financial covenants on the Group's borrowing facilities is shown in Note 30.

All ratios are calculated based on unrounded figures in £ million.

The net debt to EBITDA ratio is as follows:

	Note	At 31 March Continuing operations 2023 £m	Total operations 2022 £m
Calculation of net debt to EBITDA ratio			
Net debt	28	238	626
Adjusted operating profit		249	312
Add back adjusted depreciation and adjusted amortisation		71	158
EBITDA		320	470
Net debt to EBITDA ratio (times)[1]		0.7	1.3

1 The net debt to EBITDA ratio for the year ended 31 March 2022 is based on total operations as the level of net debt held was to support the larger Group before the Primient disposal.

Return on capital employed (ROCE) is a measure of the return generated on capital invested by the Group. The measure encourages compounding reinvestment within business and discipline around acquisitions; as such it provides a guard rail for long-term value creation. ROCE is a component of the Group's five-year performance ambition to 31 March 2028 and is used in incentive compensation.

ROCE is calculated as underlying operating profit excluding exceptional items divided by the average invested operating capital (calculated as the average for each month of goodwill, intangible assets, property, plant and equipment, working capital, provisions and non-debt related derivatives). As such the average invested operating capital is derived from the management balance sheet and does not reconcile directly to the statutory balance sheet. All elements of average invested operating capital are calculated in accordance with IFRS.

	At 31 March 2023 £m	Pro-forma* 2022 £m
Calculation ROCE		
Adjusted operating profit – continuing operations	249	170
Impact of long-term agreements	–	(7)
Deduct amortisation on acquired intangible assets and other fair value adjustments	(25)	(10)
Profit before interest, tax and exceptional items for ROCE	224	153
Average invested operating capital	1 278	924
ROCE %	17.5%	16.5%

* Comparatives are based on pro-forma financial information (see Useful Information on page 208).

Notes to the Consolidated Financial Statements continued

5. Segment information

Revenue recognition
Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer at a point in time.

Discounts mainly comprise volume-driven rebates. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. A liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The amount recognised as refund liabilities for volume rebates at 31 March 2023 was £8 million. The Group also estimates variable consideration to be included in the purchase price for the inclusion of any inflation price-through adjustment. These adjustments are analysed on a per customer basis and/or are based on historical settlement patterns to determine the expected value of the variable consideration. The amount uncollected at 31 March 2023 was £2 million.

There is no material element of financing in sales which are made with credit terms in general between 30 to 60 days, which is consistent with market practice. The Group makes use of certain supply-chain financing arrangements with a number of its customers, mainly in North America – and such arrangements include a financing element, which is deducted from revenue. During the year ended 31 March 2023, £4 million (2022 – £3 million, of which £2 million was related to discontinued operations) was deducted from revenue for supply-chain financing costs.

Segment information is presented on a basis consistent with the information presented to the Board (the designated Chief Operating Decision Maker (CODM)) for the purposes of allocating resources within the Group and assessing the performance of the Group's businesses. Following the completion of the Transaction on 1 April 2022, the Group has changed its operating segments to reflect the Group's structure.

The Group's core operations comprise three operating segments as follows: The Food & Beverage Solutions, Sucralose and Primary Products Europe. These operating segments are also reportable segments. The Group does not aggregate operating segments to form reportable segments. Food & Beverage Solutions now includes certain operating costs associated with the Group's former Primary Products operating segment that have remained with the Group. Food & Beverage Solutions operates in the core categories of beverages; dairy; soups, sauces and dressings; and bakery and snacks. Sucralose, a high-intensity sweetener and a sugar reduction ingredient, is used in various food categories and beverages. Primary Products Europe focuses principally on high-volume sweeteners and industrial starches. The Group is executing a planned transition away from these lower margin products in order to use the capacity to fuel growth in the Food & Beverage Solutions operating segment.

Whilst not part of the Group's core operations, its 49.7% investment in the Primient joint venture is also an operating segment and reportable segment. Primient is a leading producer of food and industrial ingredients, principally bulk sweeteners and industrial starches. Key products include nutritive sweeteners (such as high fructose corn syrup and dextrose), industrial starches, acidulants (such as citric acid) and commodities (such as corn gluten feed and meal and corn oil). Primient comprises the Group's former Primary Products business in North America and Latin America and its former interests in the Almex and Covation joint ventures.

Central, which comprised central costs including head office, treasury and insurance activities, was shown separately in prior years. Reflecting that the Group is now a smaller, more focused business following the completion of the Transaction, in the 2023 financial year Central has been allocated to segments to enable closer alignment of investments to segment strategies. The allocation methodology is based on firstly attributing total selling and general administrative costs by the support provided to each segment directly, then allocating non-directly attributed costs mainly on the basis of segment share of Group gross profit.

The Board now uses adjusted EBITDA as the measure of the profitability of the Group's businesses. For the Primient operating segment, the Board uses the Group's share of adjusted profit of the Primient joint venture as the measure of profitability of this business. Adjusted EBITDA and the Group's share of adjusted profit of the Primient Joint Venture are therefore the measures of segment profit presented in the Group's segment disclosures for the relevant operating segments. The segmental classification of exceptional items is detailed in Note 8.

As a result of the change in the Group's operating segments, where relevant, the Group has restated the comparative year's segmental disclosure in order to provide a like-for-like comparison for the performance of the operating segments.

All revenue is from external customers.

Segment results for the year ended 31 March 2023

IFRS 8 Segment results

	Year ended 31 March 2023				
Total operations	**Food & Beverage Solutions £m**	**Sucralose £m**	**Primary Products Europe £m**	**Primient Joint Venture £m**	**Total £m**
Revenue	1 438	184	129	–	1 751
Adjusted EBITDA[1]	271	58	(9)	–	320
Adjusted EBITDA margin	18.8%	31.3%	(6.5%)	–	18.3%
Adjusted share of profit of joint venture[1]	–	–	–	24	24
Included within statutory operating profit[2]:					
– depreciation	47	10	2	–	59
– amortisation	34	2	–	–	36
– share-based payments	16	3	1	–	20

1 Reconciled to statutory profit for the year for continuing operations in Note 4.
2 Disclosure provided as either included in the measure of segment profit and loss or otherwise regularly provided to CODM.

Notes to the Consolidated Financial Statements continued

5. Segment information continued

Segment results for the year ended 31 March 2022

IFRS 8 Segment results – pro-forma basis

	Year ended 31 March 2022*				
Total operations	Food & Beverage Solutions £m	Sucralose £m	Primary Products Europe £m	Primient Joint Venture £m	Total £m
Revenue	1 111	163	101	–	1 375
Adjusted EBITDA	207	53	(20)	–	240
Adjusted EBITDA margin	18.6%	32.6%	(19.4%)	–	17.5%
Adjusted share of profit of joint venture	–	–	–	–	–
Pro-forma adjusted EBITDA[1]	200	53	(20)	–	233
Pro-forma adjusted EBITDA margin[1]	18.0%	32.6%	(19.4%)	–	17.0%
Pro-forma adjusted share of profit of joint venture[1]	–	–	–	61	61
Included within statutory operating profit[2]:					
– depreciation	43	9	4	–	56
– amortisation	22	2	–	–	24
– share-based payments	8	2	–	–	10

* Restated to reflect the change in operating segments (see page 152).
1 Comparative information for the year ended 31 March 2022 is based on pro-forma financial information (see Useful Information page 208).
2 Disclosure provided as either included in the measure of segment profit and loss or otherwise regularly provided to CODM.

Reconciliation of the restated 2022 IFRS 8 segmental disclosures on a pro-forma basis to the reported IFRS 8 segmental disclosures as reported in the Annual Report for that year issued on 9 June 2022:

(i) Revenue

	Restated* Year ended 31 March 2022					
Continuing operations	Food & Beverage Solutions £m	Sucralose £m	Primary Products Europe £m	Primary Products £m	Central £m	Total £m
Segmental revenue – as reported	1 111	163	–	1 858	–	3 132
Reclassification to discontinued operations	–	–	–	(1 757)	–	(1 757)
Transfer of Primary Products Europe business out of Primary Products	–	–	101	(101)	–	–
Segmental revenue – restated	1 111	163	101	–	–	1 375

* Restated to reflect the change in operating segments (see page 152).

(ii) Adjusted EBITDA

	Restated* Year ended 31 March 2022					
Continuing operations	Food & Beverage Solutions £m	Sucralose £m	Primary Products Europe £m	Primary Products £m	Central £m	Total £m
Segmental adjusted operating profits – as reported	190	61	–	112	(51)	312
Transfer of Primary Products Europe business out of Primary Products	–	–	(21)	21	–	–
Reclassification to discontinued operations[1]	(9)	–	–	(133)	–	(142)
Allocation of central costs	(29)	(19)	(3)	–	51	–
Adjusted operating profit	152	42	(24)	–	–	170
Add back depreciation	43	9	4	–	–	56
Add back adjusted amortisation	12	2	–	–	–	14
Adjusted EBITDA	207	53	(20)	–	–	240
Adjusted EBITDA margin	18.6%	32.6%	(19.4%)	–	–	17.5%
Pro-forma Impact of long-term agreements[2]	(7)	–	–	–	–	(7)
Pro-forma adjusted EBITDA	200	53	(20)	–	–	233
Pro-forma adjusted EBITDA margin	18.0%	32.6%	(19.4%)	–	–	17.0%

* Restated to reflect the change in operating segments (see page 152).
1 Operating costs of £9 million are reallocated from Primary Products to Food & Beverage Solutions because they remained within the Group after completion of the Transaction.
2 Comparative information for the year ended 31 March 2022 is based on pro-forma financial information (see Useful Information page 208).

Notes to the Consolidated Financial Statements continued

5. Segment information continued

Geographic disclosures

Revenue

Total operations	Year ended 31 March 2023 £m	2022 £m
Food & Beverage Solutions		
North America	687	542
Asia, Middle East, Africa and Latin America	432	325
Europe	319	244
Food & Beverage Solutions – total	1 438	1 111
Sucralose – total	184	163
Primary Products Europe	129	101
Primary Products in the Americas	–	1 757
Total	1 751	3 132

Sales to customers (total operations) in the United Kingdom totalled £50 million (2022 – £40 million). Sales to customers (total operations) in the United States totalled £753 million (2022 – £2,222 million, including discontinued operations).

From continuing operations no customer contributed more than 10% of the Group's external sales (2022 – no customer contributed more than 10%).

Revenue – reconciliation to the consolidated income statement

	Year ended 31 March 2023 £m	2022 £m
Revenue – geographic disclosure – total operations	1 751	3 132
Reclassification to discontinued operations	–	(1 757)
Revenue – continuing operations	1 751	1 375

Location of non-current assets

The location of non-current assets, other than financial instruments (including long-term receivables), deferred tax assets, and retirement benefits are as follows:

	Year ended 31 March 2023 £m	2022 £m
United Kingdom	25	29
United States	517	1 168
Other European countries	279	262
Rest of the world	318	190
Non-current assets – total operations[1]	1 139	1 649

1 The comparative year included £940 million classified as held for sale. See Note 12.

6. Operating profit

Analysis of operating expenses by nature:

Continuing operations	Notes	Year ended 31 March 2023 £m	2022 £m
Revenue		1 751	1 375
Operating expenses			
Cost of inventories (included in cost of sales)		876	696
Staff costs (of which £96 million (2022 – £122 million) was included in cost of sales)[1]	9	284	260
Depreciation of property, plant and equipment:			
– owned assets (of which £45 million (2022 – £41 million) was included in cost of sales)		50	47
– leased assets (of which £1 million (2022 – £2 million) was included in cost of sales)	21	9	9
Exceptional costs	8	28	93
Amortisation of intangible assets:			
– acquired intangible assets	19	23	10
– other intangible assets	19	13	14
Impairment of intangible assets[3]	19	1	1
Impairment of property, plant and equipment[4]	20	–	3
Total net foreign exchange losses		1	2
Other operating expenses		270	173
Operating expenses		1 555	1 308
Operating profit		196	67

1 Excludes £6 million (2022 – £13 million) of staff costs recognised in continuing exceptional items.
2 Excludes £nil (2022 – £3 million) of impairment of trade receivables recognised in continuing exceptional items.
3 Excludes £nil (2022 – £1 million) of impairment of intangible assets recognised in continuing exceptional items.
4 Excludes £nil (2022 – £15 million) of impairment of property, plant and equipment recognised in continuing exceptional items.

The Group spend on research and development expenditure during the year was £46 million (2022 – £41 million).

Notes to the Consolidated Financial Statements continued

7. Auditor's remuneration

Fees payable to the Company's external auditor, Ernst & Young LLP, and its associates, were as follows:

	Year ended 31 March 2023 £m	2022 £m
Fees payable for the audit of the Company and consolidated financial statements	1.7	1.4
Fees payable for other services:		
– the audit of the Company's subsidiaries	1.7	2.2
– audit-related assurance services	0.1	0.1
– services relating to corporate finance transactions	–	0.6
Total	3.5	4.3

8. Exceptional items

Refer to Note 2 for the exceptional items accounting policy.

Exceptional (costs)/income recognised in the consolidated income statement are as follows:

Continuing operations	Footnotes	Year ended 31 March 2023 £m	2022 £m
Income statement			
Costs associated with the separation and disposal of Primient	(a)	(25)	(79)
Restructuring costs	(b)	(5)	(1)
Impairment related to the disposal of Primient		–	(13)
US pension plan past service credit		–	9
Stabiliser product contamination		(1)	(9)
Historical legal matters	(c)	3	–
Exceptional items included in profit before tax		(28)	(93)
UK tax charge		–	(6)
US tax charge		–	(6)
Exceptional items included in income tax		–	(12)
Exceptional items – continuing operations		(28)	(105)

Discontinued operations	Note	Year ended 31 March 2023 £m	2022 £m
Gain on disposal of Primient	12	98	–
Restructuring costs		–	(3)
Exceptional items – discontinued operations		98	(3)
Exceptional items – total operations		70	(108)

Set out below are the principal components of the Group's exceptional items:

Continuing operations

(a) In the year ended 31 March 2023, the Group incurred certain transaction and separation costs related to the Primient disposal which totalled £25 million. The majority of these costs were separation in nature and consist principally of information technology (IT) costs to ensure the Group's and Primient's IT systems are fully independent by the end of this financial year, being the date that the transition services arrangement for IT support ends.

(b) The Group recognised a £5 million restructuring charge, principally in relation to IT initiatives.

(c) The Group recognised a credit of £3 million in relation to the release of provisions reflecting favourable legal rulings. The charge on initial recognition of these provisions was also classified within exceptional costs.

In addition, during the year the Group recognised final cash costs of £1 million in relation to the prior year stabiliser product contamination issue of products manufactured by certain third-party suppliers in China.

All exceptional items were recognised in the Food & Beverage Solutions reportable segment.

The net £28 million exceptional costs recorded in operating profit in continuing operations during the year resulted in £24 million (outflow) disclosed in exceptional operating cash flow. In addition, £35 million of exceptional costs recorded in the prior year resulted in cash outflows in the year ended 31 March 2023, such that operating cash outflow from exceptional items in continuing operations was £59 million.

The most significant exceptional costs in the comparative year were costs incurred in relation to the Primient disposal, including the impairment of certain assets remaining with the Group which will no longer be used following the disposal. Other exceptional costs and income in the comparative year related to a past service credit linked to a plan amendment made to the Group's US pension plans, costs associated with a stabiliser product contamination, historical legal matters and one-off tax charges as a result of the Primient transaction due to a reduction of brought forward UK tax losses and US state tax credits that are expected to be able to be utilised in the future.

Tax credits or charges on exceptional items are only recognised to the extent that gains or losses incurred are expected to result in tax recoverable or payable in the future. The total tax impact of these exceptional items was a tax credit of £6 million. Refer to Note 11.

Discontinued operations

The Group recorded a gain of £98 million relating to the disposal on 1 April 2022 of a 50.1% controlling interest in Primient in exchange for gross cash proceeds of US$1.4 billion (£1.1 billion). An exceptional tax charge of £33 million arose on this gain. Further details on the gain on disposal, and the associated tax charge, are set out in Note 12.

The exceptional costs in the prior year were restructuring costs relating to productivity and simplification projects totalling £3 million which were mainly related to Global Operations cost saving initiatives.

Notes to the Consolidated Financial Statements continued

8. Exceptional items continued

Cash flows from total operations

Further details in respect of cash flows from exceptional items are set out below:

Net operating cash outflows on exceptional items	Footnotes	Year ended 31 March 2023 £m	2022 £m
Costs associated with the separation and disposal of Primient	(a)	(52)	(48)
Restructuring costs	(b)	(3)	(5)
US pension plan past service credit	(d)	(1)	(1)
Stabiliser product contamination		(1)	–
Historical legal matters	(c)	(2)	(4)
Net cash outflows – continuing operations		(59)	(58)
Net cash outflows – discontinued operations		(42)	(2)
Net cash outflows – total operations		(101)	(60)

Additional details are included for the following item:

(d) In the prior year, a plan amendment to the Group's US pension plans resulted in a past service credit of £13 million, with the Group agreeing to make incremental contributions of £4 million (resulting in a net exceptional credit of £9 million). Incremental contributions of £1 million were paid in the current and prior year, with the remaining £2 million expected to be paid in the 2024 financial year.

Exceptional cash flows

The total cash adjustment relating to exceptional items presented in the cash flow statement of £129 million (outflow) (2022 – £36 million (inflow)) reflects the net exceptional gain in profit before tax for total operations of £70 million (2022 – net exceptional loss of £96 million) which was £129 million higher (2022 – £36 million higher loss) than net cash outflows of £59 million (2022 – £60 million) set out in the table above.

The Group also paid £42 million of exceptional tax on the gain on disposal of Primient (see Note 12).

9. Staff costs

Staff costs were as follows:

Continuing operations	Year ended 31 March 2023 £m	2022 £m
Wages and salaries	229	234
Social security costs	31	21
Retirement benefit costs:		
– defined benefit schemes	–	1
– defined contribution schemes	10	7
Share-based payments	20	10
Staff costs – continuing operations	290	273

The average number of people employed by the Company and its subsidiaries, including part-time employees, is set out below:

By operating segment	Year ended 31 March 2023	2022
Food & Beverage Solutions[1]	3 455	2 191
Sucralose[1]	117	106
Primary Products Europe[2]	–	–
Primary Products	–	1 665
Central	–	560
Total	3 572	4 522

1 The Food & Beverage Solutions and Sucralose segments operate with a single commercial team. It is not practicable to split this team between the two segments, and therefore the entire headcount of the commercial team has been included within the Food & Beverage Solutions segment.

2 The Primary Products Europe segment does not have any dedicated employees. The Global Operations employees in European plants are used for production in both the Food & Beverage Solutions and Primary Products Europe segments. It is not practicable to split this team between the two segments, and therefore this entire headcount has been included within the Food & Beverage Solutions segment.

At 31 March 2023, the Group employed 3,604 people (2022 – 4,591 people, of which 1,424 transitioned to Primient on completion of the Transaction). Central, which was previously disclosed separately, included shared-service employees who perform activities for the whole Group, including the Food & Beverage Solutions, Sucralose and Primary Products Europe segments. In the year ended 31 March 2023, central employees have been allocated to the Food & Beverage Solutions segment.

Key management compensation

	Year ended 31 March 2023 £m	2022 £m
Salaries and short-term employee benefits	11	8
Retirement benefits	1	1
Share-based payments	10	5
Total	22	14

Key management is represented by the Executive Committee and the Company's Directors. Remuneration details of the Company's Directors are given in the Directors' Remuneration Report on pages 106 to 129. Members of the Executive Committee are identified on page 81. The aggregate gains made by key management on the exercise of share options were £4 million (2022 – £6 million, of which £1 million related to discontinued operations). No related party transactions with close family members of the Group's key management occurred in the current or prior year.

Notes to the Consolidated Financial Statements continued

10. Finance income and expense

Continuing operations	Notes	Year ended 31 March 2023 £m	2022 £m
Interest payable on bank and other borrowings		(27)	(21)
Lease interest	21	(2)	(2)
Net retirement benefit interest	31	(3)	(3)
Finance expense		(32)	(26)
Finance income – income on cash balances		12	1
Net finance expense		(20)	(25)

11. Income taxes

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognised in the consolidated income statement except to the extent that it relates to items recognised directly in equity and other comprehensive income.

Current tax is the amount of tax expected to be payable or receivable on the taxable profit or loss for the current period. This amount is amended for adjustments in respect of prior periods. Current tax is calculated using tax rates that have been written into law ('enacted') or irrevocably announced/committed by the respective government ('substantively enacted') at the period-end date.

Income tax in the consolidated income statement will differ from the income tax paid in the consolidated cash flow statement primarily because of deferred tax arising on temporary differences and payment dates for income tax occurring after the balance sheet date.

Deferred tax is provided based on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is calculated using the enacted or substantively enacted rates that are expected to apply when the asset is realised, or the liability is settled. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current and deferred tax receivable (assets) and payable (liabilities) are offset only when there is a legal right to settle them net and the Group intends to do so. This is generally true when the taxes are levied by the same tax authority.

Refer to Note 2 for key sources of estimation uncertainty relating to income taxes.

Analysis of charge for the year

Continuing operations	Year ended 31 March 2023 £m	2022* £m
Current tax		
United Kingdom	(1)	–
Overseas	(66)	(56)
Tax credit on exceptional items	6	5
Credit in respect of previous financial years	16	15
	(45)	(36)
Deferred tax		
Credit for the year	13	12
(Charge)/credit in respect of previous financial years	(6)	4
Tax credit on exceptional items	–	16
Tax credit on Primient exceptional items	13	–
UK exceptional tax charge	–	(6)
US exceptional tax charge	–	(6)
Income tax expense	(25)	(16)
Statutory effective tax rate (%)	16.8%	38.4%

* The comparatives have been amended to enhance consistency with the current year disclosure.

Reconciliation to adjusted income tax expense

Continuing operations	Note	Year ended 31 March 2023 £m	2022 £m
Income tax expense		(25)	(16)
Add back the impact of:			
Tax credit on exceptional items		(6)	(21)
Tax credit on Primient exceptional items		(13)	–
Tax credit on amortisation of acquired intangibles and other fair value adjustments		(7)	(3)
Tax charge on amortisation of Primient acquired intangibles and other fair value adjustments		1	–
UK exceptional tax charge		–	6
US exceptional tax charge		–	6
Adjusted income tax expense	4	(50)	(28)
Adjusted effective tax rate (%)		19.9%	19.3%

At 31 March 2023, the carrying value of current tax assets totalled £9 million (2022 – £11 million) and the carrying value of the current tax liabilities totalled £62 million (2022 – £23 million).

Notes to the Consolidated Financial Statements continued

11. Income taxes continued

The Group's current and deferred tax balances are subject to estimation uncertainty, which could also impact the effective tax rate in the next financial year. The specific sources of estimation uncertainty are as follows:

(a) Resolution of uncertain tax provisions: at 31 March 2023, the Group has recorded current tax liabilities of £45 million (2022 – £46 million) for uncertain tax positions (refer to Note 2). Such provisions arise because the Group operates in an international tax environment and is subjected to periodic tax examination and uncertainties in a number of jurisdictions. Such examination can include, inter alia, transfer pricing arrangements relating to the Group's operating activities, historical reorganisations and the deductibility of interest on certain intra-group borrowing arrangements. The issues involved are complicated and may take a number of years to resolve. Tax liabilities, if required, have been estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty. These accounting estimates considered the status of the unresolved matter, the relevant legislation, advice from in-house specialists, opinions of professional firms and past experience and precedents set by the particular tax authority. Of the £45 million total of uncertain tax positions held at 31 March 2023, between zero and £1 million of the balance could be resolved in the year ending 31 March 2024. Such resolution could be favourable or unfavourable. Of the £46 million balance at 31 March 2022, £18 million met the criteria for being released in the year ended 31 March 2023. This compares to the range of possible outcomes coming into the year for potential releases of provisions of between zero and £5 million. The increased release was the result of the completion of two years of tax audits in the US (compared to the anticipated completion of one year's audit).

(b) Recognition of deferred tax assets: at 31 March 2023, the Group has recorded deferred tax assets of £13 million (2022 – £9 million assets), and deductible temporary differences for which the unrecognised deferred tax asset is £200 million (2022 – £209 million), the most significant of which relates to unrecognised tax losses in the UK. Management assesses the likelihood of their recoverability within a reasonable foreseeable timeframe, taking into account the future expected profit profile and business model of each relevant company or country, and any potential legislative restrictions on use. A 10% increase in forecasted UK taxable income would lead to an £1 million increase in deferred tax assets recognised.

In addition to these items, the tax rate for this year has been impacted by the tax on disposal of the Primient business as well as other exceptional items relating to the separation and its impact on the Group's geographical mix of profits. Next year's tax rate will be impacted by the UK corporation tax rate increasing from 19% to 25% (effective 1 April 2023) and this tax rate change will increase the Company's future tax charge on profit arising in the UK. UK deferred tax assets have been calculated based on the 25%.

Reconciliation of the effective tax rate

As the Group's head office and Parent Company are domiciled in the UK, the Group uses the UK corporation tax rate to reference its effective tax rate, notwithstanding that only a small proportion of the Group's business is in the UK. The tax on the Group's profit before tax differs from the standard rate of corporation tax in the UK as follows:

	Year ended 31 March	
Continuing operations	**2023 £m**	2022* £m
Profit before tax	152	42
Corporation tax charge thereon at 19% (2022 – 19%)	(29)	(8)
Adjusted for the effects of:		
– non-deductible income and other permanent items	(14)	(6)
– adjustments in respect of previous financial year[1]	10	19
– losses not currently treated as being recoverable in future periods[2]	–	(4)
– losses now treated as being recoverable in future periods[3]	10	–
– changes in tax rates	1	–
– UK exceptional tax (charge)[4]	–	(6)
– US exceptional tax (charge)[4]	–	(6)
– tax rates below the UK rate applied on overseas earnings[5]	(3)	(5)
Total tax charge	(25)	(16)

* The comparatives have been amended to enhance consistency with the current year disclosure.
1 Adjustments in respect of prior years reflect the movement in relation to the closure of outstanding tax audits, corrections to submitted tax computations and the release of uncertain tax positions.
2 The Group incurs expenses in jurisdictions where it does not currently expect to be able to recover these amounts against future taxable profits. This has the effect of increasing the Group's overall effective tax rate.
3 Where the Group now reasonably believes it is able to recover losses not previously expected to be recovered against future taxable profits these losses are recognised. This has the effect of decreasing the Group's overall effective tax rate.
4 In the year ended 31 March 2022, as a result of the agreement to sell a controlling interest in Primient, the amount of the brought forward UK tax losses that the Group expected to be able to utilise in the future reduced resulting in an exceptional tax charge of £6 million. In addition, the amount of US state tax credits the Group expected to be able to utilise in the future reduced as the Group no longer has a presence in certain states. This resulted in an exceptional tax charge of £6 million.
5 The Group is subject to tax rates in the jurisdictions in which it operates which can be above or below the UK corporation tax rate (the Group's reference rate). In the year ended 31 March 2023 and year ended 31 March 2022, the Group's tax rate was favourably impacted by one-off local tax credits in relation to the US and by the net release of uncertain tax provisions.

Analysis of exceptional tax items

An analysis of tax charged or credited on adjusting items and exceptional tax items within continuing operations is set out on the next page.

Notes to the Consolidated Financial Statements continued

11. Income taxes continued

Continuing operations	Notes	Year ended 31 March 2023 Pre-tax £m	Year ended 31 March 2023 Tax credit/(charge) £m	Year ended 31 March 2022 Pre-tax £m	Year ended 31 March 2022 Tax credit/(charge) £m
Exceptional items					
Costs associated with the separation and disposal of Primient	8	(25)	6	(79)	20
Restructuring costs	8	(5)	1	(1)	–
Impairment related to the disposal of Primient	8	–	–	(13)	3
US pension plan past service credit	8	–	–	9	(2)
Stabiliser product contamination	8	(1)	–	(9)	–
Historical legal matters	8	3	(1)	–	–
Exceptional items included in profit before tax		(28)	6	(93)	21
Group share of exceptional items recognised by joint venture	22	(52)	13	–	–
Amortisation of acquired intangible assets and other fair value adjustments		(25)	7	(10)	3
Amortisation of Primient acquired intangibles and other fair value adjustments	22	4	(1)	–	–
Adjusting items – continuing operations	4	(101)	25	(103)	24
Exceptional tax items					
UK tax charge	8	–	–	–	(6)
US tax charge	8	–	–	–	(6)
Total exceptional items included in income tax	4	–	–	–	(12)
Total adjusting items – continuing operations	4	(101)	25	(103)	12
Discontinued operations					
Gain on disposal of Primient	8, 12	98	(33)	–	–
Restructuring costs	8, 12	–	–	(3)	1
Exceptional items – discontinued operations		98	(33)	(3)	1
Held for sale adjustment[1]	12	–	–	110	(17)
Held for sale adjustment[2] – profit after tax of joint ventures	12	–	–	(27)	–
		–	–	83	(17)
Total adjusting items – total operations		(3)	(8)	(23)	(4)

1 In the year ended 31 March 2022, total held for sale adjustment of £110 million comprised £68 million of adjusted depreciation and amortisation included in adjusted operating profit of £312 million. The remaining £42 million was dividend income from Almex and Covation recognised after these investments were recorded as held for sale, which was not included in either adjusted operating profit or free cash flow.
2 In the year ended 31 March 2022, held for sale adjustment related to cessation of equity accounting (reduction in share of profit after tax of joint ventures of £27 million).

Deferred tax

The movements in deferred tax assets and liabilities during the year were as follows:

	Investments £m	Capital allowances in excess of depreciation £m	Retirement benefit obligations £m	Share-based payments £m	Tax losses £m	Other[1] £m	Total £m
At 1 April 2021	–	(86)	26	6	14	31	(9)
Credited/(charged) to the income statement							
– underlying[2]	–	19	(3)	(1)	2	(29)	(12)
– tax effect of exceptional items	–	–	–	–	–	(16)	(16)
– exceptional tax items	–	–	–	–	6	6	12
Charged to other comprehensive income	–	–	–	–	–	(20)	(20)
(Charged)/credited directly to equity	–	–	–	(1)	–	7	6
Currency translation differences	–	(6)	1	–	–	2	(3)
At 31 March 2022	–	(73)	24	4	22	(19)	(42)
Credited/(charged) to the income statement							
– underlying	22	(3)	(1)	2	(10)	6	16
– exceptional items – Disposal of Primient	(78)	63	(5)	–	–	48	28
Credited to other comprehensive income	6	–	–	–	–	–	6
Credited directly to equity	–	–	–	1	–	5	6
Acquisition of businesses	–	–	–	–	–	(24)	(24)
Currency translation differences	–	(8)	1	–	3	(3)	(7)
At 31 March 2023	(50)	(21)	19	7	15	13	(17)

1 Other deferred tax items include temporary differences arising from accounting provisions where the timing of the tax deduction is different from the timing of accounting recognition, and business combinations.
2 In the year ended 31 March 2022, a £36 million credit in relation to discontinued operations is included in the movement.

Notes to the Consolidated Financial Statements continued

11. Income taxes continued

Deferred tax continued

Deferred tax assets and liabilities are offset where there is a legally enforceable right of offset and there is an intention to net settle the balances. After taking these offsets into account, the net position of £17 million liability (2022 – £42 million liability) is presented as a £13 million deferred tax asset (2022 – £9 million asset) and a £30 million deferred tax liability (2022 – £51 million liability) in the Group's statement of financial position.

Unrecognised deferred tax asset/liabilities

No deferred tax assets have been recognised in respect of tax losses of £795 million (2022 – £828 million) as there is uncertainty as to whether taxable profits against which these assets may be recovered, will be available. In the year ended 31 March 2023, no tax losses expired (2022 – £nil). Tax losses amounting to £1 million (2022 – £24 million) will expire within five years. The remaining tax losses have no expiry date.

A deferred tax asset has not been recognised in respect of share-based payments of £1 million (2022 – £1 million) as there is uncertainty as to whether taxable profits against which these assets may be recovered will be available.

A deferred tax liability of £6 million (2022 – £3 million) has not been recognised in respect of taxable temporary differences associated with investments in subsidiaries as there is control over the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Changes in tax rates/tax law

The UK's main corporation tax rate will increase from 19% to 25% from 1 April 2023. These changes have been reflected in the measurement of deferred tax balances at the period end. The impact of this tax rate change was a £1 million credit.

There was no impact from the imposition of new taxes.

Tax on items recognised in other comprehensive income

The total tax on other comprehensive income was a credit of £6 million (2022 – £20 million expense). This included a credit to deferred tax on financial instruments of £nil (2022 – £20 million charges) and Primient credits of £6 million (2022 – £nil).

Tax on items recognised directly in equity

The total tax credit in equity was £7 million (2022 – £7 million credit). This included deferred tax credit relating to financial instruments of £5 million (2022 – £7 million credit), a deferred tax credit on share-based payments of £1 million (2022 – £1 million charge) and a £1 million current tax credit on share-based payments (2022 – £1 million credit).

12. Discontinued operations

An operation is classified as discontinued if it is a component of the Group that: (i) has been disposed of, or meets the criteria to be classified as held for sale; and (ii) represents a separate major line of business or geographic area of operations or will be disposed of as part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations. The results of discontinued operations are presented as a single amount of profit or loss after tax in the consolidated income statement, separate from the results of continuing operations.

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. A loss for any initial or subsequent write-down of the asset or disposal group to a revised fair value less costs to sell is recognised at each reporting date. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Assets and corresponding liabilities classified as held for sale are presented separately as current items in the statement of financial position. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Equity accounting for joint ventures ceases once they are classified as held for sale.

As described in Note 1, on 1 July 2021 the Group classified the business that became Primient and in which a controlling stake was sold to KPS on 1 April 2022 as a disposal group held for sale and a discontinued operation.

The Primient business consists of the following operations:

- Corn wet mills in the US in Decatur, Illinois; Lafayette, Indiana; and Loudon, Tennessee.
- Acidulants plants in Dayton, Ohio; Duluth, Minnesota; and Santa Rosa, Brazil.
- Shareholdings in two joint ventures – Almex in Guadalajara, Mexico and Covation in Loudon, Tennessee.
- Grain elevator network and bulk transfer stations in North America.

Primary Products' European operations were not included in this transaction and are therefore not part of the discontinued operations.

Notes to the Consolidated Financial Statements continued

12. Discontinued operations continued

Discontinued operations

The statutory results of the discontinued operations which have been included in the consolidated income statement were as follows:

Discontinued operations £ million unless otherwise stated	Year ended 31 March 2023* £m	 2022 £m
Revenue	–	1 757
Operating income/(expenses)	96	(1 508)
Operating profit	96	249
Finance expense	–	(3)
Share of profit after tax of joint venture	–	8
Profit before tax	96	254
Income tax expense	(33)	(44)
Profit for the year from discontinued operations[1]	63	210
Basic earnings per share from discontinued operations (pence)	15.7p	45.2p
Diluted earnings per share from discontinued operations (pence)	15.4p	44.7p

* For the year ended 31 March 2023, profit before tax comprises the Primient gain on disposal (see page 163). This has been partially offset by a £2 million charge for the increase of a legal provision relating to the legacy Sugar business which was classified as a disposal group held for sale and discontinued operations in prior years.

1 Attributable to owners of the Company.

The earnings per share figures were calculated by dividing the net gain attributable to equity holders of the Company from discontinued operations by the weighted average number of ordinary shares, for basic and diluted amounts, as shown in Note 13.

On classification as held for sale on 1 July 2021, the net assets of the Primient disposal group were measured at the lower of their carrying amount and their fair value less costs to sell. This did not result in any impairment.

The results of the discontinued operations which have been included in the consolidated statement of cash flows were as follows:

Discontinued operations	Year ended 31 March 2023 £m	 2022 £m
Operating[1]	(49)	15
Investing[2]	1 045	(40)
Financing	–	(21)
Net cash inflow/(outflow)	996	(46)

1 Operating cash outflow of £49 million relates to an exceptional tax payment on the gain on disposal of Primient (£42 million) and a 2022 financial year bonus payment to employees who have transitioned to Primient (£7 million).

2 Investing cash inflow of £1 045 million relates to the disposal of Primient.

The following table shows for discontinued operations the reconciliation of the key alternative performance measures to the most directly comparable measures reported in accordance with IFRS:

Discontinued operations £ million unless otherwise stated	Year ended 31 March 2023 Reported	 Adjusting items	 Adjusted reported	Year ended 31 March 2022 Reported	 Adjusting items	 Adjusted reported
Revenue	–	–	–	1 757	–	1 757
EBITDA	96	(98)	(2)	269	(107)	162
Depreciation	–	–	–	(18)	–	(18)
Amortisation	–	–	–	(2)	–	(2)
Operating profit/(loss)	96	(98)	(2)	249	(107)	142
Finance expense	–	–	–	(3)	–	(3)
Share of profit after tax of joint ventures	–	–	–	8	27	35
Profit/(loss) before tax	96	(98)	(2)	254	(80)	174
Income tax expense	(33)	33	–	(44)	16	(28)
Profit/(loss) for the year	63	(65)	(2)	210	(64)	146
Basic earnings per share (pence)	15.7p	(16.1p)	(0.4p)	45.2p	(13.7p)	31.5p
Diluted earnings per share (pence)	15.4p	(15.8p)	(0.4p)	44.7p	(13.6p)	31.1p
Effective tax rate %	34.0%		25.4%	17.5%		16.1%

The following table shows the reconciliation of the adjusting items impacting adjusted profit for the years:

Discontinued operations	Year ended 31 March 2023 £m	 2022 £m
Exceptional (income)/costs in operating profit	(98)	3
Held for sale adjustment[1]	–	(110)
Total excluded from adjusted operating profit	(98)	(107)
Held for sale adjustment[2] – share of profit after tax of joint ventures	–	27
Total excluded from adjusted profit before tax	(98)	(80)
Tax effect of adjusting items	33	16
Total excluded from adjusted profit for the year	(65)	(64)

1 In the year ended 31 March 2022. held for sale adjustments included: cessation of depreciation and amortisation (reduction in operating costs of £68 million) and reclassification of dividends from joint ventures (income of £42 million).

2 In the year ended 31 March 2022, held for sale adjustment related to cessation of equity accounting (reduction in share of profit after tax of joint ventures of £27 million).

Notes to the Consolidated Financial Statements continued

12. Discontinued operations continued

Discontinued operations continued

The following table shows the reconciliation of free cash flow relating to discontinued operations:

Discontinued operations	Year ended 31 March 2023 £m	2022 £m
Adjusted operating profit from discontinued operations	(2)	142
Adjusted for:		
Adjusted depreciation and adjusted amortisation[1]	–	20
Share-based payments charge	–	2
Changes in working capital and other non-cash movements	(5)	(182)
Capital expenditure	–	(73)
Net interest and tax paid[2]	–	(33)
Held for sale adjustment[3]	–	68
Free cash flow from discontinued operations	(7)	(56)

1 For the year ended 31 March 2022, total depreciation of £18 million and amortisation of £2 million.
2 Excludes the exceptional tax payment on the gain on disposal of Primient of £42 million.
3 For the year ended 31 March 2022, total held for sale adjustment of £110 million, comprises £68 million of adjusted depreciation and amortisation included in adjusted operating profit of £142 million. The remaining £42 million relates to dividend income from Almex and Covation, which is not included in either adjusted operating profit or adjusted free cash flow.

The free cash flow from discontinued operations for the year ended 31 March 2023 is a cash outflow of £7 million related to the 2022 financial year bonus payment to employees who have transitioned to Primient.

Held for sale

The major classes of assets and liabilities of Primient classified as held for sale at 31 March 2022 are as follows:

Discontinued operations	Restated* At 31 March 2022 £m
Assets	
Goodwill and other intangible assets	61
Property, plant and equipment	774
Investments in joint ventures	105
Investments in equities	12
Inventories	398
Trade and other receivables	246
Current tax assets	1
Derivative financial instruments	65
Other current financial assets	58
Cash and cash equivalents	17
Assets classified as held for sale	1 737
Liabilities	
Retirement benefit deficit	28
Trade and other payables	253
Lease liabilities	74
Derivative financial instruments	5
Other current financial liabilities	40
Liabilities directly associated with assets held for sale	400
NET ASSETS	1 337

* For the reclassification of certain items between net assets classified as held for sale and the continuing Tate & Lyle Group refer to Note 1.

Cumulative income and expense recognised in other comprehensive income are shown below:

Discontinued operations	Year ended 31 March 2022 £m
Currency translation reserve	81
Actuarial gain (net of deferred tax)	7
Net gain on cash flow hedges (net of deferred tax)	49
Reserves of disposal group classified as held for sale	137

Notes to the Consolidated Financial Statements continued

12. Discontinued operations continued

Primient disposal

On 1 April 2022 the Group completed the disposal of a 50.1% controlling interest in Primient in exchange for gross cash proceeds of US$1.4 billion (£1.1 billion), resulting in an exceptional gain on disposal before tax of £98 million (see Note 8).

A reconciliation of gross cash proceeds received is shown in the table below:

	Year ended 31 March	
Gross cash received (in US dollars and pound sterling)	**2023 US$m**	**2023 £m**
Cash consideration – as shown in gain on disposal table below	330	253
Less: completion accounts adjustments in favour of the Group not yet received	(15)	(12)
Add: cash received for intercompany loan notes, payables and transaction costs	1 089	830
Add: contingent consideration received	31	24
Disposal of Primient, gross proceeds	1 435	1 095

The gain on disposal is shown in the table below:

Gain on disposal	Notes	**Year ended 31 March 2023 £m**
Cash consideration – as shown in table above[1]		253
Contingent consideration received[2]		24
Fair value of investment in Primient joint venture on initial recognition	22	253
Total consideration for equity		530
Primient net assets derecognised on disposal on 1 April[3]		(539)
Recycling of accumulated foreign exchange from other comprehensive income to the income statement		81
Recycling of cash flow hedges from other comprehensive income to the income statement		48
Impact of deal contingent forward[4]		(33)
Other amounts		11
Gain on disposal before tax	8	98
Tax on gain on disposal		(33)
Gain on disposal		65

1 Includes deferred consideration relating to the completion accounts adjustment not yet received of £12 million.
2 Contingent consideration received in the year ended 31 March 2023 was based on the dividend payable by Almex relating to the period under the Group's ownership.
3 Net assets held for sale at 31 March 2022 were £1 337 million. This amount excluded intercompany payable and loan balances which eliminated on consolidation prior to completion of the Transaction. Net assets derecognised on disposal included such amounts.
4 The Group entered into a deal contingent forward to hedge the currency risk associated with the consideration received from the Transaction which was partly used for the shareholder distribution on 16 May 2022. The fair value loss on this forward and the impact of the cost of hedging have been recycled from other comprehensive income to the income statement on completion of the Transaction.

The tax charge arising on the gain on disposal of Primient was £54 million. Of this amount, £42 million has been paid in the year ended 31 March 2023. This tax charge has been partially offset by a deferred tax credit of £21 million reflecting the change in measurement of the difference between the tax basis and carrying value of the investment. This resulted in a net tax charge on the gain on disposal of £33 million.

A reconciliation to the consolidated statement of cash flows is shown in the table below:

Cash flows	**Year ended 31 March 2023 £m**
Total cash consideration of £253 million less completion accounts adjustment not yet received of £12 million – as shown above	241
Repayment of intercompany loan notes and payables and transaction costs	830
Less: cash outflow relating to deal contingent forward	(33)
Less: net cash derecognised on disposal	(17)
Add: contingent consideration received – as shown above	24
Disposal of business, net of cash derecognised on disposal	1 045

13. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year excluding shares held by the Company and the Employee Benefit Trust to satisfy awards made under the Group's share-based incentive plans.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue assuming conversion of potentially dilutive ordinary shares, reflecting vesting assumptions on employee share plans, as well as the deemed profit attributable to owners of the Company for any proceeds on such conversions.

The average market price of the Company's ordinary shares during the year was 752p (2022 – 721p). The dilutive effect of share-based incentives was 7.3 million shares (2022 – 5.3 million shares).

The significant decrease in weighted average number of shares compared to the comparative year is due to the share consolidation in May 2022 which resulted in ordinary shareholders receiving six new ordinary shares with a nominal value of 29 1/6 pence each for every seven existing ordinary shares that they held. The share consolidation was completed at the same time as the Group returned £497 million to ordinary shareholders by way of a special dividend. The share consolidation was executed in order to maintain the comparability, so far as possible, of Tate & Lyle PLC's share price before and after the special dividend.

Notes to the Consolidated Financial Statements continued

13. Earnings per share continued

	Year ended 31 March 2023			Year ended 31 March 2022		
	Continuing operations	**Discontinued operations**	**Total operations**	Continuing operations	Discontinued operations	Total operations
Profit attributable to owners of the Company (£ million)	127	63	190	26	210	236
Weighted average number of ordinary shares (million) – basic	404.1	404.1	404.1	465.1	465.1	465.1
Basic earnings per share (pence)	31.3p	15.7p	47.0p	5.5p	45.2p	50.7p
Weighted average number of ordinary shares (million) – diluted	411.4	411.4	411.4	470.4	470.4	470.4
Diluted earnings per share (pence)	30.8p	15.4p	46.2p	5.5p	44.7p	50.2p

	Year ended 31 March	
Calculation of weighted average number of ordinary shares	**2023 Million**	2022 Million
Weighted average number of ordinary shares – basic	404.1	465.1
Effects of dilution from:		
– Sharesave plan	0.1	–
– Performance share plan/Restricted share awards/Group Bonus plan – deferred element	7.2	5.3
Weighted average number of ordinary shares – diluted	411.4	470.4

Adjusted earnings per share

A reconciliation between profit attributable to owners of the Company from continuing operations, total operations and the equivalent adjusted measure, together with the resulting adjusted earnings per share measure, is shown below:

		Year ended 31 March	
Continuing operations	Notes	**2023 £m**	2022 £m
Profit attributable to owners of the Company		127	26
Adjusting items:			
– exceptional costs in operating profit	8	28	93
– amortisation of acquired intangible assets and other fair value adjustments	4	25	10
– adjusting items excluded from share of profit of joint venture	22	48	–
– tax credit on adjusting items	11	(25)	(24)
– exceptional tax charge	8, 11	–	12
Adjusted profit attributable to owners of the Company	4	203	117
Weighted average number of ordinary shares (million) – diluted		411.4	470.4
Adjusted earnings per share (pence) – continuing operations		49.3p	24.9p

		Year ended 31 March	
Total operations	Notes	**2023 £m**	2022 £m
Adjusted profit attributable to owners of the Company – continuing operations	4	203	117
Adjusted loss attributable to owners of the Company – discontinued operations	12	(2)	146
Adjusted profit attributable to owners of the Company – total operations		201	263
Adjusted earnings per share (pence) – total operations		48.9p	56.0p

Notes to the Consolidated Financial Statements continued

14. Dividends on ordinary shares

Dividends on the Company's ordinary shares are recognised when they have been appropriately authorised and are no longer at the Company's discretion. Accordingly, interim dividends are recognised when they are paid, and final dividends are recognised when they are declared following approval by shareholders at the Company's AGM. Dividends are recognised as an appropriation of shareholders' funds.

Dividends on ordinary shares in respect of the financial year:

	Year ended 31 March	
	2023 Pence	2022 Pence
Per ordinary share:		
– interim dividend paid	5.4	9.0
– final dividend proposed	13.1	12.8
Total dividend	18.5	21.8

The Directors propose a final dividend for the financial year of 13.1p per ordinary share that, subject to approval by shareholders, will be paid on 2 August 2023 to shareholders who are on the Register of Members on 23 June 2023.

Dividends on ordinary shares paid in the financial year:

	Year ended 31 March	
	2023 £m	2022 £m
Final dividend paid relating to the prior financial year	51	102
Interim dividend paid relating to the financial year	22	42
Total dividend paid relating to prior and current financial year	73	144
Special dividend	497	–
Total dividend paid	570	144

On 16 May 2022, the Group returned £497 million to ordinary shareholders by way of a special dividend of £1.07 per existing ordinary share in the capital of Tate & Lyle PLC. In order to maintain the comparability, so far as possible, of Tate & Lyle PLC's share price before and after the special dividend, the Group also completed a share consolidation resulting in ordinary shareholders receiving six new ordinary shares with a nominal value of 29 $^{1}/_{6}$ pence each for every seven existing ordinary shares that they held.

Based on the number of ordinary shares outstanding at 31 March 2023 and the proposed dividend per share, the final dividend for the financial year is expected to amount to £52 million.

15. Inventories

Inventories are carried at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition and is calculated using the 'first in/first out' or 'weighted average' methods, appropriate to the materials and production processes involved. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution. Provisions are made for any slow-moving, obsolete or defective inventories.

In the prior year only, the carrying value of US net corn position inventories designated as hedged items (managed on a group basis for risk management) in an effective fair value hedge accounting relationship was adjusted by the change in fair value attributable to the hedged risk. (Refer to Note 2.)

	At 31 March	
	2023 £m	2022 £m
Raw materials and consumables	130	93
Work in progress	38	20
Finished goods	278	204
Total[1]	446	317

1 At 31 March 2022, total inventories included a £64 million positive fair value adjustment as a result of certain inventories in the US being designated as hedged items within a fair value hedging relationship. The majority of such inventories were classified as held for sale. No such fair value adjustment is included in the inventories held at 31 March 2023. Refer to Note 2.

As at 31 March 2022, inventories classified as held for sale of £398 million are included in Note 12.

Finished goods inventories of £4 million (2022 – £3 million) are carried at net realisable value, this being lower than cost.

In the year ended 31 March 2023, the Group recognised a write-down of inventories totalling £20 million (2022 – £7 million, of which £3 million was included in discontinued operations) included in the cost of inventories.

Notes to the Consolidated Financial Statements continued

16. Cash and cash equivalents

Cash and cash equivalents include cash held with banks and other short-term highly liquid investments with original maturities of three months or less and which are subject to an insignificant risk of change in value. The credit rating of short-term highly liquid investments is AAA or equivalent.

	At 31 March 2023 £m	2022 £m
Short-term highly liquid investments	392	30
Cash at bank	83	97
	475	127
Reclassification to assets held for sale	–	(17)
Cash and cash equivalents	475	110

Cash and cash equivalents at 31 March 2022 classified as held for sale are included in Note 12.

The carrying amount of cash and cash equivalents was denominated in the following currencies:

	At 31 March 2023 £m	2022 £m
US dollar	404	72
Euro	6	9
Sterling	18	–
Other	47	46
Total	475	127

The Group's captive insurance subsidiary is required to maintain sufficient cash to meet its financial solvency margin. A cash balance of £15 million held by this subsidiary is used to this effect.

17. Trade and other receivables

A trade receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due). Trade receivables that do not contain a significant financing component are measured at the transaction price.

The Group applies the simplified approach for measuring expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Group has established a provision matrix that is based on the historical rates of default then adjusted for forward-looking factors specific to the debtor and economic environment. The Group considers a receivable to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts. A receivable is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group participates in supply-chain financing arrangements. Refer to Note 5 and Note 30.

	At 31 March 2023 £m	2022 £m
Trade receivables[1]	290	235
Less loss allowance provision	(12)	(12)
Trade receivables – net	278	223
Prepayments and accrued income	16	16
Other receivables	57	31
Total	351	270

1 Trade and other receivables at 31 March 2022 classified as held for sale (£246 million) are included in Note 12.

The amounts above do not include non-current other receivables of £11 million (2022 – £1 million).

The carrying amount of trade and other receivables was denominated in the following currencies:

	At 31 March 2023 £m	2022 £m
US dollar	190	126
Euro	104	84
Sterling	11	16
Other	57	45
Total	362	271

The gross amount of receivables, reflecting the maximum exposure to credit risk, is £374 million (2022 – £283 million).

Notes to the Consolidated Financial Statements continued

17. Trade and other receivables continued

The loss allowance provision for trade receivables as at 31 March 2023 reconciles to the opening loss allowance for that provision as shown in the tables below. In the prior year, impairment of trade receivables of £3 million was recognised in continuing exceptional items. The effect of expected credit loss on other receivables is not material.

£ million unless otherwise stated	Current	30 – 60 days past due	60 – 90 days past due	Greater than 90 days past due	Total
At 31 March 2023					
Expected loss rate %	1%	1%	19%	100%	
Gross carrying amount	262	16	2	10	290
Loss allowance provision	2	–	–	10	12
At 31 March 2022					
Expected loss rate %	1%	6%	40%	100%	
Gross carrying amount	207	18	2	8	235
Loss allowance provision	2	1	1	8	12

Year ended 31 March	2023 £m	2022 £m
At 1 April	12	9
Utilisation of provision	–	–
Change in loss allowance recognised in the income statement	–	3
At 31 March	12	12

18. Investments in equities

Investments in equities comprise financial assets recognised at fair value through profit or loss (FVPL) and financial assets recognised at fair value through the statement of OCI (FVOCI). Investments in equities do not meet the IFRS 9 criteria for classification at amortised cost because their cash flows do not represent solely payments of principal and interest. For certain investments the available election to recognise equity securities as FVOCI has been taken because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. All other investments are recognised at FVPL.

	Financial assets at FVPL £m	Financial assets at FVOCI £m	Total investments in equities £m
At 1 April 2022	20	26	46
Total gains/(losses)			
– in operating profit	–	–	–
– in other comprehensive income	–	3	3
Re-measurement of non-qualified deferred compensation arrangements	(2)	–	(2)
Purchases	3	–	3
Disposals	(3)	(7)	(10)
Currency translation differences	2	–	2
At 31 March 2023	20	22	42
At 1 April 2021	29	30	59
Total (losses)/gains			
– in operating profit	–	–	–
– in other comprehensive income	–	(4)	(4)
Non-qualified deferred compensation arrangements	1	–	1
Purchases	4	–	4
Disposals	(4)	–	(4)
Currency translation differences	2	–	2
	32	26	58
Reclassification to assets held for sale	(12)	–	(12)
At 31 March 2022	20	26	46

The Group did not receive any dividends in the year from investments in equities recognised as financial assets at FVOCI (2022 – £nil).

Notes to the Consolidated Financial Statements continued

18. Investments in equities continued

The non-qualified deferred compensation arrangements refers to a 'Rabbi Trust' which is a 'non-qualified defined contribution' pension scheme split between corporate-owned life insurance (COLI) assets (values are determined by the performance of variable investment sub-accounts, similar to mutual funds, but which are only available within a variable life insurance policy) and other assets invested directly in mutual funds. This scheme is principally for the highest-paid members of the US salaried pension scheme for compensation above limits set by the US Internal Revenue Service. These assets of £20 million (2022 – £20 million) do not qualify as IAS 19 pension assets on the basis that the assets are available to the creditors in the event of the Company's bankruptcy or insolvency. Movements in these assets were largely offset by corresponding movements on retirement benefit liabilities. Refer to Note 31.

The carrying value of equity investments was denominated in the following currencies:

	At 31 March	
	2023 £m	2022 £m
US dollar	40	39
Sterling	2	3
Euro	–	4
Total	42	46

19. Goodwill and other intangible assets

Goodwill arising in a business combination is recognised as an intangible asset and is allocated to the Cash-Generating Unit (CGU) or group of CGUs that is expected to benefit from the synergies of the business combination. Goodwill is carried at cost less any recognised impairment losses (impairment tested annually).

Acquired intangible assets, principally customer relationships and know-how, were recognised as part of previous business combinations and are amortised on a straight-line basis over the periods of their expected benefit to the Group, which range from three to 15 years.

Other intangible assets comprise product development and computer software (including global IS/IT systems) and are amortised on a straight-line basis over the periods of their expected benefit to the Group. Product development is amortised over five to ten years. Capitalised costs in respect of core global IS/IT systems included within computer software are being amortised over a period of five to seven years.

Product development costs incurred on the development, design and testing of new or improved products are capitalised only when the technical and commercial feasibility of the product has been established and prior to the product going into full production. Any such assets which have not been brought into use are tested annually for impairment. Research and other related expenditures are charged to the consolidated income statement in the period in which they are incurred.

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. In a contract where the cloud provider provides both the SaaS configuration and customisation as well as the SaaS access over the contract term, then the configuration and customisation costs are expensed over the contract term only if the services provided are not distinct and are otherwise expensed upfront as the software is configured or customised. Some of the costs incurred relate to the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of, and the recognition criteria for, an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis.

Changes to intangible assets' useful economic lives are only made if there is objective evidence that the Group expects to receive economic benefits from these intangible assets over a shorter or longer period.

Notes to the Consolidated Financial Statements continued

19. Goodwill and other intangible assets continued

	Goodwill £m	Other acquired intangibles £m	Computer software £m	Product development costs £m	Assets under construction £m	Total £m
Cost						
At 1 April 2022	213	216	53	127	22	631
Additions at cost	–	–	–	3	5	8
Subsidiary acquired	96	96	–	–	–	192
Disposals and write-offs	–	(10)	–	–	(2)	(12)
Transfers on completion	–	1	4	7	(12)	–
Currency translation differences	9	7	2	6	1	25
At 31 March 2023	318	310	59	143	14	844
Accumulated amortisation and impairment						
At 1 April 2022 – restated*	10	192	41	110	–	353
Impairment charge	–	–	–	–	1	1
Amortisation charge	–	23	6	7	–	36
Disposals and write-offs	–	(10)	–	–	(1)	(11)
Currency translation differences	–	8	–	5	–	13
At 31 March 2023	10	213	47	122	–	392
Net book value at 31 March 2023	308	97	12	21	14	452

* For the reclassification of certain items between net assets classified as held for sale and the continuing Tate & Lyle Group refer to Note 1.

	Goodwill £m	Other acquired intangibles £m	Computer software £m	Product development costs £m	Assets under construction £m	Total £m
Cost						
At 1 April 2021	236	213	161	137	–	747
Additions at cost	–	–	–	3	13	16
Disposals and write-offs	–	–	(1)	(4)	(1)	(6)
Adjustment for subsidiaries acquired in prior year	(2)	–	–	–	–	(2)
Transfers on completion			2	4	(6)	–
Currency translation differences	8	3	–	(13)	19	17
Reclassification to assets held for sale	(29)	–	(109)	–	(3)	(141)
At 31 March 2022	213	216	53	127	22	631
Accumulated amortisation and impairment						
At 1 April 2021	8	180	108	106	–	402
Impairment charge	–	–	1	–	1	2
Amortisation charge	–	10	9	7	–	26
Disposals and write-offs	–	–	(1)	(4)	(1)	(6)
Currency translation differences	2	2	4	1	–	9
Reclassification to assets held for sale*	–	–	(80)	–	–	(80)
At 31 March 2022 – restated*	10	192	41	110	–	353
Net book value at 31 March 2022 – restated*	203	24	12	17	22	278

* For the reclassification of certain items between net assets classified as held for sale and the continuing Tate & Lyle Group refer to Note 1.

The carrying amount of goodwill is allocated to groups of CGUs as follows:

	At 31 March 2023 £m	2022 £m
Allocated by operating segment		
Food & Beverage Solutions	213	203
Primary Products – included in assets held for sale (see Note 12)	–	29
Goodwill allocated to operating segments	213	232
Goodwill allocated to Quantum Hi-Tech (Guangdong) Biological Co., Ltd	95	–
Goodwill – total operations	308	232

Notes to the Consolidated Financial Statements continued

19. Goodwill and other intangible assets continued

Impairment tests carried out during the year

As is required, goodwill is tested annually. The recoverable amount for the goodwill allocated to Food & Beverage Solutions cash-generating units was calculated based on value-in-use. The goodwill associated with the Quantum Hi-Tech (Guangdong) Biological Co., Ltd was based on its fair value less costs to sell (level 3 within the fair value hierarchy).

The key assumptions in the value-in-use model for Food & Beverage Solutions cash-generating units are derived from the Group's Board-approved five-year plan with the most sensitive assumptions being: 1) operating profit growth rate, 2) discount rate, and 3) long-term growth rate.

The operating profit growth rate used to estimate the future economic performance is based on estimates from past performance, and the Group's five-year strategic plan, which incorporates the next year's annual forecast. In addition, for the 2023 financial year test, the operating growth rate includes the financial impact of the two TCFD scenario analyses as disclosed on page 65 (financial impact of a significant drought affecting corn yields by 20% and the financial impact of carbon pricing if current Emission Trading Systems are implemented in new regions), albeit this had an immaterial effect due to the mitigating action also included. A 1% decrease in the growth rate across the five-year cash flows would decrease headroom by 17% (2022 – 12%) in the Food & Beverage Solutions model.

Based on the risk profile of the assets tested, cash flows were discounted using a pre-tax rate of 10.2% in the Food & Beverage Solutions model (2022 – 9.2%). The long-term nominal growth rate after year five does not exceed 2% (2022 – 2%), reflecting a conservative long-term assumption for the Food & Beverage Solutions market. At the time of performing the test, very significant headroom existed for the cash-generating unit to which goodwill is allocated and there was no reasonable scenario in which impairment would be required.

The key assumptions for the fair value less costs to sell of Quantum are based on the recent acquisition business case with the most sensitive assumptions being: 1) operating profit growth rate, 2) discount rate, and 3) long-term growth rate.

A 1% decrease in the growth rate across the five-year cash flows in the Quantum business case would decrease headroom by 7%. Based on the risk profile of the assets tested, cash flows were discounted using a post-tax rate of 7.9%. The long-term nominal growth rate after year five does not exceed 2%, reflecting a conservative long-term assumption for Quantum's market. At the time of performing the test, sufficient headroom existed and there was no reasonable scenario in which impairment would be required.

For the year ended 31 March 2022, all the goodwill allocated to the Primary Products cash-generating unit was included in the Primient disposal group held for sale. On classification as held for sale in the prior year, and again at 31 March 2022, the recoverable amount for all net assets in the Primient disposal group was calculated based on the fair value of the Primient disposal group less costs to sell. The key assumptions for the fair value of the Primient disposal group less costs to sell was the agreed purchase price with KPS after adjustments for management's estimate of Primient's cash, debt, debt-like items and working capital at completion, and transaction costs (Level 2 within the fair value hierarchy). No impairment charge was recognised in the year ended 31 March 2022.

Impairment charge

No impairment charges in relation to goodwill have been recognised in the current financial year (2022 – £nil).

Possibility of impairment in the near future

As explained above, at the time of carrying out the annual impairment test, there were no reasonably possible changes in assumptions that would give rise to an impairment loss now or during the coming year.

20. Property, plant and equipment

Land and buildings mainly comprise manufacturing sites, application laboratories and administrative facilities. Plant and machinery mainly comprise equipment used in the manufacturing and operating process. Assets in the course of construction comprise property, plant and equipment which is in the process of being completed and not ready for use. Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Property, plant and equipment is reviewed for impairment when any changes in circumstances indicate that their carrying amounts may not be recoverable.

Useful economic lives, applied on a straight-line basis, are as follows:

– Freehold land	No depreciation
– Freehold buildings	20 to 50 years
– Leasehold improvements	Up to the length of the lease
– Plant and machinery	3 to 28 years

Notes to the Consolidated Financial Statements continued

20. Property, plant and equipment continued

	Land and buildings £m	Plant and machinery £m	Assets in the course of construction £m	Total £m
Cost				
At 1 April 2022	285	979	64	1 328
Additions at cost	6	4	70	80
Subsidiary acquired	12	7	1	20
Transfers on completion	7	40	(47)	–
Disposals and write-offs	(2)	(8)	–	(10)
Currency translation differences and other movements	13	52	1	66
At 31 March 2023	321	1 074	89	1 484
Accumulated depreciation and impairment				
At 1 April 2022-restated*	138	759	–	897
Depreciation charge	15	44	–	59
Impairment charge	–	–	–	–
Disposals and write-offs	(2)	(8)	–	(10)
Currency translation differences and other movements	7	43	–	50
At 31 March 2023	158	838	–	996
Net book value at 31 March 2023	163	236	89	488
Cost				
At 1 April 2021	654	2 564	111	3 329
Additions at cost	12	2	129	143
Transfers on completion	12	118	(130)	–
Disposals and write-offs	(6)	(36)	–	(42)
Currency translation differences and other movements	40	133	25	198
Reclassification to assets held for sale	(427)	(1 802)	(71)	(2 300)
At 31 March 2022	285	979	64	1 328
Accumulated depreciation and impairment				
At 1 April 2021	336	1 888	–	2 224
Depreciation charge	24	50	–	74
Impairment charge	10	8	–	18
Disposals and write-offs	(6)	(36)	–	(42)
Currency translation differences	22	127	–	149
Reclassification to assets held for sale – restated*	(248)	(1 278)	–	(1 526)
At 31 March 2022 – restated*	138	759	–	897
Net book value at 31 March 2022 – restated*	147	220	64	431

* For the reclassification of certain items between net assets classified as held for sale and the continuing Tate & Lyle Group refer to Note 1.

Amounts relating to right-of-use assets under IFRS 16, which are included in the amounts above, are presented in more detail in Note 21. In the consolidated statement of cash flows, cash outflows relating to purchase of property, plant and equipment are lower than the amount of additions in this table primarily due to the inclusion of right-of-use assets in the figures above. The payment profile of right-of-use assets will be in line with the associated lease contracts.

The impairment charge of £nil (2022 – £18 million) includes £nil (2022 – £15 million) recognised within exceptional items. For the year ended 31 March 2022, this included £12 million of impairment related to the disposal of Primient (including the write-off of certain items of plant and equipment in the Group's loss-making European Primary Products business) and £3 million of impairment relating to items of plant and equipment impacted by the Stabiliser product contamination (impacting the Food & Beverage Solutions operating segment). Refer to Note 8.

21. Leases

All leases where the Group is the lessee and the Group has the right to control the use of the identified asset are recognised in the statement of financial position (with the exception of short-term and low-value leases). The Group's leases principally comprise properties and other miscellaneous leases such as motor vehicles or machinery. At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of future lease payments. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date.

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost including the amount of lease liabilities recognised and initial direct costs incurred less any incentives granted by the lessor. Right-of-use assets are subject to impairment. Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the right-of-use assets, unless there is a transfer of ownership or purchase option which is reasonably certain to be exercised at the end of the lease term, in which case depreciation is over the useful life of the underlying asset.

Leases of buildings usually have lease terms between 1 and 16 years, while plant and machinery generally have lease terms between 1 and 20 years. The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value (typically below US$5,000). The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases and recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Consolidated Financial Statements continued

21. Leases continued

The movements in the carrying value of the Group's right-of-use assets are summarised as follows:

	Land and buildings £m	Plant and machinery £m	Total £m
Right-of-use assets			
At 1 April 2021	36	85	121
Additions to right-of-use assets	12	2	14
Depreciation charge	(7)	(6)	(13)
Impairment	(7)	–	(7)
Currency translation differences	2	3	5
Reclassification to assets held for sale	–	(80)	(80)
At 31 March 2022	36	4	40
Additions to right-of-use assets	4	2	6
Depreciation charge	(7)	(2)	(9)
Impairment	–	–	–
Currency translation differences	2	–	2
At 31 March 2023	35	4	39

The consolidated income statement includes the following amounts relating to leases:

	Year ended 31 March	
Continuing operations	**2023 £m**	2022 £m
Depreciation expense of right-of-use assets	9	9
Interest expense on lease liabilities	2	2
Expense relating to short-term leases	–	–
Expense relating to leases of low-value assets	–	–
Expense relating to variable lease payments not included in the measurement of lease liability	–	–
Income from sub-leasing right-of-use assets	2	–
	13	11

The cash outflow for leases in the year ended 31 March 2023 was £13 million (2022 – £32 million), excluding cash outflow of £nil (2022 – £nil) relating to leases of low-value items. The movement in the lease liability balances is shown in Note 28 and the undiscounted maturity is shown in Note 30.

The Group has several lease contracts that include extension and termination options. The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of £1 million (2022 – £1 million). The future cash outflows relating to leases that have not yet commenced are disclosed in Note 34.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management assesses whether these extension and termination options are reasonably certain to be exercised.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

22. Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for under the equity method. They are initially recognised at cost, which includes transaction costs. Subsequently, the Group's share of the profit or loss, other comprehensive income and net assets are shown on one line of the relevant primary financial statements, until the date on which joint control ceases. Distributions received from the investee reduce the carrying amount of the investment. Under IFRS 5, when equity accounting ceases, the results of the joint ventures are no longer reported in the Group's consolidated income statement and any dividends received are treated as an adjusting item in the discontinued operations of the Group's consolidated income statement.

In the year ended 31 March 2023, the Group acquired a 49.7% interest in Primient, a joint venture which is a leading producer of food and industrial ingredients, principally bulk sweeteners and industrial starches. Key products include nutritive sweeteners (such as high fructose corn syrup and dextrose), industrial starches, acidulants (such as citric acid) and commodities (such as corn gluten feed and meal and corn oil). Primient comprises the Group's former Primary Products business in North America and Latin America and its former interests in the Almidones Mexicanos S.A de C.V ('Almex') and Covation Biomaterials LLC, formerly 'Bio-PDO' ('Covation') joint ventures. From completion, the Group and Primient entered into certain long-term agreements, principally relating to the supply of product between one another.

The Group's interest in the Primient joint venture decreased from the 49.9% interest held immediately on completion of the Transaction to a 49.7% interest following a redemption of shares held by the Group for the return of £1 million. Primient subsequently re-issued the same number of shares in order to award these to Primient management as performance incentives. The Group's interest in Primient is accounted for using the equity method. Primient has share capital consisting of ordinary shares, which is held directly by the Group (and its joint venture partner) and is a private company. No quoted market price is available for its shares. There are no contingent liabilities relating to the Group's interest in the joint venture.

The Group's material joint ventures in the year ended 31 March 2022 were Almex and Covation which were both included in the Primient business sold to KPS. Under IFRS 5, when a joint venture is classified as an asset held for sale, equity accounting ceases. In the year ended 31 March 2022, no share of results received for Almex or Covation were recognised from 1 July 2021, the date at which the sale of the Primient business became highly probable and hence the recognition of the Primient disposal group as held for sale. Also in the year ended 31 March 2022, dividends from joint ventures of £42 million recognised by Tate & Lyle after 1 July 2021 were included within discontinued operations as an adjusting item (Refer to Note 4).

Notes to the Consolidated Financial Statements continued

22. Investments in joint ventures

The movements in the carrying value of the Group's investment in joint ventures are summarised as follows:

	Note	Year ended 31 March Primient 2023 £m	Almex and Covation 2022 £m
At 1 April		–	104
Fair value of investment in joint venture on initial recognition		253	–
Share of (loss)/profit of joint venture[1]		(24)	8
Other comprehensive (expense)/income (including foreign exchange)	24	(5)	10
Dividends paid[1]		(41)	(17)
Other movements (including contributions)		17	–
Share redemption		(1)	–
Reclassification to assets held for sale		–	(105)
At 31 March		199	–

1 The 2022 share of profit after tax for Almex and Covation is for the three months to 30 June 2021, prior to the date of the recognition of the disposal group as held for sale on 1 July 2021. Any dividend recognised after that date has been included as an adjusting item in the consolidated income statement.

The following tables summarise the financial information of Primient as included in its own financial statements, adjusted for fair value adjustments at the Transaction date (disposal of 100% of Primient and acquisition of the Group's share) and differences in accounting policies:

Statement of total comprehensive income

Primient	Year ended 31 March 2023 £m
At 100%	
Revenue	2 552
Depreciation and amortisation	(85)
Other expenses	(2 329)
Exceptional items	(61)
Net finance expense	(80)
Loss before tax	(3)
Income tax expense[1]	(6)
Loss after tax at 100%	(9)
Other comprehensive expense at 100%	(41)
Total comprehensive expense at 100%	(50)
At 49.7%	
Group's share of loss for the year	(4)
Amortisation of fair value adjustments on initial recognition of Primient	(17)
Other Group adjustments	(3)
Group's share of loss of joint venture	(24)
Group's share of other comprehensive expense	(21)
Group adjustments to other comprehensive income	16
Group's share of other comprehensive expense	(5)
Group's share of total comprehensive expense	(29)

1 Tax expense relates principally to tax on Primient's Brazilian subsidiary.

Notes to the Consolidated Financial Statements continued

22. Investments in joint ventures continued

Statement of financial position

Primient	At 31 March 2023 £m
Assets	
Non-current assets	993
Cash and cash equivalents	43
Other current assets	624
Liabilities	
Non-current liabilities	(1 072)
Current borrowings	(9)
Other current liabilities	(303)
Net assets at 100%	276
Group's share of net assets	137
Goodwill and fair value adjustments (net of amortisation)	62
Carrying amount of investment in Primient	199

Reconciliation of alternative performance measures

As discussed in Note 4, the Group's adjusted profit before tax excludes certain items relating to the Primient joint venture. The following table shows the reconciliation of such adjusting items:

Primient income statement at Group's share £m	Year ended 31 March 2023 Reported	Adjusting items	Adjusted reported
Revenue	1 267	–	1 267
Operating profit	1	48	49
(Loss)/profit before tax	(21)	48	27
Income tax expense	(3)	–	(3)
(Loss)/profit after tax	(24)	48	24

The following table shows the reconciliation of the adjusting items impacting adjusted profit after tax:

Primient's adjusting items at Group's share	Note	Year ended 31 March 2023 £m
Exceptional costs included in operating profit		52
Amortisation of acquired intangible assets and other fair value adjustments		(4)
Total excluded from adjusted profit before tax	4	48
Total excluded from adjusted profit after tax		48

23. Share capital and share premium

	Ordinary share capital £m	Share premium £m	Total £m
At 1 April 2021	117	407	524
Allotted under share option schemes	–	–	–
At 31 March 2022	117	407	524
Allotted under share option schemes	–	1	1
At 31 March 2023	117	408	525

Ordinary shares carry the right to participate in dividends and each share entitles the holder to one vote on matters requiring shareholder approval.

Allotted, called up and fully paid equity share capital

	Year ended 31 March 2023 Number of shares*	Cost £m	Year ended 31 March 2022 Number of shares*	Cost £m
At 1 April	468 534 065	117	468 458 393	117
Impact of share consolidation	(66 933 968)	–	–	–
Allotted under share option schemes	37 015	–	75 672	–
At 31 March	401 637 112	117	468 534 065	117

* The nominal value of each share increased from 25 pence at 31 March 2022 to 29 1/6 pence as result of the share consolidation which took place on 3 May 2022.

Notes to the Consolidated Financial Statements continued

23. Share capital and share premium continued

The decrease in the number of shares is due to the share consolidation in May 2022 which resulted in ordinary shareholders receiving six new ordinary shares with a nominal value of 29 1/6 pence each for every seven existing ordinary shares that they held. This share consolidation was completed at the same time as the Group returned £497 million to ordinary shareholders by way of a special dividend in order to maintain the comparability, so far as possible, of Tate & Lyle PLC's share price before and after the special dividend. The new ordinary shares are traded on the London Stock Exchange in the same way as the previously existing ordinary shares and have the same rights under the Articles of Association to the previously existing ordinary shares.

Own shares

Own shares represent the Company's ordinary shares that are acquired to meet the Group's expected obligations under share-based incentive arrangements (refer to Note 32). Own shares are held by the Company in an Employee Benefit Trust (EBT) that was established by the Company. The EBT is included in the consolidated accounts.

Movements in own shares held were as follows:

	Year ended 31 March 2023		Year ended 31 March 2022	
	Number of shares	Cost £m	Number of shares	Cost £m
At 1 April	4 066 931	30	3 967 194	30
Impact of share consolidation	(576 479)	–	–	–
Purchased in the market[1]:				
– into the EBT	1 300 000	9	1 250 056	8
Transferred to employees:				
– from the EBT	(824 954)	(7)	(1 150 319)	(8)
At 31 March	3 965 498	32	4 066 931	30

1 IFRS 2 permits net settled share-based payments to be treated as equity-settled in full, if certain criteria were met, rather than the tax element being cash-settled. The amount transferred to the tax authorities in the year was £4 million (2022 – £5 million) and has been recognised within financing activities in the consolidated statement of cash flows.

	At 31 March 2023			At 31 March 2022		
	Number of shares	Market value £m	% of outstanding share capital	Number of shares	Market value £m	% of outstanding share capital
Shares held in the EBT	3 965 498	32	1%	4 066 931	30	0.9%
Total	3 965 498	32	1%	4 066 931	30	0.9%

24. Other reserves

	Hedging reserve £m	Cost of hedging reserve £m	FVOCI reserve £m	Currency translation reserve £m	Pre-IFRS reserves £m	Total £m
At 1 April 2021	4	–	4	32	104	144
Cash flow hedges:						
– fair value gain in the year	82	–	–	–	–	82
– hedging gain transferred to inventory	(26)	–	–	–	–	(26)
– cost of hedging	–	(5)	–	–	–	(5)
– tax effect of the above items	(13)	–	–	–	–	(13)
FVOCI financial assets:						
– fair value loss in the year	–	–	(4)	–	–	(4)
Currency translation differences:						
– gain on currency translation of foreign operations	–	–	–	86	–	86
– fair value loss on net investment hedges	–	–	–	(52)	–	(52)
Share of other comprehensive income of joint ventures	3	–	–	7	–	10
At 31 March 2022	50	(5)	–	73	104	222
Cash flow hedges:						
– fair value losses in the year	(2)	–	–	–	–	(2)
– hedging gain transferred to inventory	(19)	–	–	–	–	(19)
– fair value gain on cash flow hedges transferred to income statement on sale of a subsidiary	(48)	–	–	–	–	(48)
– cost of hedging transferred to income statement	–	5	–	–	–	5
– tax effect of the above items	5	–	–	–	–	5
FVOCI financial assets:						
– fair value gain in the year	–	–	3	–	–	3
Currency translation differences:						
– gain on currency translation of foreign operations	–	–	–	62	–	62
– fair value loss on net investment hedges	–	–	–	(33)	–	(33)
– fair value loss on net investment hedges transferred to income statement	–	–	–	28	–	28
– gain on currency translation of foreign operations transferred to income statement on sale of a subsidiary	–	–	–	(81)	–	(81)
Share of other comprehensive (expense)/income of joint ventures	(24)	–	–	19	–	(5)
Tax effect on the above item	6	–	–	–	–	6
At 31 March 2023	(32)	–	3	68	104	143

Notes to the Consolidated Financial Statements continued

24. Other reserves continued

Gains or losses relating to the effective portion of hedging instruments where cash flow hedge accounting is applied are recognised in OCI within the hedging reserve. Amounts accumulated in the hedging reserve are reclassified in the periods when the hedged item affects the consolidated income statement. For a non-financial asset (such as inventory), the hedging gains and losses are transferred to the cost of inventory and then subsequently recognised in the consolidated income statement or else recognised immediately in the consolidated income statement.

The FVOCI reserve includes cumulative gains or losses on FVOCI assets including investments in equities.

The currency translation reserve includes:

- Gains/losses on currency translation of foreign operations: on consolidation, the results of foreign operations are translated into pound sterling at the average rate of exchange for the period and their assets and liabilities are translated into pound sterling at the exchange rate ruling at the period-end date. Currency translation differences arising on consolidation are recognised in other comprehensive income and taken to the currency translation reserve.
- Fair value gains/losses on net investment hedges: a net investment hedge is the hedge of the currency exposure on the retranslation of the Group's net investment in a foreign operation. Net investment hedges are accounted for by recognising changes in the fair value of the hedging instrument and, to the extent that the hedge is effective, recognised in other comprehensive income. Further detail on net investment hedges can be found in Note 29.

The gains recycled to the income statement on sale of a subsidiary are included in the gain on the sale of Primient calculation. Refer to Note 12 for further details.

The pre-IFRS reserve relates to amounts previously recorded in reserves prior to transition to IFRS and relates predominantly to merger reserves.

25. Trade and other payables

Trade payables are predominantly short-term and are initially recognised at fair value, which is generally the invoice amount. The effects of the time-value of money are not material.

	At 31 March 2023 £m	At 31 March 2022 £m
Current trade and other payables		
Trade payables	250	151
Social security	7	6
Accruals and deferred income	99	118
Margin payables	–	7
Other payables	16	12
Total	372	294

Trade and other payables classified as liabilities directly associated with the assets held for sale of £253 million at 31 March 2022 are included in Note 12. There were no non-current trade and other payables as at 31 March 2023 (2022 – £nil).

The carrying amount of trade and other payables was denominated in the following currencies:

	At 31 March 2023 £m	At 31 March 2022 £m
US dollar	220	127
Euro	86	76
Sterling	28	52
Other	38	39
Total	372	294

26. Borrowings

Borrowings are initially measured at fair value, net of transaction costs incurred, which is generally the amount of proceeds received. Borrowings are subsequently measured at amortised cost using the effective interest rate method, whereby the net proceeds are gradually increased to the amount that will be ultimately settled using a constant rate of interest. This constant rate of return is used to calculate the amount recognised as interest expense in the consolidated income statement.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the period-end date.

The carrying amount of a borrowing may be adjusted where it is a hedged liability in a fair value hedge (refer to Note 29).

Non-current borrowings

	At 31 March 2023 £m	At 31 March 2022 £m
2,394,000 6.5% cumulative preference shares of £1 each[1]	–	2
US Private Placement Notes 2025 – 2032[2]	548	607
Total loan notes	548	609
Lease liabilities	44	104
Total non-current borrowings	592	713
Lease liabilities reclassified as directly associated with the assets held for sale	–	(55)
Total non-current borrowings as shown in statement of financial position	592	658

1 In October 2022, a reduction of the Company's capital was completed, through the cancellation and repayment of all of its 2,394,000 6.5% cumulative preference shares of £1 each.

2 At 31 March 2023 and 2022, the US Private Placement Notes totalled US$800 million and are presented net of deferred arrangement fees.

Notes to the Consolidated Financial Statements continued

26. Borrowings continued

Current borrowings

	At 31 March 2023 £m	2022 £m
Short-term loans and facilities	14	11
US Private Placement Notes 2023	97	–
Lease liabilities	10	29
Total current borrowings	**121**	**40**
Lease liabilities reclassified as directly associated with the assets held for sale	–	(19)
Total current borrowings as shown in statement of financial position	**121**	**21**

Lease liabilities classified as liabilities directly associated with the assets held for sale totalling £74 million at 31 March 2022 are included in Note 12.

In April 2023, the Group repaid the US$95 million US private debt floating rate note ahead of its maturity using cash.

Effective interest rates

The effective interest rates of the Group's borrowings are as follows:

	Year ended 31 March 2023 £m	2022 £m
US$95m US Private Placement FRN[1] 2023	6.4%	1.7%
US$25m 3.83% US Private Placement Notes 2023	3.8%	3.8%
US$180m 4.06% US Private Placement Notes 2025	4.1%	4.1%
US$100m 4.16% US Private Placement Notes 2027	4.2%	4.2%
US$100m 3.31% US Private Placement Notes 2029	3.3%	3.3%
US$100m 2.91% US Private Placement Notes 2030	2.9%	2.9%
US$100m 3.41% US Private Placement Notes 2031	3.4%	3.4%
US$100m 3.01% US Private Placement Notes 2032	3.0%	3.0%
2,394,000 6.5% cumulative preference shares of £1 each	–	6.5%
Lease liabilities	3.4%	3.3%

1 Floating rate note based on US six-month LIBOR + 1.47% (despite the change to SOFR this note was retained at LIBOR with agreement from the investors).

Short-term loans

Short-term loans mature within the next 12 months. Short-term loans are arranged at floating rates of interest and expose the Group to cash flow interest rate risk. The effective interest rate of short-term loans is 4.6% (2022 – 4.9%).

Credit facilities and arrangements

The Group has a committed US$800 million revolving credit facility, of which US$100million matures in March 2025 and US$700 million matures in March 2026. The financial covenant thereon is described in the 'Liquidity risk management' section of Note 30. At 31 March 2023, the facility had a sterling equivalent value of £647 million (2022 – £608 million) and was undrawn.

The facility incurs commitment fees at market rates prevailing when the facility was arranged. The lenders have the right, but not the obligation, to cancel their commitments in the event of specified events of default (principally an expected covenant breach or insolvency of the Group).

27. Change in working capital and other non-cash movements – total operations

	Year ended 31 March 2023 £m	2022 £m
Increase in inventories	(118)	(147)
Increase in receivables	(55)	(151)
Increase in payables	71	79
Movement in derivative financial instruments (excluding debt-related derivatives)	(6)	(25)
Decrease in provisions for other liabilities and charges	(2)	(6)
Change in working capital	**(110)**	**(250)**
Other non-cash movements[1]	(7)	(38)
Change in working capital and other non-cash movements	**(117)**	**(288)**

1 In the year ended 31 March 2022, other non-cash movements Include an outflow of £42 million related to the adjustment made to dividend income from Almex and Covation (IFRS 5 cessation of equity accounting).

28. Net debt – total operations

Reconciliation of the movement in cash and cash equivalents to the movement in net debt:

	Year ended 31 March 2023 £m	2022 £m
Net debt at beginning of the year	(626)	(417)
Net increase/(decrease) in cash and cash equivalents	303	(257)
Net decrease in borrowings and lease liabilities	15	90
Decrease/(increase) in net debt resulting from cash flows	318	(167)
Currency translation differences	3	(24)
Lease liabilities[1]	69	(18)
Other non-cash movements	(2)	–
Decrease/(increase) in net debt in the year	388	(209)
Net debt at end of the year	**(238)**	**(626)**

1 Lease liabilities movement in the year ended 31 March 2023 is principally due to the disposal of Primient.

Notes to the Consolidated Financial Statements continued

28. Net debt – total operations continued

Movements in the Group's net debt were as follows:

	Cash and cash equivalents £m	Borrowings and lease liabilities £m	Total £m
At 1 April 2021	371	(788)	(417)
Movement from cash flows	(257)	90	(167)
Currency translation differences	13	(37)	(24)
Leases non-cash movements	–	(18)	(18)
At 31 March 2022[1,2]	127	(753)	(626)
Movement from cash flows	303	15	318
Currency translation differences	45	(42)	3
Lease liabilities	–	69	69
Other non-cash movements	–	(2)	(2)
At 31 March 2023	475	(713)	(238)

1 At 31 March 2022, borrowings and lease liabilities included £74 million of leases included in liabilities directly associated with the assets held for sale. Refer to Note 12.

2 At 31 March 2022, cash and cash equivalents included £17 million of cash and cash equivalents included in assets held for sale. Refer to Note 12.

At 31 March 2023, total liabilities arising from financing activities were £713 million (2022 – £753 million).

Net debt is denominated in the following currencies:

	At 31 March 2023 £m	At 31 March 2022 £m
US dollar	(279)	(644)
Euro	3	(54)
Sterling	5	34
Other	33	38
Total	(238)	(626)

29. Financial instruments

Financial instruments comprise investments (other than investments in joint ventures), trade and other receivables, cash and cash equivalents, trade and other payables, borrowings and derivative financial instruments.

Derivatives are measured at fair value with any related transaction costs expensed as incurred. The treatment of changes in the value of derivatives depends on their use as explained below.

Fair value hedges Hedging relationships are classified as fair value hedges where the hedging instrument hedges the exposure to changes in the fair value of a recognised asset or liability that is attributable to a particular risk. Where the hedging relationship is classified as a fair value hedge, the carrying amount of the hedged asset or liability is adjusted by, or a firm commitment is recorded for, the change in its fair value attributable to the hedged risk only and the resulting gain or loss is recognised in the consolidated income statement where, to the extent that the hedge is effective, it offsets the fair value gain or loss on the hedging instrument.

As explained in Note 2, for the US net corn position for the year ended 31 March 2022 only, a group of items representing a net position and consisting of items that individually are eligible hedged items and which are managed together on a group basis for risk management can be designated in a hedging relationship as a net position hedged item. As such, for the year ended 31 March 2022, the Group designated the components of its US net corn position into two effective fair value hedge accounting relationships (net corn (futures and basis) and net co-products) whereby the hedged item was a group of items with offsetting risk positions.

Net investment hedges A net investment hedge is the hedge of the currency exposure on the retranslation of the Group's net investment in a foreign operation. Net investment hedges are accounted for similarly to cash flow hedges. Changes in the fair value of the hedging instrument are, to the extent that the hedge is effective, recognised in other comprehensive income. In the event that the foreign operation is disposed of, the cumulative fair value gain or loss recognised in other comprehensive income is transferred to the consolidated income statement where it is included in the gain or loss on disposal of the foreign operation.

Cash flow hedges Derivatives are also held to hedge the uncertainty in timing or amount of future forecast cash flows. Such derivatives are classified as being part of cash flow hedge relationships. For an effective hedge, gains and losses from changes in the fair value of derivatives are recognised in equity. Cost of hedging, where material and opted for, is recorded in a separate account within equity. Any ineffective elements of the hedge are recognised in the consolidated income statement. Ineffectiveness may occur if there are changes to the expected timing of the hedged transaction. If the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts deferred in equity are taken to the consolidated income statement at the same time as the related cash flow. When a derivative no longer qualifies for hedge accounting, any cumulative gain or loss remains in equity until the related cash flow occurs. When the cash flow takes place, the cumulative gain or loss is taken to the consolidated income statement. If the hedged cash flow is no longer expected to occur, the cumulative gain or loss is taken to the consolidated income statement immediately.

Notes to the Consolidated Financial Statements continued

29. Financial instruments continued

Financial instruments by category

Set out below is a comparison by category of carrying values and fair values of the Group's financial assets and financial liabilities:

	Notes	Amortised cost/cash £m	Derivatives in a hedging relationship £m	Hedged item (fair value hedge) £m	Investments in equities £m	Total carrying value £m	Fair value £m
							At 31 March 2023
Investments in equities	18	–	–	–	42	42	42
Trade and other receivables	17	336	–	–	–	336	336
Cash and cash equivalents	16	475	–	–	–	475	475
Trade and other payables	25	(365)	–	–	–	(365)	(365)
Borrowings	26	(713)	–	–	–	(713)	(662)
Commodity derivative net liability		–	(1)	–	–	(1)	(1)

The presentation in the consolidated statement of financial position of derivatives assets/(liabilities) and other financial assets/(liabilities) is shown on the next page. For the year ended 31 March 2022, the presentation for the other financial instruments was amended in order to classify the following assets and liabilities as held for sale: Investments in equities: £12 million, trade and other receivables: £246 million; cash and cash equivalents: £17 million; trade and other payables: £253 million; borrowings (relates to lease liabilities): £74 million.

Investments in equities comprise financial assets recognised at fair value through profit or loss (FVPL), and financial assets recognised at fair value through OCI (FVOCI). Further analysis is provided in Note 18.

Trade and other receivables presented opposite excludes £26 million relating to prepayments and non-current other receivables (2022 – £20 million, of which £4 million was classified as held for sale). Trade and other payables presented opposite excludes £7 million relating to social security (2022 – £10 million, of which £4 million was included in held for sale).

	Notes	Amortised cost/cash £m	Derivatives in a hedging relationship £m	Hedged item (fair value hedge) £m	Investments in equities £m	Total carrying value £m	Fair value £m
							At 31 March 2022
Investments in equities	18	–	–	–	58	58	58
Trade and other receivables	17	497	–	–	–	497	497
Cash and cash equivalents	16	127	–	–	–	127	127
Trade and other payables	25	(537)	–	–	–	(537)	(537)
Borrowings	26	(753)	–	–	–	(753)	(735)
Forward foreign exchange contract*		–	(31)	–	–	(31)	(31)
Commodity derivative net assets		–	76	–	–	76	76
Net other current financial assets – commodity pricing contracts		–	–	20	–	20	20

* Deal contingent forward.

Notes to the Consolidated Financial Statements continued

29. Financial instruments continued

Financial instruments by category continued

There are no listed bonds as at 31 March 2023 (2022 – £nil). At that date, the Group held US$800 million US Private Placement Notes with a carrying value of £645 million (2022 – £607 million) and a fair value of £594 million (2022 – £589 million) measured by discounted estimated cash flows based on broker dealer quotations and are categorised as Level 3 for fair value measurement. The remaining borrowings had a fair value measured by discounted estimated cash flows with an applicable market quoted yield and are categorised as Level 2 for fair value measurement.

Derivatives assets/(liabilities) and other financial assets/(liabilities) are presented in the consolidated statement of financial position as follows:

	At 31 March 2023		At 31 March 2022	
	Assets £m	Liabilities £m	Assets £m	Liabilities £m
Non-current derivative financial instruments	–	–	13	–
Current derivative financial instruments	3	(4)	68	(36)
Reclassified as assets/(liabilities) held for sale (Note 12)	–	–	(65)	5
	3	(4)	16[1]	(31)[2]
Other non-current financial assets/(liabilities)	–	–	–	–
Other current financial assets/(liabilities)	–	–	60	(40)
Reclassified as assets/(liabilities) held for sale (Note 12)	–	–	(58)	40
	–	–	2	–

1 At 31 March 2022, presented as £3 million in non-current derivative assets and £13 million in current derivative assets.
2 At 31 March 2022, presented as £nil in non-current derivative liabilities and £31 million in current derivative liabilities.

Included in assets held for sale at 31 March 2022 were cash flow hedges totalling £44 million that related to discontinued operations, of which the most significant related to cash flow hedging using natural gas futures. The Group did not cease cash flow hedging such items upon classification of Primient as held for sale but did so upon completion of the Transaction. During the year ended 31 March 2023, the Group has recycled the gains to the income statement on the sale of Primient, which is included in the gain on the sale of Primient calculation. Refer to Note 12 for further details.

Fair value hedges

For the 2022 financial year only, the Group designated the components of its US net corn position into two effective fair value hedge accounting relationships (net corn (futures and basis) and net co-products) whereby the hedged item is a group of items with offsetting risk positions. Refer to Note 2.

	At 31 March	
US net corn position (futures and basis) in effective fair value hedge accounting relationships	**2023 £m**	2022 £m
Nominal amounts of corn futures contracts (expressed in millions of bushels)	–	1 bu
Gross carrying amount of outstanding hedged items: assets	–	146
Gross carrying amount of outstanding hedged items: liabilities	–	(111)
Carrying amount of hedging instrument	–	(3)
Hedge ratio	–	1:1
Change in intrinsic value of outstanding hedging instruments used to determine hedge effectiveness	–	(6)
Change in intrinsic value of outstanding hedging item used to determine hedge effectiveness	–	18
Ineffectiveness recognised in profit or loss	–	12

	At 31 March	
US net corn position (net co-products) in effective fair value hedge accounting relationships	**2023 £m**	2022 £m
Nominal amounts of co-product futures contracts (expressed in metric tonnes)	–	–
Gross carrying amount of outstanding hedged items: assets	–	70
Gross carrying amount of outstanding hedged items: liabilities	–	(21)
Carrying amount of hedging instrument	–	(2)
Hedge ratio	–	1:1
Change in intrinsic value of outstanding hedging instruments used to determine hedge effectiveness	–	(2)
Change in intrinsic value of outstanding hedging item used to determine hedge effectiveness	–	16
Ineffectiveness recognised in profit or loss	–	14

Notes to the Consolidated Financial Statements continued

29. Financial instruments continued

Net investment hedges

The Group employs borrowings to hedge the currency risk associated with its net investments in subsidiaries located in the US and Europe. The Group's borrowings designated as net investment hedges are principally in US dollars and are presented in the table below.

	At 31 March	
Borrowings used to net investment hedge currency translation risk	**2023 £m**	2022 £m
Notional principal amounts of borrowings (weighted liability)	552	530
Loss on translation of borrowings recognised in currency translation reserve	(33)	(26)
Carrying amount of hedging instrument	552	530
Maturity date	Oct 2023–Aug 2032	Oct 2023–Aug 2032
Hedge ratio	1:1	1:1
Change in intrinsic value of outstanding hedging instruments used to determine hedge effectiveness	(33)	(26)
Change in intrinsic value of outstanding hedging item used to determine hedge effectiveness	33	26
Weighted average foreign currency rate for the year (/£1)	$1.26	$1.33
Ineffectiveness recognised in profit or loss	–	–
Cumulative loss remaining in translation reserve[1]	(137)	(104)

1 Cumulative loss remaining in translation reserve in relation to US Private Placement Notes is £80 million (2022 – £47 million).

There is an economic relationship between the hedged item and the hedging instrument as the net investment creates a translation risk that will match the foreign exchange risk on the USD borrowing. The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component. The hedge ineffectiveness will arise when the amount of the investment in the foreign subsidiary becomes lower than the amount of the fixed rate borrowing.

In addition, in the year ended 31 March 2023, a weighted average total of £1 million (2022 – £nil) of the Group's liabilities were designated as a hedge of the net investment in the Group's European operations. Translation of these liabilities taken to reserves was £nil (2022 – £nil).

During the 2022 financial year, the Group entered into a deal contingent forward to hedge the currency risk associated with the consideration received from the Transaction which was partially used for the shareholder distribution on 16 May 2022. This deal contingent forward was designated as a hedging instrument in a net investment hedge with the hedged items being the Group's overseas operations in the US which were sold as part of the Transaction. Both the cost of hedging and the loss on the forward previously recognised in reserves and hedging reserve respectively have been recycled to the income statement and are included in the gain on disposal of Primient calculation. Refer to Note 12.

	At 31 March	
Deal contingent forward used to net investment hedge currency translation risk	**2023 £m**	2022 £m
Notional principal amounts of deal contingent forward	–	464
Loss on the forward recognised in hedging reserve	–	(26)
Carrying amount of hedging instrument	–	(31)
Maturity date	–	4 April 2022
Hedge ratio	–	1:1
Change in intrinsic value of outstanding hedging instruments used to determine hedge effectiveness	–	(31)
Change in intrinsic value of outstanding hedging item used to determine hedge effectiveness	–	26
Cost of hedging recognised in reserves	–	(5)

Cash flow hedges

The Group employs pricing contracts, principally futures, to hedge cash flow risk associated with forecast purchases of energy and chemicals used in the manufacturing process (ultimately recognised in cost of sales) which are designated as cash flow hedges. The fair value of these hedging instruments at 31 March 2023 is £1 million liability (2022 – £60 million asset). There is an economic relationship between the hedged items and the hedging instruments as the terms of the commodity futures match the terms of the expected highly probable forecast transactions. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the commodity futures are identical to the designated hedged risk components. Hedge ineffectiveness could arise from differences in timing of the cash flows of the hedged items or hedged instruments or changes to the forecasted amount of cash flows of hedged items and hedging instruments. However, there was no ineffectiveness recorded in the current or prior financial year. The most significant fair values are attributable to natural gas cash flow hedges for which the details are shown below.

	At 31 March	
Natural gas cash flow hedges	**2023 £m**	2022 £m
Nominal amounts of futures contracts (each contract expressed in 10,000 mBTU of usage)	325	3 314
Gross carrying amount of outstanding hedged items: assets	4	–
Gross carrying amount of outstanding hedged items: liabilities	(1)	(58)
Carrying amount of hedging instrument	(3)	58
Hedge ratio	1:1	1:1
Change in intrinsic value of outstanding hedging instruments used to determine hedge effectiveness	(3)	58
Change in intrinsic value of outstanding hedging item used to determine hedge effectiveness	3	(58)
Ineffectiveness recognised in profit or loss	–	–

Notes to the Consolidated Financial Statements continued

29. Financial instruments continued

Cash flow hedges continued

The following table identifies the movements in the cash flow hedging reserve during the year, and the periods in which the cash flows are expected to occur. The periods in which the cash flows are expected to impact profit or loss are materially the same.

Cash flow hedge reserve	At 31 March 2023 Commodity derivatives £m	2022 Commodity derivatives £m
Opening balance	50	4
Fair value (loss)/gain in the year	(2)	82
Hedging gain transferred to inventory	(19)	(26)
Fair value gain on cash flow hedges transferred to the income statement	(48)	–
Deferred tax	5	(13)
Share of other comprehensive expense of joint venture net of tax	(15)	3
Closing balance	(29)	50
Cash flows expected to occur[1]:		
– within one year	(26)	53

1 Including the impact of foreign exchange differences included in translation reserve rather than hedging reserve.

Financial instruments measured at fair value: the fair value hierarchy

Fair value measurements are categorised into three different levels based on the degree to which the inputs used to arrive at the fair value of the assets and liabilities are observable and the significance of the inputs to the fair value measurement in its entirety, as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date. The prices of equity shares or bonds quoted on the London Stock Exchange are examples of Level 1 inputs.
- Level 2 inputs are those, other than quoted prices included in Level 1, that are observable either directly or indirectly.
- Level 3 inputs are unobservable inputs. The Group generally classifies assets or liabilities as Level 3 when their fair value is determined using unobservable inputs that individually, or when aggregated with other unobservable inputs, represent more than 10% of the fair value of the observable inputs of the assets or liabilities. This would include expected future cash flows from budgets and forecasts the Group has made. In the comparative period only, certain elements of the Group's commodity contract portfolio also fell into this category, as their values included significant management-derived assumptions.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of the reporting period. There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the year ended 31 March 2023.

The following tables illustrate the Group's financial assets and liabilities measured at fair value and fair value adjustments due to risks hedged:

	Notes	At 31 March 2023 Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets at fair value					
Financial assets at FVPL	18	–	–	20	20
Financial assets at FVOCI	18	–	–	22	22
Derivative financial instruments:					
– commodity derivatives		3	–	–	3
Assets at fair value		3	–	42	45
Liabilities at fair value					
Derivative financial instruments:					
– commodity derivatives		(4)	–	–	(4)
Liabilities at fair value		(4)	–	–	(4)

	Notes	At 31 March 2022 Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets at fair value					
Financial assets at FVPL	18	–	–	32	32
Financial assets at FVOCI	18	–	–	26	26
Derivative financial instruments:					
– commodity derivatives		81	–	–	81
Other financial assets (commodity pricing contracts)[1]		–	36	24	60
Assets at fair value		81	36	82	199
Liabilities at fair value					
Derivative financial instruments:					
– forward foreign exchange contract		–	(31)	–	(31)
– commodity derivatives		(5)	–	–	(5)
Other financial liabilities (commodity pricing contracts)[1]		–	(2)	(38)	(40)
Liabilities at fair value		(5)	(33)	(38)	(76)

1 Fair value adjustments due to risks hedged.

Notes to the Consolidated Financial Statements continued

29. Financial instruments continued

Financial instruments measured at fair value: the fair value hierarchy continued

For the year ended 31 March 2022, the presentation for the financial assets and liabilities measured at fair value was amended in order to classify the following assets and liabilities as held for sale: financial assets at FVPL: £12 million: commodity derivatives assets: £65 million; other financial assets: £58 million; commodity derivative liabilities: £5 million and other financial liabilities: £40 million.

Level 3 financial assets

The following table reconciles the movement in the Group's net financial instruments and fair value adjustments due to risks hedged classified in Level 3 of the fair value hierarchy:

	Commodity pricing contracts – assets £m	Commodity pricing contracts – liabilities £m	Financial assets at FVPL £m	Financial assets at FVOCI £m	Total £m
At 1 April 2021	11	(26)	29	30	44
Income statement:					
– prior year amounts settled	(11)	19	–	–	8
– current year unrealised net gain/(loss) in operating profit	24	(31)	–	–	(7)
Other comprehensive income	–	–	–	(4)	(4)
Non-qualified deferred compensation arrangements (Note 18)	–	–	1	–	1
Purchases	–	–	4	–	4
Disposals	–	–	(4)	–	(4)
Currency translation differences	–	–	2	–	2
Reclassification to (assets)/liabilities directly associated with the assets held for sale	(22)	38	(12)	–	4
At 31 March 2022	2	–	20	26	48
Income statement:					
– prior year amounts settled	(2)	–	–	–	(2)
Other comprehensive income	–	–	–	3	3
Re-measurement of non-qualified deferred compensation arrangements (Note 18)	–	–	(2)	–	(2)
Purchases	–	–	3	–	3
Disposals	–	–	(3)	(7)	(10)
Currency translation differences	–	–	2	–	2
At 31 March 2023	–	–	20	22	42

For the year ended 31 March 2022 only, the full impact to the consolidated income statement of movements in the corn price on the net corn and co-product position is described within the 'Price risk management' section of Note 30. The table below describes the valuation techniques in relation to Level 3 financial instruments and isolates the unobservable inputs.

Type	Valuation technique	Significant unobservable inputs	Year ended 31 March 2022 Sensitivity of the fair value measurement in reasonable changes to inputs
Net corn position (refer to fair value of purchases, sales and inventory of corn-based products section in Note 2).	Based on the Group's own assessment of the commodity, supply and demand, as well as expected pricing.	1. Co-products	1. A 25% increase/(decrease) in the price of co-products would result in a net increase/(decrease) in fair value of £23 million in respect of Level 3 financial instruments.
		2. Basis	2. A 50% increase/(decrease) in the cost of basis would result in a net increase/(decrease) in fair value of £26 million in respect of Level 3 financial instruments.
			Year ended 31 March 2023 and 31 March 2022
Assets classified as FVOCI are long-term strategic investments that the Group does not control, nor have significant influence over. The investments are non-listed and are mainly start-ups or in the earlier stages of their lifecycle. Therefore, fair value has been determined based on the most recent funding rounds adjusted for indicators of impairment. The fair values assigned to each of the investments have different significant unobservable inputs. Assets classified as FVPL largely consists of a 'non-qualified defined contribution' pension scheme for which the movements in its assets are largely offset by corresponding movements on retirement benefit liabilities. For more details refer to Note 18.			

As discussed in Note 2, for the comparative year's two fair value hedges relating to the net corn position, there was significant estimation uncertainty in determining the fair values of the key unobservable inputs. The two key unobservable inputs are shown in the table above, together with the impact of a reasonably possible change in assumptions on the fair value of the Level 3 financial assets/liabilities only.

In addition to the above, the Group's FVOCI and FVPL financial assets are sensitive to a number of market and non-market factors.

Notes to the Consolidated Financial Statements continued

30. Risk management

Management of financial risk

The key financial risks faced by the Group are credit risk, liquidity risk and market risks, which include interest rate risk, foreign exchange risk and certain commodity price risks. The Board regularly reviews these risks and approves written policies covering the use of financial instruments to manage these risks and sets overall risk limits. The derivative financial instruments approved by the Board of Tate & Lyle PLC to manage financial risks include: swaps (both interest rate and currency), swaptions, caps, forward rate agreements, foreign exchange contracts, commodity forward contracts and options, and commodity futures.

The Chief Financial Officer retains overall responsibility for management of financial risk for the Group. Most of the Group's financing, interest rate and foreign exchange risks are managed through the Group treasury company, Tate & Lyle International Finance PLC. Tate & Lyle International Finance PLC arranges funding and manages interest rate, foreign exchange and bank counterparty risks within limits approved by the Board of Tate & Lyle PLC.

Commodity price risks are managed through the commodity trading functions in the US and Europe. As noted in Note 2, since completion of the Primient disposal transaction on 1 April 2022, the Group has continued to apply cash flow hedge accounting to manage its economic price exposure on the purchase of energy and chemicals used in the production process. All corn procurement transferred to Primient on completion of the disposal and the Group now procures corn from Primient (both for the manufacturing of corn-based finished goods in the Group's US manufacturing sites and for corn embedded in the finished goods manufactured by Primient and sold to the Group under long-term agreements). The Group has ceased applying fair value hedge accounting to manage the net corn risk and instead manages the corn price risk by using economic hedging principles such as entering into offsetting positions with its supplier (Primient) and customers.

Market risks

Foreign exchange management

The Group operates internationally and is exposed to foreign exchange risks arising from commercial transactions (transaction exposure), and from recognised assets, liabilities and investments in foreign operations (translation exposure).

Transaction exposure

The Group manages foreign exchange transaction risk using economic hedging principles including managing working capital levels and entering into offsetting arrangements wherever possible. The Group uses limited foreign exchange forward contracts to hedge its exposure to foreign currency risk in some circumstances. There is no material amount recognised in the statement of financial position or hedging reserve in the current or prior period.

During the 2022 financial year, the Group entered into a deal contingent forward to hedge the currency risk associated with the consideration received from the Transaction which was partially used for the shareholder distribution on 16 May 2022. This deal contingent forward was designated as a hedging instrument in a net investment hedge with the hedged items being the Group's overseas operations in the US which were sold as part of the Transaction.

Translation exposure

The Group manages the foreign exchange exposure to net investments in overseas operations, particularly in the US, by borrowing in US dollars, which provide a partial match for the Group's major foreign currency assets. The detail of these net investment hedges, including the deal contingent forward entered into in the prior year, is set out in Note 29.

The following table illustrates only the Group's sensitivity to the fluctuation of the Group's major currencies against sterling on its consolidated income statement and other components of equity, assuming that each exchange rate moves in isolation. The consolidated income statement impact is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The equity impact for foreign exchange sensitivity relates to non-derivative financial instruments hedging the Group's net investments in its European and US operations.

	At 31 March 2023		At 31 March 2022	
	Income statement -/+ £m	**Equity -/+ £m**	Income statement -/+ £m	Equity -/+ £m
Sterling/US dollar 10% change[1]	1	34	1	44
Sterling/euro 10% change	–	–	–	–

1 31 March 2022 sensitivity disclosures exclude the impact of the deal contingent forward which matured immediately after the year end on completion of the Primient business disposal transaction.

Interest rate management

The Group has an exposure to interest rate risk, arising principally from changes in US dollar interest rates. In the 2023 and 2022 financial years, the objective of optimising net finance expense and reducing volatility in reported earnings was achieved by ensuring an optimal mix of fixed and floating rate debt. The Group retains the option of entering into interest rate swaps and a full risk assessment and recommendation is made to the Group's Board each year on how to best manage interest rate risk for the forthcoming 12 months. The Group currently has low levels of net debt and secure long-term borrowings which are mostly fixed at low interest rates.

The proportion of gross debt managed by the Group's treasury function at 31 March 2023 that was fixed or capped for more than one year was 87% (2022 – 88%). At 31 March 2023, the longest term of any fixed rate debt held by the Group was until 2032 (2022 – until 2032).

Given the proportion of debt that is fixed rate debt, as at 31 March 2023, if interest rates increased by 100 basis points, Group profit before tax would increase by £3 million (2022 – £nil). If interest rates decreased by 100 basis points, or less where applicable, Group profit before tax would decrease by £3 million (2022 – £1 million increase). If the Group maintains a consistent level of working capital benefit in relation to supply-chain financing arrangements (see 'Liquidity risk management' section) then an increase in interest rates of 100 basis points would decrease Group profit before tax by £1 million (2022 – £2 million). The decrease compared to the comparative period is due to a significant proportion of supply-chain financing exposure relating to the discontinued operations.

Notes to the Consolidated Financial Statements continued

30. Risk management continued

Price risk management

The Group employs limited pricing contracts, principally futures, to hedge cash flow risk associated with certain forecast purchases of energy (gas) and chemicals used in the manufacturing process in North America which are designated as cash flow hedges. Refer to Note 29. The Group's sensitivities in respect of natural gas and chemical derivatives for a +/- 10% movement in underlying prices are both £1 million. In other regions (mainly Europe), energy volumes and price are locked in advance of physical delivery. These contracts are classified as 'own use' contracts since they are entered into for the purpose of the Group's ordinary operations.

All corn procurement transferred to Primient on completion of the Transaction and the Group now procures corn from Primient (both for the manufacturing of corn-based finished goods in the Group's US manufacturing sites and for corn embedded in the finished goods manufactured by Primient and sold to the Group under long-term agreements). The Group now manages the corn price risk by using economic hedging principles such as entering into offsetting positions with its supplier (Primient) and customers. For certain contracts with Primient, the Group remains exposed to variations in basis and the price of co-products. The Group's sensitivity in respect of basis for a 50% movement is £5 million. Its sensitivity in respect of co-products for a 25% movement is £4 million.

In the 2022 financial year, the Group managed its US net corn position, comprising the purchase, sale and recognition of corn and corn derived co-product inventory on a net basis. Each element of the net corn position was marked to market on the basis that doing so aligns with the economics of the business and minimises price risk volatility. The Group designated the components of its US net corn position into two effective fair value hedge accounting relationships (net corn (futures and basis) and net co-products) whereby the hedged item is a group of items with offsetting risk positions. The Group used certain derivative financial instruments (mainly corn futures contracts) to manage this net position. In the prior year, there was estimation required in determining the fair value of certain components of this net position. The nature of these estimates is disclosed in Note 2. Given the net position for corn, as at 31 March 2022, a 50% increase/decrease in the price of corn would have resulted in a decrease/increase to the consolidated income statement of £17 million and related decrease/increase in other components of equity of £1 million. The sensitivity analysis on the key areas of estimation uncertainty relating to the prior year (price of co-products and basis) and the carrying amounts impacted by estimation uncertainty are shown in Note 29. Details of the valuation technique applied in the prior year are also included in Note 29.

Credit risk management

Counterparty credit risk arises from the placing of deposits (refer to Note 16) and entering into derivative financial instrument contracts with banks and financial institutions, as well as credit exposures inherent within the Group's outstanding receivables. The Group manages credit risk by entering into financial instrument contracts substantially with investment grade counterparties approved by the Board.

The Board has approved maximum counterparty exposure limits for specified banks and financial institutions based on the long-term credit ratings from major credit rating agencies. Trading limits assigned to commercial customers are based on ratings from Dun & Bradstreet. In cases where published financial ratings are not available or inconclusive, credit application, reference checking, measurement of performance against agreed terms, and obtaining of customers' financial information such as liquidity and turnover ratio, are required to evaluate customers' creditworthiness. Counterparties' positions are monitored on a regular basis to ensure that they are within the approved limits and there are no significant concentrations of credit risks.

The Group's trade receivables are short term in nature and are largely comprised of amounts receivable from business customers. Concentrations of credit risk with respect to trade receivables are limited, with our customer base including large, unrelated and internationally dispersed customers. The Group considers its maximum exposure to credit risk at the year-end date is the carrying value of each class of financial assets as disclosed under financial instruments by category on page 179. Refer to Note 17 for the effect of expected credit loss on the Group's trade receivables.

Liquidity risk management

The Group manages its exposure to liquidity risk and ensures maximum flexibility in meeting changing business needs by maintaining access to a wide range of funding sources, including capital markets and bank borrowings. The majority of the Group's borrowings are raised through the Group treasury company, Tate & Lyle International Finance PLC, and are then on-lent to the business units on an arm's length basis.

At the year end, the Group held cash and cash equivalents of £475 million (2022 – £127 million) and had committed undrawn facilities of US$800 million (£647 million) (2022 – £608 million). These resources are maintained to provide liquidity back-up and to meet the projected maximum cash outflow from debt repayment, capital expenditure and seasonal working capital needs foreseen for at least a year into the future at any one time. The Group policy requires that available liquidity (undrawn committed facilities plus cash) is greater than £400 million and minimum liquidity requirements are maintained in order to retain an investment grade credit rating, per any relevant published definitions of Standard & Poor's and Moody's. The significant increase in cash and cash equivalents compared to the prior year is due to the proceeds received from the Primient business disposal transaction on 1 April 2022 which was partially offset by the funding of the special dividend on 16 May 2022 and the Quantum acquisition.

At 31 March 2023, the average maturity of the Group's drawn financing was 5.2 years (2022 – 6.2 years).

To allow more effective management of interest rate risk and optimisation of overall cost of debt, the Group policy is as follows: a) no more than 20% of the total Group gross debt plus undrawn committed facilities should mature within 12 months from balance sheet date, b) the Group's core undrawn committed bank facility must be refinanced no later than 12 months prior to its full maturity, and c) at least 50% of drawn debt should have a maturity of more than 2.5 years. At 31 March 2023, after taking account of undrawn committed facilities, the Group was compliant with the policy.

The Group has a core committed revolving credit facility of US$800 million of which US$100 million matures in March 2025 and US$700 million matures in March 2026. This facility is unsecured and contains one financial covenant, that the multiple of net debt to EBITDA, as defined in the facility agreement, should not be greater than 3.5 times. The Group policy requires that net debt is managed within the target range of 1.0 – 2.5 times EBITDA (including the impact of IFRS 16).

At 31 March 2023, the Group had US$800 million of US Private Placement Notes which mature between 2023 and 2032. In April 2023, the Group repaid the US$95 million US private debt floating rate note ahead of its maturity using cash. These notes contain financial covenants that the multiple of net debt to EBITDA, as defined in the note purchase agreement, should not be greater than 3.5 times.

The ratios for this financial covenant were:

	Year ended 31 March	
	2023 Times	2022 Times
Net debt/EBITDA[1]	**0.6**	1.1

1 This financial covenant applies to both the revolving credit facility and US Private Placement Notes.

Notes to the Consolidated Financial Statements continued

30. Risk management continued

Liquidity risk management continued

The Group monitors compliance against all its financial obligations and it is Group policy to manage the consolidated statement of financial position so as to operate well within these covenanted restrictions. In both the current and prior reporting periods, the Group complied with its financial covenants at all measurement points. (The Group is required to report on covenants after the interim and year-end reporting dates.)

Note that the multiple of net debt to EBITDA as required for the financial covenants of the loan notes and revolving credit facility is a different measure to the simplified calculation of net debt to EBITDA used as a Group KPI. This KPI is more directly related to information in the Group's financial statements and is reported in Note 4.

The table below analyses the undiscounted cash flows related to the Group's non-derivative financial liabilities and derivative assets and liabilities.

	At 31 March 2023		
Liquidity analysis	**< 1 year £m**	**1 – 5 years £m**	**> 5 years £m**
Borrowings	(102)	(226)	(323)
Lease liabilities	(14)	(37)	(13)
Interest on borrowings	(25)	(66)	(33)
Trade and other payables	(365)	–	–
Derivative contracts:			
– receipts	168	–	–
– payments	(168)	–	–
Commodity derivatives	(1)	–	–

	At 31 March 2022		
Liquidity analysis	< 1 year £m	1 – 5 years £m	> 5 years £m
Borrowings	(4)	(228)	(382)
Lease liabilities[1]	(33)	(88)	(24)
Interest on borrowings	(21)	(71)	(44)
Trade and other payables	(537)	–	–
Derivative contracts:			
– receipts	160	–	–
– payments	(160)	–	–
– deal contingent forward receipt	464	–	–
– deal contingent forward payment	(495)	–	–
Commodity derivatives	62	14	–

1 Cash flows related to lease liabilities included in discontinued operations include £21 million to be paid in less than one year, £51 million to be paid between one and five years, and £8 million to be paid after more than five years.

Derivative contracts include forward exchange contracts. Commodity pricing contracts included above represent options and futures. Commodity pricing contracts classified within Level 2 and Level 3 of fair value measurement for the 2022 financial year (included in other current financial assets/(liabilities) on the balance sheet) are not included in the liquidity analysis above as they are not settled for cash.

The Group also participated in certain customer-led supply-chain financing arrangements which resulted in an earlier payment through an intermediary (usually a bank) at a discount. Other than a working capital benefit relating to these arrangements of £87 million in the year ended 31 March 2023 (2022 – £199 million) and the supply-chain financing costs, there is no further impact on the Group's accounting on the basis that once the intermediary has settled the receivable there is no further recourse to the Group in the event the customer defaults on its payment to the intermediary. The classification of the receivable is not changed as the Group is not able to instigate collection ahead of the contractual terms of this arrangement meaning that the business model's objective continues to be holding assets in order to collect contractual cash flows. The discount incurred is recorded as a reduction of revenue. Note that the Group's utilisation of supply-chain financing arrangements has decreased significantly as the majority of supply-chain financing utilisation was weighted towards the discontinued operations.

The Group also offers certain supply-chain financing arrangements to vendors. Under these arrangements the Group works with an intermediary to offer supply-chain financing to its vendors who want to be paid earlier at a discount. Under these arrangements suppliers can choose an accelerated payment via the intermediary for an interest cost based on the Group's credit rating. Amounts owed by the Group to intermediaries are presented in trade payables on the balance sheet and cash flows are presented in net cash generated from operating activities. This arrangement results in no costs to the Group. Amounts owed to the intermediary at 31 March 2023 were £64 million (2022 – £nil).

Sustainability

The Group has linked its sustainability targets to key performance indicators in the committed undrawn facilities such that the margin paid for the facilities is adjusted for performance against specified targets achieved as evidenced by the relevant Sustainability Compliance Certificate. The amount arising as a result of any increase or reduction in the margin is re-invested in sustainability initiatives or paid to a sustainability charity or organisation supporting the United Nations Sustainable Development Goals.

Capital risk management

The Group's primary objectives in managing its capital are to safeguard the business as a going concern; to maintain the dividend policy; to maintain sufficient financial flexibility to undertake its investment plans; and to retain an investment-grade credit rating which enables access to debt capital markets. The Group's financial profile and level of financial risk is assessed on a regular basis in the light of changes to the economic conditions, business environment, the Group's business profile and the risk characteristics of its businesses.

Tate & Lyle PLC has contractual relationships with Moody's and Standard & Poor's (S&P) for the provision of credit ratings. At 31 March 2023, the long-term credit rating from Moody's was Baa3 (stable outlook) (2022 – Baa3) and from S&P was BBB (stable outlook) (2022 – BBB).

Notes to the Consolidated Financial Statements continued

30. Risk management continued

Liquidity risk management continued

Capital risk management

The Group regards its total capital as follows:

	Note	At 31 March 2023 £m	2022 £m
Net debt	28	238	626
Equity attributable to owners of the Company		1 189	1 619
Total capital		1 427	2 245

31. Retirement benefit obligations

For accounting purposes, a valuation of each of the defined benefit plans is carried out annually at 31 March using independent qualified actuaries. Benefit obligations are measured using the projected unit credit method and are discounted using the market yields on high-quality corporate bonds denominated in the same currency as, and of similar duration to, the benefit obligations. Plan assets are measured at their fair value at the period-end date. Where a plan holds a qualifying insurance policy, the fair value of the policy is equivalent to the present value of the related benefit obligations.

A deficit or surplus is recognised on each plan, representing the difference between the present value of the benefit obligation and the fair value of the plan assets.

The costs of the defined benefit plan that are recognised in the consolidated income statement include the current service cost, any past service cost and the interest on the net deficit or surplus. Gains or losses on curtailments or settlements of the plans are recognised in the consolidated income statement in the period in which the curtailment or settlement occurs. Plan administration costs incurred by the Group are also recognised in the consolidated income statement. Interest on the net deficit or surplus is calculated by applying the discount rate that is used in measuring the present value of the benefit obligation to the opening deficit or surplus.

Re-measurements of the deficit or surplus are recognised in other comprehensive income. Re-measurements comprise differences between the actual return on plan assets (less asset management expenses) and the interest on the plan assets and actuarial gains and losses. Actuarial gains and losses represent the effect of changes in the actuarial assumptions made in measuring the present value of the benefit obligation and experience differences between those assumptions and actual outcomes. Actuarial gains and losses are recognised in full in the period in which they occur.

For defined contribution plans, contributions made by the Group to defined contribution pension schemes are recognised in the consolidated income statement in the period in which they fall due.

Plan information

The Group operates a number of defined benefit pension plans, principally in the UK and the US. At 31 March 2023, the Group's retirement benefit obligations are in a net deficit of £100 million (2022 – deficit of £107 million).

The UK final salary plans primarily comprise funded retirement benefit plans where plan assets were previously held separately from those of the Group in funds that were under the control of trustees. In the 2020 financial year, the Group supported the trustees of the main UK pension scheme in completing a £930 million bulk annuity insurance policy 'buy-in' for that scheme. As a result, the assets of the main UK pension scheme were replaced with an insurance asset matching UK scheme liabilities. In the current year, the actuarial movements in the liabilities subject to the 'buy-in' are matched by an equal and opposite movement on its assets both recorded in other comprehensive income.

The UK plans are closed to new entrants and to future accrual. In the UK, scheme members can elect to forego a portion of their future pension benefits, in return for a lump sum payment, or a transfer out to other arrangements. These amounts are excluded from future benefit projections.

The US plans, presented below, principally comprise:

– two funded plans where plan assets are held separately from those of the Group in funds that are under the control of an investment management committee. These plans are closed to new entrants and to future accrual;
– a retirement benefit plan to certain employees which is funded but the associated assets do not qualify for recognition as IAS 19 plan assets. As such the plan is presented below as funded. The related assets are recognised as FVPL assets within investments in equities (refer to Note 18). This is referred to as 'non-qualified deferred compensation arrangements' within this note;
– a retirement benefit plan for certain employees which is unfunded and non-qualified for tax purposes;
– an unfunded retirement medical plan where the costs of providing these benefits are recognised in the period in which they are incurred. Such plans provide financial assistance in meeting various costs including medical, dental and prescription drugs. Employees are required to contribute to the cost of benefits received under the plans. The liability associated with this plan at 31 March 2023 was £38 million (2022 – £40 million, which excludes the £16 million designated as held for sale). The Group paid £5 million (2022 – £4 million) into this plan in the year. Details on assumptions applied in the calculation of the liability and sensitivity analysis thereon is included in this note.

The Group operates defined contribution pension plans in a number of countries. Contributions payable by the Group to these plans during the year amounted to £10 million (2022 – £9 million).

On disposal of the Primient business, the Group retained all US defined benefit pension schemes but certain obligations were disposed of including funded non-qualified deferred compensation arrangements as well as the unfunded post-retirement medical plan relating to employees who transitioned to the Primient business (together a net deficit of £28 million, classified as held for sale as at 31 March 2022).

Notes to the Consolidated Financial Statements continued

31. Retirement benefit obligations continued

Movement in net defined benefit asset/(liability)

Analysis of net defined benefit asset/(liability)

	At 31 March 2023			At 31 March 2022		
	UK plans* £m	US plans £m	Total £m	UK plans* £m	US plans £m	Total £m
Benefit obligations:						
Funded plans	(621)	(433)	(1 054)	(881)	(484)	(1 365)
Unfunded plans	(4)	(84)	(88)	(4)	(105)	(109)
	(625)	(517)	(1 142)	(885)	(589)	(1 474)
Fair value of plan assets	616	426	1 042	867	472	1 339
	(9)	(91)	(100)	(18)	(117)	(135)
Reclassification to liabilities directly associated with the assets held for sale	–	–	–	–	28	28
Net deficit	(9)	(91)	(100)	(18)	(89)	(107)
Presented in the statement of financial position as:						
Retirement benefit surplus	5	13	18	3	20	23
Retirement benefit deficit	(14)	(104)	(118)	(21)	(109)	(130)
	(9)	(91)	(100)	(18)	(89)	(107)
Liabilities directly associated with the assets held for sale	–	–	–	–	(28)	(28)
	(9)	(91)	(100)	(18)	(117)	(135)

* Includes £4 million (2022 – £4 million) relating to legacy unfunded retirement benefit plans of European subsidiaries.

Net defined benefit asset/(liability) reconciliation

	UK plans £m	US plans funded £m	US plans unfunded* £m	Total £m
Net deficit at 1 April 2022	(18)	–	(89)	(107)
Income statement:				
– current service costs	–	–	–	–
– administration costs	(1)	(1)	–	(2)
– net interest expense US plans	–	–	(3)	(3)
Other comprehensive income:				
– actual return lower than interest on plan assets	(226)	(63)	–	(289)
– actuarial gain/(loss):				
– changes in financial assumptions	244	51	10	305
– changes in demographic assumptions	13	(1)	(4)	8
– experience against assumptions	(22)	5	(1)	(18)
Other movements:				
– employer's contribution	2	–	9	11
– non-qualified deferred compensation arrangements	–	2	–	2
– currency translation differences	(1)	–	(6)	(7)
Net deficit at 31 March 2023	(9)	(7)	(84)	(100)

* Included within US unfunded plans is the retirement medical plan of £38 million (2022 – £40 million).

Notes to the Consolidated Financial Statements continued

31. Retirement benefit obligations continued

Analysis of movement in the benefit obligations

	UK plans £m	US plans funded £m	US plans unfunded £m	Total £m
At 1 April 2022	(885)	(472)	(89)	(1 446)
Income statement:				
– current service costs	–	–	–	–
– interest costs	(23)	(17)	(3)	(43)
Other comprehensive income:				
– actuarial gain/(loss):				
– changes in financial assumptions	244	51	10	305
– changes in demographic assumptions	13	(1)	(4)	8
– experience against assumptions	(22)	5	(1)	(18)
Other movements:				
– benefits paid	49	31	9	89
– non-qualified deferred compensation arrangements	–	2	–	2
– currency translation differences	(1)	(32)	(6)	(39)
At 31 March 2023	(625)	(433)	(84)	(1 142)

Analysis of movement in plan assets

	UK plans £m	US plans funded £m	US plans unfunded £m	Total £m
At 1 April 2022	867	472	–	1 339
Income statement:				
– administration costs	(1)	(1)	–	(2)
– interest gains	23	17	–	40
Other comprehensive income:				
– actual return lower than interest on plan assets	(226)	(63)	–	(289)
Other movements:				
– employer's contribution	2	–	–	2
– benefits paid	(49)	(31)	–	(80)
– currency translation differences	–	32	–	32
At 31 March 2023	616	426	–	1 042

Significant assumptions

For accounting purposes, the benefit obligation of each plan is based on assumptions made by the Group on the advice of independent actuaries. For the UK defined benefit pension plan these 'best estimate' IAS 19 assumptions are different to the more prudent assumptions used for funding valuation purposes. For the US defined benefit pension plan, the funding valuation assumptions are identical to the IAS 19 assumptions.

	At 31 March 2023		At 31 March 2022	
Principal assumptions	**UK**	**US**	UK	US
Inflation rate	2.8%/3.3%	2.5%	3.2%/3.8%	2.5%
Expected rate of salary increases	n/a	n/a	n/a	2.5%
Expected rate of pension increases:				
– deferred pensions	2.8%	n/a	3.2%	n/a
– pensions in payment	3.2%	n/a	3.6%	n/a
Discount rate	4.8%	4.6%	2.7%	3.4%
Average life expectancy				
– male aged 65 now/in 20 years	20.9/22.5 years	20.6/23.4 years	21.3/22.9 years	20.5/23.3 years
– female aged 65 now/in 20 years	23.6/25.2 years	22.6/25.3 years	23.8/25.5 years	22.5/25.2 years

Principal assumptions used in calculating the US medical benefit obligation are medical cost inflation and the discount rate applied to the expected benefit payments. The Group has assumed medical cost inflation at 6.0% per annum (2022 – 6.5%), grading down to 6% by 2024, and used a discount rate of 4.6% (2022 – 3.4%).

Significant assumptions

At 31 March 2023, the sensitivity of the net surplus/(deficit) on the plans to changes in the principal assumptions was as follows (assuming in each case that the other assumptions are unchanged):

		Increase/(decrease) in obligation	
	Change in assumptions +/–	Impact of increase in assumption £m	Impact of decrease in assumption £m
Inflation rate[1]	50 bp	6	(38)
Life expectancy	1 year	51	(51)
Discount rate	50 bp	(54)	59

1 Inflation rate sensitivity covers the inflation assumption, expected rate of salary increases assumption and expected rate of pensions in payment increases assumption.

Notes to the Consolidated Financial Statements continued

31. Retirement benefit obligations continued

Analysis of plan assets

	Year ended 31 March 2023			Year ended 31 March 2022		
	UK £m	US £m	Total £m	UK £m	US £m	Total £m
Quoted[1]						
Equities	3	–	3	3	–	3
Corporate bonds	2	–	2	2	–	2
Investment funds	5	–	5	5	–	5
Liability Driven Investments (LDI) fixed income	–	422	422	–	468	468
Cash	7	–	7	7	–	7
Unquoted						
Insurance policies	599	4	603	850	4	854
	616	426	1 042	867	472	1 339

1 Quoted assets contain certain pooled funds where the underlying assets are quoted.

The fair value of the insurance policies is deemed to be equivalent to the present value of the related benefit obligation. The Group also paid an additional £5 million (2022 – £4 million) into the US unfunded retirement medical plans and £4 million (2022 – £4 million) into the US unfunded pension plans to meet the cost of providing benefits in the financial year.

Maturity profile

At 31 March 2023, the weighted average duration of the plans and the benefit payments expected by the plans are as follows:

	UK plans £m	US plans £m	Total £m
Weighted average duration (years)	10.9	9.2	10.1
Benefit payments expected:			
– within 12 months	41	50	91
– between 1 to 5 years	171	191	362
– between 6 to 10 years	215	216	431

Funding of the plans

As required by local regulations, actuarial valuations of the US pension plans are carried out each year and those of the UK pension plans are carried out at least every three years. The main UK scheme triennial valuation as at 31 March 2019 was concluded during the year ended 31 March 2020 and, given that the liabilities were secured through the purchase of a bulk annuity insurance policy, both core contributions to the scheme and supplementary contributions to the secured funding account has ceased.

The Group continues to fund ongoing administration costs of the main UK scheme, £1 million for this financial year and £1 million of contributions for the other UK scheme. In respect of the US plans no contributions were paid to the funded plans, £4 million to the unfunded pension plan with £5 million paid for health plans.

During the year ending 31 March 2024 the Group expects to contribute approximately £8 million to its defined benefit pension plans and to pay approximately £4 million in relation to retirement medical benefits, principally in the US.

Where a plan is in surplus, the surplus recognised is limited to the present value of any amounts that the Group expects to recover by way of refunds or a reduction in future contributions.

Risk mitigation

Risk	Action taken
Investment and longevity risks	The investment and longevity risks for the main UK scheme have been fully insured through the purchase of a qualifying bulk annuity insurance policy during the year ended 31 March 2020, whilst the remaining assets of the funded defined benefit plans in the US are predominantly held in fixed interest security type investments, as a result of the de-risking initiatives through the sale of equities and some investment funds. At 31 March 2023, £603 million (2022 – £854 million) of the benefit obligation was fully matched by qualifying insurance policies that also mitigate longevity and investment risks.
Interest rate risk	The bulk annuity insurance policy has nullified the interest rate risk for the main UK scheme. For the US funded plans, the Group seeks to ensure that, as far as practicable, the investment portfolios are invested in securities with maturities and in currencies that match the expected future benefit payments as they fall due.
Inflation risk	Inflation risk for the main UK scheme has also been nullified due to the bulk annuity policy. The deferred pensions and pensions in payment in the US funded plans do not attract inflation increases. Some inflation risk exists in relation to the employee members' benefits which is mitigated by holding index-linked government bonds and corporate bonds.

32. Share-based payments

All of the awards granted under the existing plans are classified as equity-settled awards. The Group recognises compensation expense based on the fair value of the awards measured at the grant date using the Black-Scholes option pricing model. Fair value is not subsequently re-measured unless relevant conditions attaching to the award are modified.

Fair value reflects any market performance conditions and all non-vesting conditions. Adjustments are made to the compensation expense to reflect actual and expected forfeitures due to failure to satisfy service conditions or non-market performance conditions.

The resulting compensation expense is recognised in the consolidated income statement on a straight-line basis over the vesting period and a corresponding credit is recognised in equity. In the event of the cancellation of an award the compensation expense that would have been recognised over the remainder of the vesting period is recognised immediately in the consolidated income statement.

The Company operates share-based incentive arrangements for the executive directors, senior executives and other eligible employees under which awards and options are granted over the Company's ordinary shares. All of the arrangements under which awards and options were outstanding during the 2023 and 2022 financial years are classified as equity-settled.

During the year, the compensation expense recognised in profit or loss in respect of share-based incentives was £20 million (2022 – £12 million). Other than the Sharesave Plan, all option awards have a nil exercise price. The following arrangements existed during the period:

Notes to the Consolidated Financial Statements continued

32. Share-based payments continued

Performance Share Plan

The Group's principal ongoing share-based incentive arrangement is the Performance Share Plan (PSP). Participation in the PSP is restricted to the executive directors and other senior executives. Awards made under the PSP normally vest provided the participant remains in the Group's employment until the end of the performance period and are subject to the satisfaction of performance conditions.

The conditions applicable to PSP awards made from 1 April 2021 relate to the achievement of organic revenue growth, the Group adjusted return on capital employed (ROCE), relative Total Shareholder Return and Purpose and Sustainability metrics over the performance period. Up to 30% of each award vests dependent on compound organic revenue growth over the performance period. Up to 25% of each award vests dependent on the Group's adjusted ROCE from continuing operations reaching specified levels at the end of the performance period. Up to 25% of each award vests based on Total Shareholder Return over the period ranked against the Group's industry peers. The final 20% vests based on achievement of Purpose and Sustainability aims with financial year 2024 outcomes compared to stated goals.

The conditions applicable to PSP awards made in prior years relate to the achievement of the Group adjusted ROCE, volume growth in Food & Beverage Solutions and earnings per share growth. Up to 40% of each award vests dependent on the Group's adjusted ROCE from total operations reaching specified levels at the end of the performance period. Up to 20% of each award vests dependent on the compound annual growth in Food & Beverage Solutions volume over the performance period, with the remaining 40% from compound annual growth in the Group's adjusted earnings per share, over the performance period.

The performance period runs for three financial years commencing in the financial year in which the award is granted.

Group Bonus Plan – deferred element

Bonuses earned under the Group Bonus Plan (GBP) are normally paid in cash up to 100% of the base salary of the participating executive. Any excess above 100% of base salary is paid in the form of deferred shares that are released after two years subject to the executive remaining in the Group's employment. During the vesting period, payments in lieu of dividends are made in relation to the deferred shares, and are paid on the release of the deferred shares.

Sharesave Plan

Options are granted from time to time under the Company's Sharesave Plan, which is open to all employees in the UK. It offers eligible employees the option to buy shares in the Company after a period of three or five years funded from the proceeds of a savings contract to which they contribute on a monthly basis. The exercise price reflects a discount to market value of up to 20%.

Restricted Share Awards

The Company has made a Restricted Share Award (RSA) to a number of eligible employees. Awards made normally vest provided the participant remains in the Group's employment during the performance period and other conditions, specific to the individual awards, are met.

Further information relating to specific awards made to executive directors are set out in the Directors' Remuneration Report on pages 106 to 129.

Movements in the year

Movements in the awards outstanding during the year were as follows:

	Year ended 31 March 2023		Year ended 31 March 2022	
	Awards (number)	**Weighted average exercise price (pence)**	Awards (number)	Weighted average exercise price (pence)
Outstanding at 1 April	**10 407 889**	**12p**	9 793 339	14p
Granted	**3 457 036**	**16p**	4 704 587	11p
Exercised	**(1 353 110)**	**15p**	(1 926 800)	22p
Lapsed	**(2 937 783)**	**4p**	(2 163 237)	8p
Outstanding at 31 March	**9 574 032**	**16p**	10 407 889	12p
Exercisable at 31 March	**71 415**	**243p**	108 054	37p

The weighted average market price of the Company's ordinary shares on the dates on which awards were exercised during the year was 777p (2022 – 784p).

Awards granted in the year

During the year, PSP awards were granted over 3,227,836 shares (2022 – 3,600,659 shares), RSAs were granted over 128,072 shares (2022 – 932,309 shares). Shares issued under the Group Bonus Plan in the year were 6,167 shares (2022 – 77,640 shares) and Sharesave options were granted over 94,961 shares (2022 – 93,979 shares). The compensation expense recognised in relation to these awards is based on the fair value of the awards at their respective grant dates.

The weighted average fair values of the awards granted during the year and the principal assumptions made in measuring those fair values were as follows:

	Year ended 31 March 2023		Year ended 31 March 2022	
	PSP	**Sharesave**	PSP	Sharesave
Fair value at grant date	**694p**	**211p**	608p	141p
Exercise price	**–**	**571p**	–	542p
Principal assumptions:				
Share price on grant date	**805p**	**730p**	738p	649p
Expected life of the awards	**3 years**	**3.3/5.3 years**	3 years	3.3/5.3 years
Risk-free interest rate	**1.85%**	**3.22%/3.16%**	n/a	0.39%/0.78%
Dividend yield on the Company's shares	**2.26%**	**2.49%**	2.08%	2.39%
Volatility of the Company's shares	**25%**	**25%**	n/a	25%

There were 6,167 shares issued under the Group Bonus Plan during the year (2022 – 77,640 shares). The RSAs were granted, with employment related conditions and expected life of the award, specific to each individual grant.

Notes to the Consolidated Financial Statements continued

32. Share-based payments continued

Awards granted in the year continued

The fair value of the awards was measured using a Black-Scholes option pricing methodology, taking into account factors such as exercise restrictions and behavioural considerations.

Expected volatility was based on the historical volatility of the market price of the Company's shares over the expected life of the awards.

Awards outstanding at the end of the year

The range of exercise prices and the weighted average remaining contractual life of the awards outstanding at the end of the year were as follows:

	At 31 March 2023		At 31 March 2022	
Exercise price	Awards (number)	Weighted average contractual life (months)	Awards (number)	Weighted average contractual life (months)
Nil	9 299 770	26.6	10 171 846	36.7
400p to 799p	274 262	33.9	236 043	33.4
Total	9 574 032	26.8	10 407 889	36.7

IFRS 2 permits net settled share-based payments to be treated as equity-settled in full, if certain criteria are met, rather than the tax element being cash-settled. The amount the Group expects to pay to tax authorities to settle the employees' tax obligations in respect of equity settled awards in the next financial year is not materially different to the amounts paid in the current and prior financial years. Refer to Note 23.

33. Provisions and contingent liabilities

A provision is a liability of uncertain timing or amount that is recognised when: 1) the Group has a present obligation (legal or constructive) as a result of a past event; 2) it is more likely than not that a payment will be required to settle the obligation; and 3) the amount can be reliably estimated.

Where a payment is not probable, or the amount of the obligation cannot be measured with sufficient certainty, a contingent liability is disclosed. Contingent liabilities are also disclosed if a possible obligation arises from past events, but its existence will be confirmed only by the occurrence or non-occurrence of uncertain future events.

Provisions

	Insurance provisions £m	Restructuring and closure provisions £m	Environmental health & safety provision £m	Litigation and other provisions £m	Total £m
At 1 April 2021	7	3	–	25	35
Provided in the year	4	–	–	13	17
Released in the year	–	(1)	–	(8)	(9)
Utilised in the year	(6)	(2)	–	(13)	(21)
Currency translation differences	–	–	–	1	1
At 31 March 2022	5	–	–	18	23
Provided in the year	17	–	–	8	25
Released in the year	(9)	–	–	(13)	(22)
Utilised in the year	(6)	–	–	(3)	(9)
Currency translation differences	–	–	–	1	1
At 31 March 2023	7	–	–	11	18

	At 31 March 2023 £m	2022 £m
Provisions are expected to be utilised as follows:		
– within one year	13	11
– after more than one year but before five years	5	12
Total	18	23

Insurance provisions include amounts provided by the Group's captive insurance subsidiary in respect of the expected level of insurance claims.

The difference between the carrying value and the discounted present value was not material in either year. The amount and timing of settlement in respect of these provisions are uncertain and dependent on various factors that are not always within management's control.

Contingent liabilities

The Group is subject to claims and litigation generally arising in the ordinary course of its business. Provision is made when liabilities are considered likely to arise and the expected quantum of the exposure is estimable. The risk in relation to claims and litigation is monitored on an ongoing basis and provisions amended accordingly.

It is not expected that claims and litigation existing at 31 March 2023 will have a material adverse effect on the Group's financial position.

Notes to the Consolidated Financial Statements continued

34. Commitments

Total commitments for the purchase of tangible and intangible non-current assets are £32 million (2022 – £51 million).

In addition, the Group has various lease contracts that have not yet commenced as at 31 March 2023. The future lease payments for these non-cancellable lease contracts are £1 million within one year, £3 million within five years and £nil thereafter.

Commitments in respect of retirement benefit obligations are detailed in Note 31.

35. Acquisitions

Business combinations

A business combination is a transaction or other event in which the Group obtains control over a business. Business combinations are accounted for using the acquisition method, the key elements of which are below.

Identifiable assets and liabilities of the acquired business are generally measured at their fair value at the acquisition date. Retirement benefit obligations and deferred tax assets and liabilities are measured in accordance with the Group's accounting policies.

Consideration transferred represents the sum of the fair values at the acquisition date of the assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control over the acquired business. Acquisition-related costs are charged to the consolidated income statement in the period in which they are incurred.

Any non-controlling interest in the acquired business is measured either at fair value or at the non-controlling interest's proportionate share of the identifiable assets and liabilities of the business.

Goodwill arising in a business combination represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquired business and, where a business combination is achieved in stages, the fair value at the acquisition date of the Group's previously held equity interest, over the net total of the identifiable assets and liabilities of the acquired business at the acquisition date. Any re-measurement gain or loss on the previously held equity interest is recognised in the consolidated income statement. Any shortfall, or negative goodwill, is recognised immediately as a gain in the consolidated income statement.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for within equity. Any gain or loss upon loss of control is recognised in the consolidated income statement.

In the 2023 financial year:

Nutriati acquisition

On 29 April 2022 the Group completed the acquisition of Nutriati, an ingredient technology business developing and producing chickpea protein and flour, expanding its capability to offer customers sustainable, plant-based solutions. This transaction was structured as an asset purchase and is being accounted for as a business combination. Total consideration was £10 million, including £1 million of deferred consideration and £1 million of non-cash consideration. Included within the identifiable assets acquired are inventories of £3 million and intangible assets of £6 million. Goodwill of £1 million, which is not deductible for tax purposes, has been recorded on the acquisition.

Quantum acquisition

On 9 June 2022 the Group completed the acquisition for 100% of the equity of Quantum Hi-Tech (Guangdong) Biological Co., Ltd (Quantum), a leading prebiotic dietary fibre business in China from ChemPartner Pharmatech Co., Ltd (ChemPartner) for a total consideration of US$238 million (£188 million). The acquisition of Quantum, which engages in the research, development, production and sale of fructo-oligosaccharides and galacto-oligosaccharides, significantly strengthens Tate & Lyle's position as a leading global player in dietary fibres, bringing a high-quality portfolio of speciality fibres, strong research and development capabilities and proprietary manufacturing processes and technologies. The acquisition also expands Tate & Lyle's ability to provide added-fibre solutions for its customers across a range of categories including dairy, beverages, bakery and nutrition (including infant nutrition), and to meet growing consumer interest in gut health. It also significantly expands Tate & Lyle's presence in China and Asia, and extends its capabilities to create solutions across food and drink utilising its leading speciality ingredient portfolio.

Details of the acquisition are provided in the tables below:

Goodwill	At 31 March 2023 £m
Total consideration	188
Less: fair value of net assets acquired	(93)
Goodwill	**95**

Cash flows	At 31 March 2023 £m
Total consideration	188
Less: net cash acquired	(4)
Acquisition of business, net of cash acquired	**184**

Notes to the Consolidated Financial Statements continued

35. Acquisitions continued

Fair value of net assets acquired	Book value on acquisition £m	Fair value adjustment £m	Total fair value £m
Intangible assets (customer relationships, technology/know-how)	–	90	90
Property, plant and equipment	12	7	19
Inventories	4	1	5
Trade and other receivables	5	–	5
Cash and cash equivalents	4	–	4
Trade and other payables	(6)	–	(6)
Deferred tax liabilities	–	(24)	(24)
Net assets on acquisition	19	74	93

The gross amount of trade receivables is materially the same as the fair value of the trade receivables and it is expected that the full contractual amounts can be collected. The goodwill, which is not deductible for tax purposes, primarily represents the premium paid to acquire an established business with a leading and sustainable market position in China with the potential to expand beyond. It also represents the future value to the Group of being able to leverage its technology and products, which are highly complementary to the Group's existing fibres portfolio, to offer an enhanced range of fibre solutions to existing customers.

The acquired business contributed revenue of £32 million and an operating profit of £8 million for the period from acquisition on 9 June 2022 until 31 March 2023 (excluding the amortisation of acquired intangibles recognised from the acquisition). Had the business been acquired at the beginning of the 2023 financial year, it would have contributed revenue of £39 million and an operating profit of £14 million in the year ended 31 March 2023.

In the 2022 financial year:
There were no acquisitions in the 2022 financial year.

36. Related party disclosure

Identity of related parties

The Group has related party relationships with its joint ventures, the Group's pension schemes and with key management, being its Directors and executive officers. Key management compensation is disclosed in Note 9. There were no other related party transactions with key management.

As a result of the sale of the controlling stake in the Primient business, Tate & Lyle now holds a 49.7% interest in Primient, effective from 1 April 2022. Primient comprises of the Group's former Primary Products business in North America and Latin America and its former interests in the Almidones Mexicanos S.A de C.V ('Almex') and Covation Biomaterials LLC, formerly 'Bio-PDO' ('Covation') joint ventures. There were no other material changes in related parties or in the nature of related party transactions during the year and no material related party transactions containing unusual commercial terms in the current or prior year.

Related party transactions with joint ventures and outstanding balances

	Year ended 31 March	
	Primient 2023 £m	Almex and Covation 2022 £m
Sales of goods and services to joint ventures and other income	47	147
Purchases of goods and services from joint ventures	302	–
Receivables due from joint ventures	16	13
Payables due to joint ventures	18	–

Transactions entered into by the Company, Tate & Lyle PLC, with subsidiaries and between subsidiaries as well as the resultant balances of receivables and payables are eliminated on consolidation and are not required to be disclosed.

Sales of goods and services to the Primient joint venture are considered in scope of IFRS 15 and relate to the Group's commitment under the long-term agreements in operation following the completion of the Transaction to produce industrial starches for Primient under a tolling arrangement whereby Primient retains control of the net raw material at all times. The Group earns a manufacturing margin for this production when the service is provided. All associated income is earned in North America. The Group considers it appropriate to exclude this amount from revenue and record the income in operating profit on the basis that this income is generated with a related party, is not part of the Group's normal revenue generating activities (where revenue is recognised when control of the goods is transferred), only arises because of the relationship that exists in which Primient is a supplier of the Group, and is outside the Group's core focus on speciality food and beverage solutions.

37. Events after the balance sheet date

In April 2023, the Group repaid a US$95 million US private debt floating rate note ahead of its maturity using cash.

There are no other post balance sheet events requiring disclosure in respect of the year ended 31 March 2023.

Notes to the Consolidated Financial Statements continued

38. Related undertakings

A full list of related undertakings, comprising subsidiaries and joint ventures, is set out below. All are 100% owned directly or indirectly by the Group except where percentage ownership is indicated with (X%).

Subsidiaries

Company name	Registered address
United Kingdom[1]	
Astaxanthin Manufacturing Limited	5 Marble Arch, London W1H 7EJ, UK
G.C. Hahn and Company Limited[2]	5 Marble Arch, London W1H 7EJ, UK
Hahntech International Limited	5 Marble Arch, London W1H 7EJ, UK
Tate & Lyle Export Holdings Limited[2]	5 Marble Arch, London W1H 7EJ, UK
Tate & Lyle Group Services Limited	5 Marble Arch, London W1H 7EJ, UK
Tate & Lyle Holdings Americas Limited	5 Marble Arch, London W1H 7EJ, UK
Tate & Lyle Holdings Limited[3]	5 Marble Arch, London W1H 7EJ, UK
Tate & Lyle Mold UK Limited	5 Marble Arch, London W1H 7EJ, UK
Tate & Lyle Industries Limited	5 Marble Arch, London W1H 7EJ, UK
Tate & Lyle International Finance PLC[2]	5 Marble Arch, London W1H 7EJ, UK
Tate & Lyle Investments America Limited[3]	5 Marble Arch, London W1H 7EJ, UK
Tate & Lyle Investments Brazil Limited	5 Marble Arch, London W1H 7EJ, UK
Tate & Lyle Investments Limited[2,3]	5 Marble Arch, London W1H 7EJ, UK
Tate & Lyle L.P.	1209 North Orange Street, Wilmington, DE 19801, US
Tate & Lyle Overseas Limited	5 Marble Arch, London W1H 7EJ, UK
Tate & Lyle Pension Trust Limited[2]	5 Marble Arch, London W1H 7EJ, UK
Tate & Lyle Technology Limited[2]	5 Marble Arch, London W1H 7EJ, UK
Tate & Lyle UK Limited[2]	5 Marble Arch, London W1H 7EJ, UK
Tate & Lyle Ventures II LP (99.5%)	5 Marble Arch, London W1H 7EJ, UK
Tate & Lyle Ventures Limited[2]	5 Marble Arch, London W1H 7EJ, UK
Tate & Lyle Ventures LP (99.5%)	5 Marble Arch, London W1H 7EJ, UK
Argentina	
Tate & Lyle Argentina SA[4]	San Martín 140, 14th Floor, City of Buenos Aires, Argentina
Australia	
Tate & Lyle ANZ Pty Limited	Building 2, 1425 Boundary Road, Wacol QLD 4076, Australia
Belgium	
Tate & Lyle Services (Belgium) N.V.[2]	Industrielaan 4 box, 10-11, 9320 Aalst, Belgium
Bermuda	
Tate & Lyle Management & Finance Limited	Aon House, 30 Woodbourne Avenue, Pembroke, HM 08, Bermuda
Brazil	
G.C. Hahn & Co. do Brasil Estabilizantes e Tecnologia para Alimentos Ltda.[4]	Rua Sapetuba Nº 211, CEP:- 005510-001- Vila Pirajussara, Estado de São Paulo, Brazil
Tate & Lyle Gemacom Tech Indústria e Comércio S.A.[4]	Rua Bruno Simili No. 380, Distrito Industrial, City of Juiz de Fora, State of Minas Gerais, 36092-050, Brazil
Tate & Lyle Solutions Brasil Limitada[4]	Rua Dr. Rubens Gomes Bueno, No. 691, Torre Sigma, 10th floor, Bairro Várzea de Baixo, 04730-903, Brazil
British Virgin Islands	
SGF (Asia) Co., Limited	Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands
SGF Investment Co., Limited	Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands
Canada	
Tate & Lyle Solutions Canada Limited	Suite 300, 77 Westmorland Street, Fredericton, NB E3B 4Y9, Canada
Cayman Islands	
Sweet Green Fields Group Co., Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Chile	
Tate & Lyle Chile Commercial Ltda	Isidora Goyenechea 2800, Piso 43, Las Condes, Santiago, Chile
China	
Quantum High Tech (Guangdong) Biological Co., Ltd[4]	133 Gaoxin Xi Road, Hi-Tech Zone, Jiangmen City, Guangdong, China
Sweet Green Fields Co., Limited[4]	Anji Economic Development Zone, Health Medicine Industry Garden, Huzhou, Zhejiang, China
Tate & Lyle Trading (Shanghai) Co. Ltd[4]	Room 1401, Building 11, No. 1582, Gumei Road, Xuhui District, Shanghai, 200233, China
G.C. Hahn & Co. Food Stabiliser Business (Shanghai) Ltd[4]	Unit A, Room 1301, Building 11, No. 1582, Gumei Road, Xuhui District, Shanghai, 200233, China
Tate & Lyle Food Ingredients (Nantong) Company Limited[4]	New & Hi-Tech Industrial Development District, Rudong county, Nantong city, 226400, China

Notes to the Consolidated Financial Statements continued

38. Related undertakings continued

Company name	Registered address
Colombia	
Tate & Lyle Colombia S.A.S.[4]	Calle 11 #100-121 Of 309, Cali, Colombia
Costa Rica	
Tate & Lyle Costa Rica Limitada	San Jose Merced, Edificio Torre Mercedes, Piso Octavo, Oficinas De CDO Auditores, Costa Rica
Croatia	
G.C. Hahn & Co. d.o.o.	Radnička cesta 80, Zagreb, 10 000, Croatia
Czech Republic	
G.C. Hahn & Co. stabilizacni technika, s.r.o.	Kateřinská 466/40, Nové Město, 120 00 Praha 2, Czech Republic
Egypt	
Tate & Lyle Egypt LLC	87 Street 9, Maadi, Cairo, Egypt
France	
Tate & Lyle Ingredients France S.A.S.	3-5 Rue Saint-Georges, 75009, Paris, France
Germany	
G.C. Hahn & Co. Stabilisierungstechnik GmbH	Roggenhorster Strasse 31, 23556, Lübeck, Germany
G.C. Hahn & Co. Cooperationsgesellschaft mbH	Roggenhorster Strasse 31, 23556, Lübeck, Germany
Tate & Lyle Germany GmbH	Roggenhorster Strasse 31, 23556, Lübeck, Germany
Gibraltar	
Tate & Lyle Insurance (Gibraltar) Limited	Suite 913, Europort, Gibraltar
Greece	
Tate & Lyle Greece A.E.	69 K. N Papadaki, Thessaloniki, 54248 Thessaloniki, Greece
Hong Kong	
Quantum High Tech (HK) Biological Co., Ltd	31F Tower Two, Times Square, Matheson Street, Hong Kong
Sweet Green Fields International Co., Limited	2701, 27th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Italy	
Tate & Lyle Italia S.P.A.	Via Verdi, 1-CAP 20002 Ossona, Milano, Italy
Indonesia	
PT Tate and Lyle Indonesia	Jagat Office Building, Lantai 2 Unit B, Jl. Tomang Raya No. 28-30, Jakarta Barat, 11430, Indonesia
Ivory Coast	
Tate & Lyle Ivory Coast[4]	Abidjan Cocody 2, Plateaux 01, BP 659 ABJ 01, Côte d'Ivoire
Japan	
Tate & Lyle Japan KK	2F Oak Minami-Azabu Building, 3-19-23 Minami-Azabu, Minato-ku, Tokyo, Japan
Lithuania	
UAB G.C. Hahn & Co.	Vito Gerulaičio str. 10-101, LT-08200, Vilnius, Lithuania
Mexico	
Tate & Lyle México, S. de R.L. de C.V.[4]	Piso 2, Av. Universidad 749, Col del Valle Sur, Ciudad de México, 03100, México
Mexama, S.A. de C.V.[4] (65%)	Calle lago de tequesquitengo, No 111 Col. Cuahutemoc C.P. 62430, Morelos, México
Talo Services de Mexico, S.C.[4]	Piso 2, Av. Universidad 749, Col del Valle Sur, Ciudad de México, 03100, México

Company name	Registered address
Morocco	
T&L Casablanca S.A.R.L.	22, Rue du Parc, Casa Théâtre Centre, Anfa, Casablanca, Morocco
Netherlands	
Nederlandse Glucose Industrie B.V.	Lagendijk 5, Koog aan de Zaan, 1541KA, The Netherlands
Tate & Lyle Netherlands B.V.	Lagendijk 5, Koog aan de Zaan, 1541KA, The Netherlands
Poland	
Tate & Lyle Global Shared Services Sp.z o.o.	Ul. Sterlinga 8A, 91425, Łódź, Poland
Singapore	
Tate & Lyle Asia Pacific Pte. Ltd.	3 Biopolis Drive, #05-11-16 Synapse, 138623 Singapore
Slovakia	
Tate & Lyle Boleráz s.r.o.	114, Boleráz, 91908, Slovakia
Tate & Lyle Slovakia s.r.o	114, Boleráz, 91908, Slovakia
South Africa	
Tate and Lyle South Africa Proprietary Limited	1 Gravel Drive, Kya Sand Business Park, Kya Sand, 2163, South Africa
Spain	
G.C. Hahn Estabilizantes y Tecnologia para Alimentos	Calle Príncipe de Vergara 112, Planta Cuarta, 28002, Madrid, Spain
Ebromyl S.L.	Ps. de la Constitución 10, Entlo. Dcha., 50008, Zaragoza, Spain
Sweden	
Tate & Lyle Sweden AB	Mäster Samuelsgatan 17, Box 1432, 111 84, Stockholm, Sweden
Thailand	
Chaodee Modified Starch Co., Ltd (94.295%)	No. 345, Moo 14, Hin Dat Subdistrict, Dan Khun Thot District, Nakhom Ratchasima Province, Thailand
Tate & Lyle Trading (Thailand) Limited	No. 345, Moo 14, Hin Dat Subdistrict, Dan Khun Thot District, Nakhom Ratchasima Province, Thailand
Türkiye	
Tate and Lyle Turkey Gıda Hizmetleri Anonim Şirketi	Esentepe Mah., Büyükdere Cad., 193 Plaza Kat: 2 193/235A14 Şişli, İstanbul, Türkiye
Ukraine	
PII G.C. Hahn & Co. Kyiv[4]	15 Zahorodnia Street, Kyiv, 03150, Ukraine
United Arab Emirates	
Tate & Lyle DMCC	Unit JLT-PH2-RET-X5, Detached Retail X5, Jumeirah Lakes Towers, Dubai, United Arab Emirates

Notes to the Consolidated Financial Statements continued

38. Related undertakings continued

Company name	Registered address
US	
Staley Holdings LLC	1209 North Orange Street, Wilmington, DE 19801, US
Staley International Inc.	1209 North Orange Street, Wilmington, DE 19801, US
Sweet Green Fields USA LLC	11 Bellwether Way, Suite 305, Bellingham WA 98225, US
Tate & Lyle Finance LLC	1209 North Orange Street, Wilmington, DE 19801, US
TLHUS, Inc.	1209 North Orange Street, Wilmington, DE 19801, US
Tate & Lyle Sucralose LLC	1209 North Orange Street, Wilmington, DE 19801, US
TLI Holding LLC	1209 North Orange Street, Wilmington, DE 19801, US
Tate & Lyle Malic Acid LLC	1209 North Orange Street, Wilmington, DE 19801, US
Tate & Lyle Sugar Holdings, Inc.	1209 North Orange Street, Wilmington, DE 19801, US
Tate & Lyle Americas LLC	1209 North Orange Street, Wilmington, DE 19801, US
Tate & Lyle Citric Acid LLC	1209 North Orange Street, Wilmington, DE 19801, US
Tate & Lyle Solutions USA LLC	1209 North Orange Street, Wilmington, DE 19801, US
Tate & Lyle PP Americas LLC	1209 North Orange Street, Wilmington, DE 19801, US
Tate & Lyle Domestic International Sales II Corporation	1209 North Orange Street, Wilmington, DE 19801, US

Joint Ventures

Company name	Registered address
US	
Primary Products Investments LLC (49.7%)	1209 North Orange Street, Wilmington, DE 19801, US

1 Registered in England and Wales, except Tate & Lyle L.P. which is registered in Delaware, US.
2 Direct subsidiaries of Tate & Lyle PLC.
3 Entity also issues preference shares which are 100% attributable to Tate & Lyle PLC.
4 Non-coterminous year end (31 December).

The results, assets and liabilities and cash flows of those entities whose financial years are not coterminous with that of the Group are consolidated or equity accounted in the Group's financial statements on the basis of management accounts for the year ended 31 March.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control would be accounted for within equity. Any gain or loss upon loss of control would be recognised in the consolidated income statement.

39. Subsidiaries exempt from audit

The following UK subsidiaries will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 March 2023.

Subsidiaries

Company name	Registered number
Tate & Lyle Export Holdings Limited	10021479
Tate & Lyle Group Services Limited	00343970
Tate & Lyle Holdings Americas Limited	06390829
Tate & Lyle Holdings Limited	00471470
Tate & Lyle Industries Limited	00699090
Tate & Lyle Investments America Limited	10384878
Tate & Lyle Investments Brazil Limited	05399545
Tate & Lyle Investments Limited	00300771
Tate & Lyle Technology Limited	05994725
Tate & Lyle UK Limited	09092139
Tate & Lyle Ventures Limited	03403518

Parent Company Balance Sheet

	Notes	At 31 March 2023 £m	2022 £m
ASSETS			
Fixed assets			
Tangible fixed assets (including right-of-use assets of £11 million (2022 – £12 million))	2	14	16
Intangible assets	2	2	2
Investments in subsidiary undertakings	2	1 101	1 092
Total		1 117	1 110
Current assets			
Debtors	4	1 586	1 617
		1 586	1 617
Creditors – amounts falling due within one year	5	(1 284)	(1 271)
Borrowings (including lease liabilities of £2 million (2022 – £2 million))	6	(2)	(2)
Provisions for liabilities	7	–	(1)
Net current assets		300	343
Total assets less current liabilities		1 417	1 453
Creditors – amounts falling due after more than one year	5	–	(2)
Borrowings (including lease liabilities of £13 million (2022 – £17 million))	6	(13)	(17)
Provisions for liabilities	7	–	(3)
Net assets		1 404	1 431
Capital and reserves			
Called up share capital	9	117	117
Share premium account		408	407
Capital redemption reserves		8	8
Retained earnings		871	899
Total shareholders' funds		1 404	1 431

The Company recognised profit for the year of £535 million (2022 – £204 million).

The notes on pages 200 to 204 form part of these financial statements. The Parent Company's financial statements on pages 198 to 204 were approved by the Board of Directors on 24 May 2023 and signed on its behalf by:

Nick Hampton
Director

Dawn Allen
Director

Tate & Lyle PLC
Registered number: 76535

Parent Company Statement of Changes in Equity

	Called up share capital £m	Share premium account £m	Capital redemption reserves £m	Retained earnings £m	Total equity £m
At 1 April 2021	117	407	8	840	1 372
Profit for the year	–	–	–	204	204
Purchase of own shares including net settlement	–	–	–	(13)	(13)
Share-based payments	–	–	–	12	12
Dividends paid	–	–	–	(144)	(144)
At 31 March 2022	117	407	8	899	1 431
Profit for the year	–	–	–	535	535
Issue of share capital	–	1	–	–	1
Purchase of own shares including net settlement	–	–	–	(13)	(13)
Share-based payments	–	–	–	20	20
Dividends paid	–	–	–	(570)	(570)
At 31 March 2023	117	408	8	871	1 404

At 31 March 2023, the Company had realised profits available for distribution in excess of £650 million (2022 – in excess of £745 million).

Notes to the Parent Company Financial Statements

1. Principal accounting policies

Basis of preparation

Tate & Lyle PLC (the Company) is a public limited company incorporated in the United Kingdom and registered in England. The Company's ordinary shares are listed on the London Stock Exchange.

The Company's financial statements are prepared under the historical cost convention in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006 as at 31 March 2023, with comparative figures as at 31 March 2022.

For the reasons set out on pages 146, the Company's financial statements are prepared on a going concern basis.

As permitted by Section 408 of the Companies Act 2006, the Company's profit and loss account is not presented in these financial statements. Profit and loss account disclosures are presented in Note 11.

The results of the Company are included in the preceding Group consolidated financial statements.

The following disclosure exemptions from the requirements of UK adopted International Accounting Standards have been applied in the preparation of these financial statements, in accordance with FRS 101:
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18(a) of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 79(a)(iv) of IAS 1, paragraph 73(e) of IAS 16 Property, Plant and Equipment and 118(e) of IAS 38 Intangible assets
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-Based Payments
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement
- the requirements of paragraphs 10(d) (statement of cash flows), 10(f) (statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively), 38(A to D) (comparative information), 111 (statement of cash flows) and 134 to 136 (capital management) of IAS 1 Presentation of Financial Statements
- the requirements of paragraphs 52 and 58 of IFRS 16 Leases
- the requirements of paragraph 16 of IAS 1.

The Company intends to maintain these disclosure exemptions in future years.

Accounting policies

Investments in subsidiary undertakings

Subsidiaries are all entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiary undertakings represent interests that are directly owned by the Company and are stated at cost less amounts written off for any permanent diminution in value.

Tangible fixed assets

Land and buildings mainly comprise of administrative facilities. Plant and machinery mainly comprise of office equipment. Fixed assets are stated at historical cost less accumulated depreciation and impairment and are reviewed for impairment when any changes in circumstances indicate that their carrying amounts may not be recoverable.

Intangible assets

Intangible assets comprise computer software and are amortised on a straight-line basis over the periods of their expected benefit to the Company. Capitalised costs in respect of core global IS/IT systems included within computer software are being amortised over a period of five to seven years and are reviewed for impairment when any changes in circumstances indicate that their carrying amounts may not be recoverable.

Retirement benefits

The Company participates in a defined benefit pension scheme in which certain of its subsidiaries also participate. The Company, which is not the principal employer, cannot identify its share of the underlying assets and liabilities of the scheme. Accordingly, as permitted by IAS 19 Employee benefits, the Company accounts for the scheme as a defined contribution scheme and charges its contributions to the scheme to the profit and loss account in the periods in which they fall due.

Share-based payments

As described in Note 32 to the consolidated financial statements, the Company operates share-based incentive plans under which it grants awards over its ordinary shares to its own employees and to those of its subsidiary undertakings. All of the awards granted under the existing plans are classified as equity-settled awards.

Estimating fair value for share-based transactions requires determination of the most appropriate valuation model which depends on the terms and conditions of each individual grant. This estimation also requires determination of the most appropriate inputs to the valuation model and represents a key source of estimation uncertainty.

For awards granted to its own employees, the Company recognises an expense that is based on the fair value of the awards measured at the grant date using a Black-Scholes option pricing methodology. For awards granted to employees of its subsidiary undertakings, the Company recognises a capital contribution to the subsidiary and a corresponding credit to equity calculated on the same basis as the expense that it recognises for awards to its own employees.

Guarantees

From time to time, the Company provides guarantees to third parties in respect of the indebtedness of its subsidiary undertakings and joint ventures. The Directors consider these guarantees to be insurance arrangements and, therefore, the Company recognises a liability in respect of such guarantees only in the event that it becomes probable that the guarantee will be called upon and the Company will be required to make a payment to the third party.

Own shares

Own shares represent the Company's ordinary shares that are held by the Company in treasury or by a sponsored Employee Benefit Trust that are used to satisfy awards made under the Company's share-based incentive plans. When own shares are acquired, the cost of purchase in the market is deducted from the profit and loss account reserve. Gains or losses on the subsequent transfer or sale of own shares are also recognised in the profit and loss account reserve.

Notes to the Parent Company Financial Statements continued

1. Principal accounting policies continued

Dividends

Dividends on the Company's ordinary shares are recognised when they have been appropriately authorised and are no longer at the Company's discretion. Accordingly, interim dividends are recognised when they are paid and final dividends are recognised when they are declared following approval by shareholders at the Company's AGM. Dividends are recognised as an appropriation of shareholders' funds. Details of dividends paid and proposed are set out in Note 10.

Dividend income received from subsidiary companies is recognised when the right to receive the payment is established.

Debtors

Debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised costs or their recoverable amount. The Company recognises an allowance for expected credit losses based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

Creditors

Trade payables are predominantly short term and are initially recognised at fair value, which is generally the invoice amount. The effects of the time-value of money are not material.

2. Fixed assets

	Land and buildings £m	Plant and machinery £m	Intangible assets £m	Investments in subsidiaries £m
Cost				
At 1 April 2022	25	5	7	1 242
Additions	–	–	–	9
Disposals	(3)	–	–	–
At 31 March 2023	**22**	**5**	**7**	**1 251**
Accumulated depreciation/amortisation/impairment				
At 1 April 2022	9	5	5	150
Depreciation/amortisation/impairment charge	2	–	–	–
Disposals	(3)	–	–	–
At 31 March 2023	**8**	**5**	**5**	**150**
Net book value at 31 March 2022	16	–	2	1 092
Net book value at 31 March 2023	**14**	**–**	**2**	**1 101**

3. Leases

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of future lease payments. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date.

The right-of-use assets presented in the Company balance sheet comprise of tangible fixed assets being leases of office buildings. The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost including the amount of lease liabilities recognised and initial direct costs incurred less any incentives granted by the lessor. Right-of-use assets are subject to impairment. Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the right-of-use assets.

Movements in right-of-use assets are included in land and buildings in Note 2 Fixed Assets.

The total cash outflow for leases in the year ended 31 March 2023 was £2 million (2022 – £2 million).

Leases of buildings usually have lease terms between 1 and 16 years.

4. Debtors

	At 31 March	
	2023 £m	2022 £m
Due within one year		
Current tax	**24**	39
Amounts owed by subsidiary undertakings[1]	**1 550**	1 567
Other debtors[1]	**9**	10
Due after one year		
Deferred tax	**3**	1
Total	**1 586**	1 617

1 The effective interest rate applicable to amounts owed by subsidiary undertakings at 31 March 2023 is 3.6% (2022 – 1.6%). Amounts owed by subsidiary undertakings are receivable on demand. There is no security for non-trading amounts. The Company has assessed the effect of expected credit loss on amounts owed by subsidiary undertakings and other debtors and has concluded that no provision is necessary (2022 – £nil).

Notes to the Parent Company Financial Statements continued

5. Creditors

	At 31 March 2023 £m	2022 £m
Due within one year		
Amounts owed to subsidiary undertakings[1]	1 258	1 221
Other creditors	4	5
Accruals and deferred income	22	45
Total	1 284	1 271

1 The effective interest rate applicable to amounts owed to subsidiary undertakings at 31 March 2023 was 4.1% (2022 – 1.9%). Amounts owed to subsidiary undertakings are repayable on demand. There is no security for non-trading amounts.

	At 31 March 2023 £m	2022 £m
Due after one year		
Creditors – preference shares	–	2
Total	–	2

On 4 October 2022, a reduction of the Company's capital was completed, through the cancellation and repayment of all of its 2,394,000 6.5% cumulative preference shares of £1 each.

6. Borrowings

At 31 March 2023, borrowings of £15 million (2022 – £19 million) relate to lease liabilities. £2 million (2022 – £2 million) of the total relates to current lease liabilities. Lease liabilities are measured at the present value of the future lease payments, discounted using lessee's incremental borrowing rate at the lease commencement date.

7. Provision for liabilities

	At 31 March 2023 £m	2022 £m
Due within one year		
Other provisions	–	1
Due after one year		
Other provisions	–	3

8. Guarantees and financial commitments

At 31 March 2023, the Company had given guarantees in respect of committed financing of certain of its subsidiaries and joint ventures totalling £1,318 million (2022 – £1,312 million), against which amounts drawn totalled £652 million (2022 – £635 million). The Company had given guarantees in respect of lease commitments of certain of its subsidiaries and joint ventures totalling £25 million (2022 – £192 million). The Company provides other guarantees in the normal course of business. The Company has assessed the probability of material loss under these guarantees as remote. Commitments in respect of retirement benefit obligations are detailed in Note 12.

The Company will guarantee the debts and liabilities of certain of its UK subsidiaries at 31 March 2023 in accordance with section 479C of the Companies Act 2006. The Company has assessed the probability of loss under these arrangements as remote.

At 31 March 2023, the Company had outstanding capital commitments of £nil million (2022 – £1 million).

9. Share capital and share premium

Allotted, called up and fully paid equity share capital

	Year ended 31 March 2023		Year ended 31 March 2022	
	Number of shares*	Cost £m	Number of shares*	Cost £m
At 1 April	468 534 065	117	468 458 393	117
Impact of share consolidation	(66 933 968)	–	–	–
Allotted under share option schemes	37 015	–	75 672	–
At 31 March	401 637 112	117	468 534 065	117

* The nominal value of each share increased from 25 pence at 31 March 2022 to 29 1/6 pence as result of the share consolidation which took place on 3 May 2022.

Refer to Note 23 in the consolidated financial statements for details of movement in share premium and shares held in the Employee Benefit Trust.

Notes to the Parent Company Financial Statements continued

10. Dividends on ordinary shares

Dividends on ordinary shares in respect of the financial year:

	Year ended 31 March	
	2023 Pence	2022 Pence
Per ordinary share:		
– interim dividend paid	5.4	9.0
– final dividend proposed	13.1	12.8
Total dividend	**18.5**	21.8

The Directors propose a final dividend for the financial year of 13.1p per ordinary share that, subject to approval by shareholders, will be paid on 2 August 2023 to shareholders who are on the Register of Members on 23 June 2023.

Dividends on ordinary shares paid in the financial year:

	Year ended 31 March	
	2023 £m	2022 £m
Final dividend paid relating to the prior financial year	51	102
Interim dividend paid relating to the financial year	22	42
Total dividend paid relating to prior and current financial year	**73**	144
Special dividend	**497**	–
Total dividend paid	**570**	144

On 16 May 2022, the Group returned £497 million to ordinary shareholders by way of a special dividend of £1.07 per existing ordinary share in the capital of Tate & Lyle PLC. In order to maintain the comparability, so far as possible, of Tate & Lyle PLC's share price before and after the special dividend, the Group also completed a share consolidation resulting in ordinary shareholders receiving six new ordinary shares with a nominal value of 29 $^{1}/_{6}$ pence each for every seven existing ordinary shares that they held.

Based on the number of ordinary shares outstanding at 31 March 2023 and the proposed dividend per share, the final dividend for the financial year is expected to amount to £52 million.

11. Profit and loss account disclosures

The Company recognised a profit for the year of £535 million (2022 – £204 million).

Fees payable to the Company's external auditor, Ernst & Young LLP, for the audit of the Company's financial statements amounted to £0.1 million (2022–£0.1 million). Refer to Note 7 of the consolidated financial statements.

The Company employed an average of 156 people (including Directors) during the year (2022 – 155). Staff costs are shown below:

	Year ended 31 March	
	2023 £m	2022 £m
Wages and salaries	28	31
Social security costs	6	5
Other pension costs	3	3
Share-based incentives	9	5
Total	**46**	44

Directors' emoluments disclosures are provided in the Directors' Remuneration Report on pages 106 to 129 and in Note 9 of the consolidated financial statements.

No deferred tax assets have been recognised in respect of tax losses of £341 million (2022 – £341 million) as there is uncertainty as to whether taxable profits against which these assets may be recovered will be available.

Notes to the Parent Company Financial Statements continued

12. Retirement benefit obligations

Plan information

The Company participates in a defined benefit plan together with another subsidiary company, Tate & Lyle Industries Ltd. In the 2020 financial year, a bulk annuity insurance policy 'buy-in' was completed for the main UK scheme; refer to Note 31 of the consolidated financial statements for further details. The plan is closed to new entrants and future accruals. The Company has circa 300 pensioners and deferred pensioners out of a total membership of 5,008 (excluding dependent beneficiaries).

The Company also operates a defined contribution pension plan. Contributions payable by the Company to the plan during the year amounted to £2 million (2022 – £2 million).

The Company has provided a full liability guarantee in respect of the pension obligations of Tate & Lyle Industries Ltd, the other participating employer.

Funding commitments of the plan

As required by UK regulations, actuarial valuations are carried out every three years. The latest main UK scheme triennial valuation as at 31 March 2019 was concluded during 2019. Following the purchase of the bulk annuity insurance policy (buy-in) in the main UK scheme, both core contributions to the scheme and supplementary contributions to the secured funding account have ceased. The Company continues to fund the UK plan administration costs.

13. Events after the balance sheet date

There are no post balance sheet events requiring disclosure in respect of the year ended 31 March 2023.

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Useful information

Contents

Group Five-Year Summary

The results for the years 2019 and 2020 have not been restated to reflect discontinued operations.

Year ended 31 March	2019 £m	2020 £m	2021* £m	2022 £m	**2023 £m**
Results summary					
Continuing operations					
Revenue	2 755	2 882	1 211	1 375	**1 751**
Food & Beverage Solutions				207	**271**
Sucralose				53	**58**
Primary Products Europe				(20)	**(9)**
Adjusted EBITDA				240	**320**
Adjusted operating profit	305	331	160	170	**249**
Amortisation of acquired intangible assets and other fair value adjustments	(11)	(11)	(10)	(10)	**(25)**
Exceptional items	(58)	(24)	(34)	(93)	**(28)**
Operating profit	236	296	116	67	**196**
Net finance expense	(26)	(28)	(26)	(25)	**(20)**
Share of profit after tax of joint ventures and associates	30	28	–	–	**(24)**
Profit before tax	240	296	90	42	**152**
Income tax expense	(59)	(51)	(1)	(16)	**(25)**
Profit for the year from continuing operations	181	245	89	26	**127**
Profit for the year from discontinued operations	–	–	164	210	**63**
Non-controlling interests	–	–	–	–	**–**
Profit for the year attributable to owners of the Company	181	245	253	236	**190**
Adjusted profit before tax	309	331	134	145	**253**

* 2021 financial year onwards reflects the impact of discontinued operations (see Notes 1 and 12). Adjusted EBITDA is provided for financial years starting from the 2022 financial year.

At 31 March	2019 £m	2020 £m	2021 £m	2022 £m	**2023 £m**
Employment of capital					
Goodwill and intangible assets	342	331	345	278	**452**
Property, plant and equipment	982	1 190	1 105	431	**488**
Other assets	59	63	59	46	**42**
Working capital (including provisions and non-debt derivatives)	401	409	421	258	**417**
Net pension surplus/(deficit)	24	(203)	(140)	(107)	**(100)**
Net assets held for sale (excluding cash and leases included in net debt)	–	–	–	1 394	**–**
Net operating assets	1 808	1 790	1 790	2 300	**1 299**
Investment in joint ventures and associates	102	91	104	–	**199**
Net debt	(337)	(451)	(417)	(626)	**(238)**
Net tax liability	(84)	(37)	(23)	(54)	**(70)**
Total net assets	1 489	1 393	1 454	1 620	**1 190**
Capital employed					
Called up share capital	117	117	117	117	**117**
Reserves	1 372	1 276	1 336	1 502	**1 072**
	1 489	1 393	1 453	1 619	**1 189**
Non-controlling interests	–	–	1	1	**1**
Total equity	1 489	1 393	1 454	1 620	**1 190**

Group Five-Year Summary continued

Per share information	2019	2020	2021*	2022	2023
Earnings per share continuing operations:					
– basic (pence)	39.2p	52.8p	19.3p	5.5p	31.3p
– diluted (pence)	38.6p	52.1p	19.1p	5.5p	30.8p
Basic earnings per share total operations:					
– reported (pence)	39.2p	52.8p	54.4p	50.7p	47.0p
Diluted earnings per share total operations:					
– reported (pence)	38.6p	52.1p	53.8p	50.2p	46.2p
– adjusted diluted (pence)	52.0p	57.8p	61.2p	56.0p	48.9p
Dividends per ordinary share (pence)	29.4p	29.6p	30.8p	21.8p	18.5p
Closing share price at 31 March (pence)	725.8p	656.0p	767.2p	732.2p	784.6p
Closing market capitalisation at 31 March (£ million)	3 399	3 073	3 594	3 431	3 151

Business ratios	2019	2020	2021*	2022	2023
Net debt to EBITDA (times)[1]	0.8x	0.9x	0.8x	1.3x	0.7x
Net debt divided by pre-exceptional EBITDA					
Gearing[3]	23%	32%	29%	39%	20%
Net debt as a percentage of total net assets[2]					
Adjusted operating margin	11.1%	11.5%	12.1%	10.0%	14%
Adjusted operating profit as a percentage of revenue[2]					
Return on capital employed	17.1%	17.5%	17.3%	14.9%	17.5%
Profit before interest, tax and exceptional items as a percentage of invested operating capital[2]					
Dividend cover (times)					
Basic earnings per share divided by dividends per share[2]	1.4x	1.8x	1.8x	1.6x	2.5x
Adjusted earnings per share divided by dividends per share[2]	1.8x	2.0x	2.1x	1.8x	2.6x

1 Following the refinancing of the revolving credit facility in the year ended 31 March 2020 the amended covenant definitions were adopted. In light of this, the Group has simplified the calculation of these KPIs to make them more directly related to information in the Group's financial statements. Refer to Note 4.
2 These metrics have been calculated using the results of both continuing and discontinued operations.
3 During the year ended 31 March 2020 the Group adopted IFRS 16 without restating comparatives. On a like-for-like basis the ratios for Net debt to EBITDA, Gearing and Return on capital employed were 0.6 times, 20% and 17.9%, respectively.
* 2021 financial year onwards reflects the impact of discontinued operations (see Notes 1 and 12).

Additional information

Currency exchange rates

The principal exchange rates used to translate the results, assets and liabilities and cash flows of the Group's foreign operations into pound sterling were as follows:

	Year ended 31 March	
	2023 £1 =	2022 £1 =
Average rates		
US dollar	**1.20**	1.37
Euro	**1.16**	1.18
Year-end closing rates		
US dollar	**1.24**	1.32
Euro	**1.14**	1.19

Calculation of changes in constant currency

Where changes in constant currency are presented in this statement, they are calculated by retranslating current year results at prior year exchange rates. The following table provides a reconciliation between the 2023 performance at actual exchange rates and at constant currency exchange rates. Absolute numbers presented in the tables are rounded for presentational purposes, whereas the growth percentages are calculated on unrounded numbers.

Adjusted performance Continuing operations	**2023 £m**	Fx £m	2023 at constant currency £m	Underlying growth £m	Pro-forma[1] 2022 £m	Change %	Change in constant currency %
Revenue	**1 751**	(134)	1 617	242	1 375	27%	18%
Food & Beverage Solutions	**271**	(28)	243	43	200	35%	21%
Sucralose	**58**	(8)	50	(3)	53	8%	(5%)
Primary Products Europe	**(9)**	1	(8)	12	(20)	57%	57%
Adjusted EBITDA	**320**	(35)	285	52	233	37%	22%
Adjusted operating profit	**249**	(29)	220	57	163	53%	35%
Net finance expense	**(20)**	2	(18)	7	(25)	21%	29%
Share of adjusted profit of joint venture	**24**	(2)	22	(39)	61	(60%)	(64%)
Adjusted profit before tax	**253**	(29)	224	25	199	27%	13%
Adjusted income tax expense	**(50)**	5	(45)	(8)	(37)	(36%)	(21%)
Adjusted profit after tax	**203**	(24)	179	17	162	25%	11%
Adjusted EPS (pence) pro-forma	**49.3p**	(5.7)p	43.6p	4.1p	39.5p	25%	10%

1 Comparative information for the year ended 31 March 2022 includes pro-forma financial information (see opposite).

Unaudited pro-forma financial results for the year ended 31 March 2022

On 1 April 2022, Tate & Lyle completed the sale of a controlling stake in Primient comprising the Primary Products business in North America and Latin America and interests in the Almidones Mexicanos S.A de C.V and Covation Biomaterials LLC, formerly known as 'Bio-PDO' (Covation) joint ventures, to KPS Capital Partners, LP (KPS). Following the transaction KPS held a 50.1% interest in Primient and has Board and operational control, while Tate & Lyle held a 49.9% interest (the 'Transaction').

The following pro-forma financial information shows financial information for Group's continuing operations adjusted to show the pro-forma effect of adjustment for factors that came into effect at completion of the Transaction or related to the associated shareholder approved special dividend and share consolidation. These adjustments were for:

- The financial impact of certain long-term agreements that will exist between the Group and Primient;
- The Group's equity-accounted share of profits of the Primient business from completion of the Transaction; and
- The share consolidation is included as if it were effected on 1 April 2021.

Because the adjustments are also not included in the continuing operations information contained within the results for the year ended 31 March 2022 disclosed herein, pro-forma adjustment is given to them as set out below. To assist the reader, certain financial information for the year ended 31 March 2023 is given for comparison purposes and where this has been done growth percentages are stated in constant currency.

While IFRS 5 provides the basis on which to determine the composition of continuing and discontinued operations, pro-forma financial information is a non-IFRS measure. In addition, because such pro-forma financial information contains estimates with respect to each of the items set out above, it should not be used to replace the restated statutory financial information but is an illustration of how the Group now presents its financial results.

Unaudited pro-forma financial results for the year ended 31 March 2022 continued

Year ended 31 March 2022 Continuing operations	Food & Beverage Solutions £m	Sucralose £m	Primary Products Europe £m	Primary Products £m	Central £m	Total £m
Adjusted operating profit – segmental results	190	61	–	112	(51)	312
Transfer of European PP business out of Primary Products	–	–	(21)	21	–	–
Reclassification to discontinued operations[1]	(9)	–	–	(133)	–	(142)
Central and overhead re-allocation	(29)	(19)	(3)	–	51	–
Adjusted operating profit	152	42	(24)	–	–	170
Add back depreciation	43	9	4	–	–	56
Add back adjusted amortisation	12	2	–	–	–	14
Adjusted EBITDA[2]	207	53	(20)	–	–	240
Adjusted EBITDA margin	18.6%	32.6%	(19.4%)	–	–	17.5%
Pro-forma impact of long-term agreements (LTA)	(7)	–	–	–	–	(7)
Pro-forma Adjusted EBITDA	200	53	(20)	–	–	233
Pro-forma Adjusted EBITDA margin	18.0%	32.6%	(19.4%)	–	–	17.0%

1 Operating costs of £9 million are reallocated from Primary Products to Food & Beverage Solutions because they remain within the Group after completion of the Transaction.
2 Adjusted EBITDA excludes the impact of exceptional items of £93 million.

Year ended 31 March Continuing operations – pro-forma	2023 £m	Pro-forma £m	Constant currency change £m
Adjusted EBITDA			
Food & Beverage Solutions	271	200	21%
Sucralose	58	53	(5)%
Primary Products Europe	(9)	(20)	57%
Adjusted EBITDA	320	233	22%
Depreciation and adjusted amortisation	(71)	(70)	(7)%
Adjusted operating profit[1]	249	163	35%
Net finance expense	(20)	(25)	(29)%
Adjusted share of profit from its own joint ventures	24	61	(64)%
Adjusted profit before tax[1]	253	199	13%
Income tax expense	(50)	(37)	(21)%
Adjusted effective tax rate	19.9%	18.6%	
Profit for the year	203	162	11%
Earnings per share			
Diluted weighted average number of ordinary shares – pro-formas[1]	411.4	408.8	n/a
Adjusted diluted (pence)	49.3p	39.5p	10%

1 Pro-forma adjusted earnings per share, for the year ended 31 March 2022 has been calculated based on the pro-forma earnings for the year and the shares in issue adjusted for impact of the 6 for 7 share consolidation as if it occurred on 1 April of that financial year.

Year ended 31 March 2022	£m
Adjusted profit before tax from discontinued operations[1]	174
Pro-forma effect of Primient's financing facilities[2]	(45)
Impact of long-term agreements	7
Additional standalone costs in Primient[3]	(14)
Adjusted pro-forma profit before tax of Primient	122
Share of Primient joint venture profit at 49.9% pro-forma equity interest	61

1 Primient joint venture's adjusted profit before tax of £174 million is before charging exceptional items of £3 million and the impact of held for sale adjustments of £83 million.
2 Reflects final borrowings in Primient of $1.1 billion.
3 Represents additional costs required in Primient in order to replicate back-office activities previously shared across Tate & Lyle PLC.

Set out below is the pro-forma return on capital employed calculation:

	Year ended 31 March 2022 £m	2021 £m
Calculation of ROCE – pro-forma		
Adjusted operating profit – continuing operations	170	
Impact of long-term agreements	(7)	
Deduct: amortisation of acquired intangible assets	(10)	
Profit before interest, tax and exceptional items for ROCE – pro-forma	153	
Invested operating capital – total operations	2 177	1 871
Less: impact of Primient invested operating capital and Add: impact of LTAs	(1 258)	(942)
Invested operating capital of continuing operations – pro-forma	919	929
Average invested operating capital of continuing operations – pro-forma	924	
ROCE % – pro-forma	16.5%	

Information for investors

Shareholder enquiries

Ordinary shares

Equiniti Limited

Information about how to manage your shareholdings can be found at www.shareview.co.uk. The website also provides answers to commonly asked shareholder questions and has links to downloadable forms, guidance notes and Company history fact sheets. You can also send your enquiry via secure email from the Shareview website.

Telephone enquiries

0371 384 2063 (for UK calls)[1]

1 Lines open 8.30am to 5.30pm (UK time), Monday to Friday (excluding public holidays in England and Wales).

Written enquiries

Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

American Depositary Shares (ADS)

Citibank Shareholder Services

The Company's shares trade in the US on the over-the-counter (OTC) market in the form of ADSs and these are evidenced by American Depositary Receipts (ADRs). The shares are traded under the ticker symbol TATYY.

Telephone and email enquiries

Tel: 1-877-CITI-ADR (toll free)
Tel: 1-781-575-4555 (outside US)
Fax 1-201-324-3284
Email: Citibank@shareholders-online.com

Written enquiries

Citibank Shareholder Services
P.O. Box 43077
Providence,
Rhode Island 02940-3077
USA

Tate & Lyle website and share price information

Tate & Lyle's website provides other information relevant to shareholders of the Company. The share price is available on the website with a 15-minute delay.

Financial calendar

2023 Annual General Meeting	27 July 2023
Announcement of half-year results for the six months to 30 September 2023	9 November 2023[1]
Announcement of full-year results for the year ending 31 March 2024	23 May 2024[1]
2024 Annual General Meeting	25 July 2024[1]

Dividends paid on ordinary shares during the year ended 31 March 2023

Payment	Dividend description	Dividend per share
16 May 2022	Special	107.0p
5 August 2022	Final 2022	12.8p
4 January 2023	Interim 2023	5.4p

Dividend calendar for dividends on shares

	2023 final	2024 interim	2024 final
Announced	25 May 2023	9 November 2023[1]	23 May 2024[1]
Payment date	2 August 2023[2]	5 January 2024[1]	2 August 2024[1,2]

1 Provisional date.
2 Subject to approval of shareholders.

Dividends paid on 6½% cumulative preference shares

Repayment of amounts due to holders of preference shares, including the accrued dividend entitlement to the date of repayment occurred in October 2022 following the cancellation of the preference shares. See page 130 for more information.

Electronic communications

Shareholder documents are only sent in paper format to shareholders who have elected to receive documents in this way. This approach enables the Company to reduce printing and distribution costs and the impact of the documents on the environment.

Shareholders who wish to receive email notification should register online at www.shareview.co.uk, using their shareholder reference number that is on either their share certificate or other correspondence.

Dividend payments

Dividend Reinvestment Plan

The Company operates a Dividend Reinvestment Plan (DRIP) which enables shareholders to use their cash dividend to buy additional shares in Tate & Lyle PLC. Further information can be obtained from Equiniti.

Direct into your bank account

We encourage shareholders to have their dividends paid directly into their bank or building society account; dividend confirmations are then mailed to shareholders separately. This method avoids the risk of dividend cheques being delayed or lost in the post. If you live outside the UK, Equiniti also offers an overseas payment service whereby your dividend is converted into your local currency. Further information on mandating your dividend payments and the overseas payment service can be obtained from Equiniti.

Beware of share fraud

Shareholders should be very wary of any unsolicited calls or correspondence offering to buy or sell shares at a discounted price. These calls are typically from fraudsters operating 'boiler rooms'. Boiler rooms use increasingly sophisticated means to approach investors and often leave their victims out of pocket. If you are concerned that you may have been targeted by fraudsters please contact the Financial Conduct Authority (FCA) Consumer Helpline on 0800 111 6768.

Glossary

A

Adjusted EBITDA
Earnings before interest, tax, depreciation, amortisation (excluding amortisation of acquired intangibles) and exceptional items.

Adjusted operating profit (PBITEA)
Operating profit (as defined separately), adjusted for amortisation of acquired intangible assets and net exceptional items.

Adjusted profit before tax (PBTEA)
Profit before tax (as defined separately), adjusted for amortisation of acquired intangible assets and net exceptional items.

C

Carbon dioxide equivalent (CO_2e)
One metric tonne of carbon dioxide or an amount of any other greenhouse gas with an equivalent global warming potential, calculated consistently with international carbon reporting practices.

CLARIA® Functional Clean-Label Starches
A line of clean-label starches with neutral taste and colour comparable to normal modified starches that is versatile across a broad range of applications and sophisticated processes.

'Clean label'
A term used in the food and beverage industry generally to refer to shorter or simpler ingredient lists or less processed ingredients that appeal more to some consumers than those containing complex ingredients. Interpretations may vary.

Constant currency
Where changes in constant currency are presented, they are calculated by retranslating current year results at prior year exchange rates. Reconciliation between the 2023 performance at actual exchange rates and at constant currency exchange rates has been included in the additional information on page 208.

Co-products
Corn gluten feed, corn gluten meal and corn oil.

Continuing operations
Continuing operations comprise: Food & Beverage Solutions; Sucrolose and Primary Products Europe.

D

Discontinued operations
Discontinued operations is the Primient business.

DOLCIA PRIMA® Allulose
Low-calorie sugar that offers a superior, new taste experience.

E

EHSQS
Environment, Health, Safety, Quality and Security.

F

Free cash flow
Free cash flow represents cash generated from continuing operations after net interest and tax paid, after capital expenditure and excluding the impact of exceptional items.

G

Greenhouse gas (GHG)
Any of the following: carbon dioxide (CO_2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6).

N

Net zero
For Tate & Lyle, this means achieving net zero by 2050 by reducing our Scope 1, 2 and 3 GHG emissions to as close to zero as possible and neutralising residual emissions through limited external carbon offset purchases.

New Products
New Products are products for a period of years after their launch. The period ranges from five years to 15 years depending on the degree to which the product is new to the market.

To reflect the differentiated profiles of ingredients launched from the innovation pipeline we have adapted the period from launch for which we consider ingredients to be New Products as follows:

- Breakthrough – 'new to the world' products or processes that create a new market entrant. New Product life cycle 15 years.
- Next generation – breakthrough process technology to make an existing product or a new addition to our portfolio but not to market. New Product life cycle 7 years.
- Line extensions – new product that extends already exisiting functionality or range. New Product life cyle 5 years.

Launches from our innovation pipeline will be considered New Products for the years of their life cycle from the year of first launch.

O

Operating profit (also referred to as profit before interest and tax (PBIT))
Revenue less net operating expenses.

P

Profit before tax (PBT)
Sales, less net operating expense, less net finance expense and including the Group's share of profit after tax of joint ventures.

PROMITOR® Soluble Fibre
A prebiotic soluble fibre.

PUREFRUIT™ Monk Fruit Extract
A versatile calorie-free sweetener that blends well with other sweeteners.

S

SPLENDA® Sucralose
A zero-calorie sweetener, the manufacturing process for which starts with sugar.

Stabiliser Systems
Systems customising ingredient blends to improve product mouthfeel, texture and stability profile.

STA-LITE® Polydextrose
A soluble fibre with prebiotic properties made from corn and used to provide body and texture in reduced calorie, no-added sugar and high-fibre foods.

Sucralose
An operating segment and part of Food & Beverage Solutions.

T

TASTEVA® M Stevia Sweetener
A zero-calorie sweetener made from stevia.

Total operations
Total operations comprises our continuing operations and discontinued operations.

Transaction
The sale of a controlling interest in new company Primient and its subsidiaries to KPS Capital Partners LP.

Definitions/explanatory notes

Non-reliance statement
This Annual Report has been prepared solely to provide additional information to shareholders to assess the Group's strategy and the potential of that strategy to succeed, and should not be relied upon by any other party or for any other purpose.

Cautionary statement
This Annual Report contains certain forward-looking statements with respect to the financial condition, results, operations and businesses of Tate & Lyle PLC. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts.

Tate & Lyle PLC
Tate & Lyle PLC is a public limited company listed on the London Stock Exchange and is registered in England and Wales.

More information about Tate & Lyle can be found on the Company's website, www.tateandlyle.com

Definitions
In this Annual Report:

- 'Company' means Tate & Lyle PLC
- References to 'Tate & Lyle', 'Group', 'we', 'us' or 'our' means Tate & Lyle PLC and its subsidiaries
- 'Primient' means the new business comprised of the Primary Products business in the Americas, and Tate & Lyle's former interests in Almex and Bio-PDO
- 'Almex' means Almidones Mexicanos S.A. de C.V.
- 'Covation' means Covation Biomaterials LLC, formerly known as DuPont Tate & Lyle Bio Products Company LLC ('Bio-PDO').
- 'during the year' means during the financial year ended 31 March 2023.

SPLENDA®
SPLENDA® is a trademark of Heartland Consumer Products LLC.

Environmental statement
This Annual Report has been printed on Heaven 42 and UPM Fine offset, which are both Forest Stewardship Council® (FSC®) certified paper.

The paper is Carbon Balanced with World Land Trust, an international conservation charity, which offset carbon emissions through the purchase and preservation of high conservation value land. Through protecting standing forests, under threat of clearance, carbon is locked in that would otherwise be released. These protected forests are then able to continue absorbing carbon from the atmosphere, referred to as REDD (Reduced Emissions from Deforestation and forest Degradation).

This is now recognised as one of the most cost-effective and swiftest ways to arrest the rise in atmospheric CO_2 and global warming effects. Additional to the carbon benefits is the flora and fauna this land preserves, including a number of species identified at risk of extinction on the IUCN Red List of Threatened Species.

Printed in the UK by Pureprint Group, a CarbonNeutral® Company with FSC® certification.

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TATE & LYLE

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