GREAT FOOD...

TATE & LYLE

ANNUAL REPORT 2020

CONTENTS

Tate & Lyle is a global provider of ingredients and solutions for the food, beverage and industrial markets.

Every day, all over the world, millions of people enjoy products containing Tate & Lyle's ingredients.

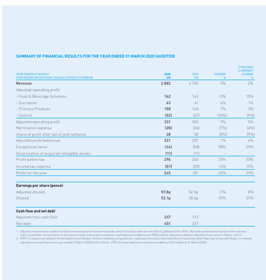
Inspired by our purpose of Improving Lives for Generations, we work with our customers to deliver sweetness, texture, fibre enrichment and stabilisation to food and drink, making people's favourite products even better.

IN THIS REPORT

Read more about our purpose on pages 2 to 5

Read more about our response to Covid-19 on pages 13 and 15

Read more about what we do on pages 20 and 21



Read more about our financial results on pages 40 to 45

Read more about our people on pages 46 to 49

Read more about our environment, health and safety performance on pages 50 to 57

...GREATER OUTCOMES

We help our customers make healthy food tastier, and tasty food healthier.

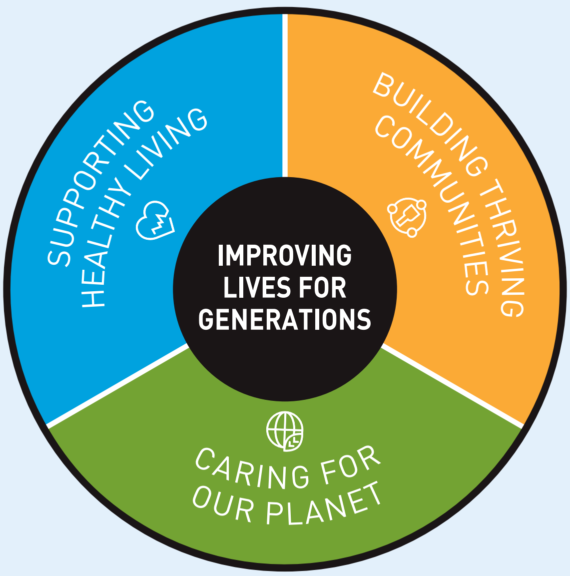
Our purpose

IMPROVING LIVES FOR GENERATIONS

We've been working to improve people's lives for over 160 years, growing our business and making a positive impact on society.

Our purpose is why we do what we do. It inspires us and makes us strive to do our best, helping us to make people's lives easier and more enjoyable.

Whether it's by supporting healthy living, building thriving communities or caring for our planet, we seek to live our purpose every day, in everything we do.



Read more on pages 3-5

SUPPORTING HEALTHY LIVING

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

> When I give my children a snack that contains one of our solutions, I can see first-hand the positive impact our health and wellness ingredients can have, which makes me even more excited about the work we do to help our customers develop healthier products.

Susanna Palatucci
Global Head of Health and Wellness, Innovation and Commercial Development

BUILDING THRIVING COMMUNITIES

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

"Everyone in the Shanghai team has been part of our Healthy Eating, Happy Learning programme with local schools to improve children's health and wellbeing. For me, this programme not only fulfilled my personal wish to do something good for society, it also helped improve my knowledge at work, since I've learnt more about how parents choose food for their children.

Philip Lin
Dairy Category Marketing Director, Asia Pacific, Food & Beverage Solutions

CARING FOR OUR PLANET

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

Having grown up on a farm in Illinois, I'm profoundly excited about the effect our Company can have on the world and local farmers through our sustainable agriculture programme, which helps farmers understand both their profitability and their environmental impact. This is a purpose that hits home for me in a meaningful way.

Tim Meinhold
Senior Vice President, Chief Procurement Officer, Global Operations


CAUTION
V4
TATE & LYLE

CONTENTS

OUR BUSINESS TODAY

IN THIS SECTION

INGREDIENTS AND SOLUTIONS FOR CUSTOMERS ALL OVER THE WORLD

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.

TWO GLOBAL BUSINESS DIVISIONS

FOOD & BEVERAGE SOLUTIONS

We use smart science and technology to develop innovative ingredients and solutions that add taste, texture, nutrition and functionality to a wide range of foods and beverages. Our extensive portfolio includes:

- Sweeteners
- Texturants
- Health and wellness ingredients
- Stabilisers

Read more on pages 28 to 31

PRIMARY PRODUCTS

We provide high-volume products for customers mostly in the food and beverage, and paper and packaging industries, primarily in North America. Our portfolio includes:

- Bulk sweeteners
- Industrial starches
- Acidulants
- Animal nutrition

Read more on pages 32 to 35

SUPPORTED BY TWO GLOBAL TEAMS

GLOBAL OPERATIONS

We produce high-quality ingredients from agricultural raw materials mainly at large-volume corn wet mills, and also at smaller blending facilities where we make bespoke solutions for customers. We run our plants and manage the global supply chain to ensure our ingredients reach our customers on time and to the right specification.

Read more on pages 38 and 39

INNOVATION AND COMMERCIAL DEVELOPMENT

We develop new products through a growing innovation pipeline. We connect leading-edge science with market insight, local knowledge and a deep understanding of our customers. We work closely with customers through every stage of our innovation process to move ideas quickly from concept to commercial launch.

Read more on pages 36 and 37

STRONG FINANCIAL PERFORMANCE

Year ended 31 March 2020

GLOBAL REACH

30
We have plants, labs and offices in more than 30 countries

4,200
We employ around 4,200 employees worldwide

120
We serve customers in more than 120 countries

1.5m
We process around 1.5m acres of corn each year

INGREDIENTS FOR DAILY LIFE

Our food and beverage ingredients are primarily used in beverages, dairy, soups, sauces and dressings, and bakery. Our industrial ingredients are used in paper and board, packaging, tapes and adhesives, building products, detergents, and a new market for us, personal care products.

GROUP STATUTORY RESULTS

Sales[1]

£2,882m

2020	£2,882m
2019	£2,755m
2018	£2,710m

Profit before tax[1]

£296m

2020	£296m
2019	£240m
2018	£286m

Diluted earnings per share[1]

52.1p

2020	52.1p
2019	38.6p
2018	56.1p

Net debt[2]

£451m

2020	£451m
2019	£337m
2018	£392m

ALTERNATIVE PERFORMANCE MEASURES

Adjusted diluted earnings per share[1,3]

57.8p

2020	57.8p
2019	52.0p
2018	49.4p

Return on capital employed[3]

17.5%

2020	17.5%
2019	17.1%
2018	16.2%

Adjusted profit before tax[1,3]

£331m

2020	£331m
2019	£309m
2018	£296m

Adjusted free cash flow[3]

£247m

2020	£247m
2019	£212m
2018	£196m

1 Continuing operations only.
2 Net debt is not itself defined by IFRS. It comprises line items that are IFRS-defined terms. See Note 26.
3 Adjusted results and a number of other terms and performance measures used in this Annual Report are not directly defined within accounting standards. For clarity, we have provided descriptions of the various metrics and their reconciliations to the most directly comparable measures reported in accordance with IFRS, and the calculations, where relevant, of any ratios in Notes 1 and 4.

ACTING WITH AGILITY AND COMPASSION

A good year for Tate & Lyle had a very tough ending as Covid-19 tested all of us. I am exceptionally proud of our team's magnificent response in caring for our colleagues, our communities and our customers.

Last year I concluded my statement with my confidence in a bright future for our Company. And, with the way the business has responded with such agility, courage and compassion to the Covid-19 crisis, I feel that confidence even more strongly today. In thinking about the future, it's important to differentiate between the challenges of any given year and the overall direction of travel which, for Tate & Lyle, remains clear and very promising.

A GOOD YEAR DESPITE THE CHALLENGES

I am pleased to report that we delivered another solid set of financial results. Food & Beverage Solutions, with its focus on sugar reduction and formulating healthier food, delivered good top- and bottom-line growth. While Primary Products continued to face some market challenges – not least the gradual decline in the consumption of carbonated soft drinks and demand for caloric sweeteners – it still managed to deliver profit growth. This performance is a testament to the determination and capability of the Primary Products team to find new ways to create value and diversify its bulk sweeteners and starches into new applications and markets.

Our people have had to face many challenges this year. The Board and I would like to thank everyone at Tate & Lyle across the world for their hard work and unstinting commitment to delivering this year's results, and for the way they have responded to the Covid-19 pandemic.

UNDERSTANDING THE LOCAL OPPORTUNITY

The global food and beverage industry is attractive because people will always need to eat and drink. And, in the industrial markets we serve, our products are used in essential, everyday household goods like detergents, paper and packaging. Our deep understanding of our end markets means we're well-placed to take advantage of the opportunities they present.

One of the most fundamental and fascinating aspects about food is that, while general trends around health and diet are universal, taste is very local. So our approach to each market is heavily influenced by our local teams. It was therefore very rewarding for me to visit our labs in Lübeck, Lille, Dubai, Shanghai and Mexico City this year and see the technical capabilities we're building on the ground, and how we're finding the right balance between global, science-driven innovation and regional, consumer-driven applications that reflect local tastes, traditions and food distribution patterns.

It was also very exciting to see the accelerating pace of change in our Asian and Latin American markets. In Mexico, for example, our customers are keenly interested in the workshops we are holding to raise awareness of healthier food, while in China the focus is also on healthier food for non-refrigerated distribution to the many smaller food outlets in that huge country.

These visits were part of a wider programme of individual Board director visits. Full Board visits, while logistically challenging, can also be disruptive for the business and can feel quite stage-managed. A less formal visit by one or two directors allows us to spend quality time getting to know our people, their communities, opportunities and challenges. This intimacy helps us to better understand our diverse business around the world and make better decisions. With travel currently off the agenda, we're looking at other ways such as video links to continue to 'visit' with our people across Tate & Lyle.

THE POWER OF OUR PURPOSE

Full Board visits do have their place, of course, and on our trip to China in September we had the privilege of visiting one of the schools we sponsored through our Healthy Eating, Happy Learning programme. I know I speak for all my Board colleagues in saying how inspiring it was to see how we're tangibly improving children's wellbeing. It's a powerful reflection of our purpose of Improving Lives for Generations, which has become a real motivator for our people everywhere, as I've witnessed myself this year. And it's fundamental because, at a human level, if we understand why we're doing something – its purpose – then the strategy starts to make sense, and we will work harder and more enthusiastically to deliver it.

LOOKING TOWARDS LONGER-TERM HORIZONS

Our purpose has been a key focus for the Board as well this year. We've supported our executive team in thinking about what our business might look like in 10 or even 20 years, and the implications for what we need to do now. Aside from the consequences of Covid-19, which are still unfolding, the biggest questions in our minds have been sustainability and the long-term challenges and opportunities presented by climate change and the global health issues that drive our strategy. As a Board, our approach has been less about challenging management to come up with all the answers – that will take time – but challenging ourselves as a team to think through the big questions. That's why I'm very pleased with the new commitments and targets we've made around our purpose, which are fundamental to our long-term future.

But, while looking to the long term, we need to continue our focus on delivery now, which is even more important given the uncertainties of today. No one knows quite what the world will look like when we come out of lockdown, or what the new normal will be. However, given the commitment, quality and decency of our people, I am confident that we can prosper in whatever circumstances we find ourselves.

Gerry Murphy
Chairman

Our purpose has become a powerful motivator for our people everywhere.

Gerry Murphy
Chairman

The Board is recommending that the final dividend is maintained at 20.8 pence per share, bringing the total dividend for the year ended 31 March 2020 to 29.6 pence, an increase of 0.7%.

Full-year dividend

29.6p

MEETING OUR PEOPLE

During the year, between us the non-executive directors visited 16 sites, in every region of the world. Most of our visits were as individuals or in small groups, which is a much better way to get to know our people and understand their motivations and challenges. It was a really excellent programme, and all the more valuable now that travel is currently curtailed due to Covid-19.

Read more on page 84

Chief Executive's review

PURPOSE DRIVES PERFORMANCE

The measure of a company is how it delivers on its commitments, and I'm proud that we succeeded in delivering on our commitments this year, despite circumstances more unpredictable than usual.

Our purpose is at the core of everything we do, and has driven the outstanding response of our people to Covid-19.

Nick Hampton
Chief Executive

HIGHLIGHTS

- A year of strong performance
  - Double-digit profit growth in Food & Beverage Solutions
  - Sucralose performed solidly
  - Higher profits in Primary Products despite challenging market conditions
- Productivity programme ahead of expectations
- Strong balance sheet
- An outstanding team effort in response to Covid-19

Adjusted profit before tax

+4%

in constant currency

Adjusted diluted earnings per share

+8%

in constant currency

Food & Beverage Solutions adjusted operating profit

+10%

in constant currency

A STRONG BUSINESS, GETTING STRONGER

This year's results are a testament to the hard work of everyone at Tate & Lyle who, by living our purpose in everything they do, and carrying out our strategy, have ensured we delivered another year of strong performance. I am very grateful for their efforts, particularly at the end of the year when we were all challenged personally and professionally by Covid-19. Although the incredible challenges of Covid-19 are unprecedented in my lifetime, we are well-placed to weather this period and emerge an even stronger company.

Other than the outbreak of Covid-19, if there is one issue that has come to the forefront over the last 12 months it is climate change. The climate isn't changing, it has changed, and we need to deal with the consequences now, to protect our planet's natural resources for future generations. This means thinking, planning for, and investing over a longer-term horizon – and it's where our purpose comes in, as I discuss later in my review. But first – more on the results.

A YEAR OF DELIVERY

This was a year of strong financial performance. Despite facing some challenging market conditions, Group adjusted profit before tax increased by 4%, adjusted diluted earnings per share were 8% higher, and return on capital employed was up 40 basis points at 17.5%. Adjusted free cash flow was also good at £247 million, supporting a strong balance sheet and giving us the flexibility to invest for long-term growth.

I'm particularly pleased that, if you look at the detail behind the Group results, you'll see that our 'Sharpen, Accelerate and Simplify' priorities are clearly supporting our performance, as detailed on the next page, and that our strategy is working. Food & Beverage Solutions, our engine of growth, delivered top-line growth, with a double-digit increase in profit. Sucralose also performed solidly with profit slightly ahead of last year. Primary Products delivered steady earnings. More detail about the results of our two divisions and the Group are on pages 28 to 45.

The performance of both divisions was helped by another year of absolute focus on operational execution and cost discipline. Our four-year programme to deliver US$100 million of productivity benefits again performed ahead of expectations and has now delivered US$87 million of savings in its first two years. Reflecting its good progress, we've extended the programme by two years and a further US$50 million to deliver US$150 million of productivity benefits over six years to 31 March 2024.

We achieved all this despite operating in an increasingly complex geopolitical landscape. The establishment of a new trilateral trade agreement between the US, Mexico and Canada, the imposition of trade tariffs by the US and China, and, to a lesser extent, the UK's departure from the EU, all had an impact on some of the markets we operate in. Then, as we entered the 2021 financial year, the Covid-19 pandemic tested our people and our operations.

MANAGING THE IMPACT OF COVID-19

From the outset of the pandemic, our priority has been to ensure the safety of our people, keep our operations running and support our customers. In March, we established a Global Pandemic Response Team to develop, co-ordinate and execute our plans, as well as local response teams at every site. These teams are doing an outstanding job managing all aspects of our response. I am incredibly proud of the way all our people have responded to the unprecedented challenges of Covid-19. The fact that our manufacturing facilities have remained fully operational throughout the pandemic reflects their resilience and skill, and shows how quickly they have adapted to new, challenging and socially distanced ways of working.

RESPONDING TO COVID-19

Our people have responded incredibly well to the unprecedented challenges of Covid-19. We've acted swiftly to keep them safe, support our local communities, keep our operations running and serve our customers. Summarised here are some of the actions we're taking.

OUR PEOPLE AND OPERATIONS

- Hygiene protocols at all our sites
- Fewer people on shifts
- Restructured working areas to maintain social distancing
- Training on health protection and sanitisation protocols
- New working procedures to enable key capital projects to continue
- Full pay for colleagues ill with Covid-19 or in isolation
- Special cash bonus for our front-line workers in plants, labs and other key sites
- Programme to help colleagues working from home stay connected and productive, and feel supported during lockdown
- Initiatives to support mental health

OUR COMMUNITIES

- Supporting food banks to provide 500,000 meals for people in need
- Reformulating our ethanol in the US for use in hand sanitiser
- Donating PPE and hand sanitiser to front-line health workers

OUR CUSTOMERS

- Video sessions on innovation projects
- Virtual tasting sessions with prototypes sent to customers in advance
- Video links in more of our labs
- Remote product training sessions

HOW OUR THREE PRIORITIES ARE SUPPORTING BUSINESS PERFORMANCE

Two years in, and our financial results are reflecting the good progress we're making in delivering our three key priorities: **sharpen** the focus on our customers; **accelerate** portfolio development; and **simplify** the business and drive productivity.

SHARPEN
CLOSER TO CUSTOMERS

ACTIONS
- Becoming the growth partner for our customers
- New ways of collaborating
- Growing our customer project pipeline
- Becoming the 'go to' company for reformulation and sugar reduction

EXAMPLES IN THE YEAR
- First fibre symposium held for customers in the US
- Healthink customer workshops rolled out in Asia
- New applications labs opened in São Paulo and Singapore
- Stevia sweetener sales increased by 23%[1]

+26%

Increase in calls with customers focused on growth during the year

ACCELERATE
FASTER INNOVATION

ACTIONS
- Closer and earlier customer collaboration on key projects
- Bringing new products to market faster
- Expanding our portfolio including through partnerships and acquisitions
- Collaborating with start-ups

EXAMPLES IN THE YEAR
- New Product sales increased by 15%[1]
- 11 New Products launched from pipeline including CLARIA EVERLAST® clean-label starch
- Partnership with innovative enzyme start-up, Zymtronix

+18%

Increase in value of innovation pipeline during the year

SIMPLIFY
PRODUCTIVITY GAINS

ACTIONS
- Simplifying the organisation
- Investing to improve operational efficiency
- Creating a culture of continuous improvement
- Reducing costs and increasing productivity

EXAMPLES IN THE YEAR
- Benefits from continuous improvement projects increased by 20%
- US$75 million investment in a new co-generation facility in Lafayette South, Indiana
- Simplified organisation of customer-facing teams

US$87m

Total productivity benefits delivered in the first two years of our productivity programme

1 Change in constant currency.

Trading in April 2020
While trading in March showed limited impact from the Covid-19 pandemic, the imposition of lockdowns in many countries throughout April, most notably in our largest markets of the US and Europe, led to significant changes in demand patterns for our products.

Food & Beverage Solutions and Sucralose continued to perform well with volume for Food & Beverage Solutions in line with the comparative period and Sucralose 18% higher due to phasing of customer orders. Earlier in the month, demand was strong for ingredients used in packaged and shelf-stable foods, as consumers in North America and Europe filled their pantries for consumption at home. As the month progressed, this was offset by lower demand for products consumed out of home, such as in the food service sector in North America.

Primary Products volume was significantly impacted by the first full month of lockdown in the US. Bulk sweetener volume was 26% lower from reduced out-of-home consumption as bars, cinemas and restaurants were shut and sporting events cancelled. Industrial starch volume was 9% lower reflecting reduced demand for paper and packaging following the closure of schools and offices, and a decline in economic activity. Commodities were also affected as ethanol prices decreased sharply.

The financial impact of lower demand was partially mitigated by actions taken in March to reduce costs and preserve cash as we saw the pandemic unfolding. These included freezing salary increases and recruitment, stopping non-essential discretionary spend and reprioritising capital commitments.

No employees have been furloughed and no government aid sought.

Strong balance sheet
The current strength of our balance sheet means we are well-placed to manage through this challenging period. We have low leverage with a net debt/EBITDA ratio of 0.9 times at the end of the financial year (0.6 times on a covenant basis), strong liquidity with access to more than US$1 billion through cash at hand and a committed and undrawn revolving credit facility, and significant covenant headroom on borrowings. We also have no debt maturing until 2023.

Looking ahead
The length and depth of the impact of the pandemic remains uncertain and is expected to vary by country. It's also difficult at this stage to predict how consumer behaviour will evolve as countries exit from lockdown. As a result, we are not issuing guidance for the year ending 31 March 2021. To keep all our stakeholders informed of our progress during these uncertain times, we will issue an exceptional first quarter trading update on 23 July 2020.

In the year ahead our priorities are clear – to continue to look after our people and communities, strengthen our relationships with customers, continue to progress our strategy and maintain our financial strength. We will also look to adapt to, and embrace, the new business environment and ways of working. With the momentum we have built over the last two years, our high-quality product portfolio, the attractive markets we operate in, the skill of our people and our strong operating capabilities, we are well-placed to emerge from this period as an even stronger and more agile business.

AN INCREASINGLY AMBITIOUS CULTURE

Last year I said we needed to inject more pace and ambition into our culture and, even before Covid-19, I saw a genuine shift during the year. On a day-to-day basis, I consistently saw people taking the initiative to deliver above and beyond for our customers, which resulted in increasing customer interaction and more joint development initiatives. This can-do culture is core to how we support our customers and will be vital as we navigate the challenges we're facing now and into the coming year.

I'm particularly pleased by the progress we are making on safety. While there's always further to go, our performance was significantly better than last year. I believe it's because people are genuinely taking responsibility for themselves and their colleagues. During a leadership team safety review meeting earlier this year, I was very encouraged by the level of challenge and desire to get to the bottom of accidents, but without judgement. This openness is at the heart of a good safety programme.

To change, adapt, be flexible, all of which are more essential than ever right now, we have to be ambitious. And I know that the increase in ambition we've seen from our people over the year is because they are inspired by our purpose. When people truly believe in what they're doing, they make extraordinary efforts, which translate into positive outcomes for all our stakeholders.

This was brought home to me at our biennial Extraordinary People Awards (EPA) in October which celebrated the amazing things our people are doing all over the world. The real strength of the EPA is that people are nominated by colleagues, and this year we received a record 565 nominations. I have no doubt that we will have much to celebrate in the way our people have responded to today's uncertainties in the 2021 EPA awards.

OUR PURPOSE-DRIVEN VISION FOR 2030 AND BEYOND

Thinking for the long term is at the heart of our purpose – Improving Lives for Generations. It inspires our people at every level and in every part of the world, because they see every day how we can grow our business and have a positive impact on society.

Our focus on supporting healthy living is where our purpose has the biggest impact in the world. Millions of people everywhere facing obesity and diabetes can benefit from our ingredients that enable products to be lower in sugar, calories and fat, and higher in fibre, as can the many people who simply want to live a healthier lifestyle. But overconsumption isn't everyone's experience – many people today still struggle to put food on the table, which is why reducing hunger is one of the areas we're committed to as part of our building thriving communities pillar. And, while we have a strong focus on today's dietary and health challenges, we are not losing sight of other major global challenges – which is why caring for the planet is so important.

New commitments for living our purpose
Given the trends in the world today, we recognise that we need to be making strategic investment choices now that will deliver long after I and my leadership team have handed over to the next generation. So this year, we stepped up our thinking on how we can create a sustainable business for the next 10 years and beyond. We analysed how we're going to deliver measurable progress against the three pillars of our purpose, and set some ambitious, yet achievable commitments and targets for 2030, which are detailed on page 17. Also this year, we completed an analysis of our Scope 3 carbon emissions, and have committed to establishing science-based targets for reducing our Scope 1, 2 and 3 CO_2e emissions.

Investing to eliminate coal
Running our plants efficiently and minimising our impact on the environment has always been our goal. We are in the middle of a multi-year capital investment programme totalling more than US$150 million to eliminate the use of coal in our plants by 2025. This will have the added benefit of making our plants more efficient, which is good for our business as well as the environment.

Supporting the UN SDGs
In making our new commitments, we also considered which of the UN Sustainable Development Goals (SDGs) are most closely aligned to our purpose, and where we can have most impact. We determined that five are key for us: SDG 2 – zero hunger; SDG 3 – good health and wellbeing; SDG5 – gender equality; SDG 12 – responsible consumption and production; and SDG 13 – climate action. To demonstrate our support for the UN SDGs, in April 2020 we became a participating member of the UN Global Compact, a major global sustainability initiative.

An industry first for sustainable agriculture
A large proportion of our Scope 3 CO_2e emissions – and our environmental CO_2e impact as a whole – comes from corn, our largest raw material. Last year we announced a partnership with Truterra™ (formerly Land O'Lakes SUSTAIN™) to promote sustainable corn farming in the US Midwest, where we source most of our corn. I'm delighted that this year we expanded the partnership to cover 1.5 million acres – equivalent to the total amount of corn we buy globally each year. This is an industry first, and is important to our customers too. The significance of this programme goes beyond its environmental impact – it's also about protecting farmers' livelihoods, and supporting the communities around our US plants.

OUR PURPOSE IS BASED ON THREE PILLARS

LOOKING AHEAD WITH CONFIDENCE

Our Extraordinary People Awards really were the highlight of my year. Knowing we have such talented, committed people gives me real confidence in our ability to meet the challenges ahead as we build a long-term, sustainable future for our business. And not just those challenges we know about now, like climate change, the pressures on global supply chains from tariffs, and Covid-19, but those we cannot foresee. I continue to believe, because of the world we're in and what we do, our future is bright.

As we go into next year, we're absolutely focused on continuing to deliver against our strategy and priorities, managing the impact of Covid-19, and building a long-term plan for our business. How to expand beyond our current platforms. How to diversify further into emerging markets. How to adapt our business model as trade patterns change. How to build a progressive agenda on sustainability. And how, ultimately, to maximise our potential. The decisions we make will be shaped and informed by our purpose, which I know will ensure that Tate & Lyle continues to flourish well into the future.

Nick Hampton
Chief Executive

Aligning with the UN Sustainable Development Goals

We're focusing on those goals which are closely aligned to our purpose and where we can have most impact: hunger, health and wellbeing, gender equality, responsible production and consumption, and climate action. The SDGs aligned to each pillar are shown below.

LIVING OUR PURPOSE – OUR COMMITMENTS AND TARGETS[1]

SUPPORTING HEALTHY LIVING

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

Read more in Community involvement, pages 58 and 59

Nutrition
- By 2025, through our low-/no-calorie sweeteners and fibres, we'll have helped remove 9 million tonnes of sugar from people's diets, equivalent to 36 trillion calories.

Read more in Food & Beverage Solutions, pages 28 to 31

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

Read more in Our people, pages 46 to 49

BUILDING THRIVING COMMUNITIES

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.

Hunger
- By 2025, we'll have provided over 3 million nutritious meals for people in need.

Read more in Community involvement, pages 58 and 59

Gender equality
- By 2025, we'll achieve gender parity in leadership roles.

Read more in Our people, pages 46 to 49

CARING FOR OUR PLANET

Carbon footprint
- By 2030, we'll have delivered a 30% absolute reduction in our Scope 1 and 2 CO_2e emissions, with an ambition to reach a 20% reduction by 2025.
- By 2030, we'll have delivered a 15% absolute reduction in our Scope 3 CO_2e emissions.
- Our Scope 1, 2 and 3 CO_2e emissions reduction targets will be science-based.
- By 2025, we'll have eliminated coal from all our operations.

Waste
- By 2030, 100% of our waste will be beneficially used, with an ambition to reach 75% by 2025.

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

Sustainable agriculture
- We'll maintain sustainable acreage equivalent to the volume of corn we buy globally each year, currently 1.5 million acres, and through partnerships we'll accelerate the adoption of conservation practices.

Read more in Environment, health and safety, pages 50 to 57

1 The baseline for our supporting healthy living and building thriving communities targets is the year ended 31 March 2020. Like all our EHS targets, the baseline for caring for our planet is the end of the 2019 calendar year.

WHAT'S HAPPENING AROUND US

The food and beverage market has an inherent strength – people need to eat and drink. Within that, a number of major global trends are shaping our industry and creating opportunities for our business.

GLOBAL TRENDS

Factors like rapid population growth, urbanisation, climate change, the use of technology and, more recently Covid-19, are driving major changes in people's lifestyles, and therefore in what they're eating and drinking.

Changing diets and lifestyles

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. They're generally eating too much and moving too little, and these progressively unbalanced lifestyles are affecting their health. The incidence of obesity and diabetes, and concerns about digestive health, are increasing rapidly. The International Diabetes Federation estimates there are 463 million adults with diabetes today, which will grow to 700 million by 2045.[1]

Healthcare costs are rising too, placing health services in many countries under increased pressure. In the UK, for example, before the Covid-19 outbreak, 10% of the National Health Service budget was being spent on treating diabetes or its complications.[2] Overconsumption of sugar is also seen as a major concern, with an increasing number of countries implementing taxes, for example on sugary soft drinks. Around 40 national governments have already introduced a 'sugar tax'.[3] And yet, while obesity is now responsible for more deaths than hunger, one in nine people in the world struggle to find enough nutritious food to eat every day.[4]

Growth of convenience

The middle class is expected to grow to 5.3 billion people globally by 2030, up from 2.8 billion in 2015.[5] This growth, especially in emerging markets, is causing a long-term shift towards greater convenience and time-saving solutions. People are spending less time in the kitchen and are buying more pre-prepared, packaged foods, but want what they eat to be no less nutritious. They're also spending less time going shopping – online shopping is increasingly popular, driving demand for sturdy packaging, while environmental concerns mean this packaging needs to be recyclable.

Sustainability and the rise of plant-based foods

People's concerns about their health, lifestyle and the environment are affecting food choices in many ways. Their understanding and awareness of climate change and the need to protect the planet's natural resources have increased significantly in the last 12 months. While over 80% of food and beverage purchases are driven by taste,[6] other factors such as the sustainability of the product and its packaging are becoming increasingly important.

Demand for plant-based alternatives 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.

THE OPPORTUNITY FOR TATE & LYLE

For food companies like Tate & Lyle, these global trends present both risks and opportunities. Driven by our purpose of Improving Lives for Generations, we work to create ingredients and solutions that give people healthier and tastier choices when they eat and drink and help them lead more balanced lifestyles. At the same time we are working to take care of our planet and helping to protect its natural resources. Whether through health and wellness ingredients for a new generation of popular brands, nutritive sweeteners at an affordable price, or stabilising systems that allow food to travel over long distances, our goal is not just to feed people, but to feed them well.

1 International Diabetes Federation, 2019 (age 20 – 79 years).
2 Diabetes UK.
3 Obesity Evidence Hub, 2019.
4 FAO: The State of Food Security and Nutrition in the World 2019.
5 Brookings; United Nations; World Bank.
6 International Food Information Council 2018.
7 United Nations.
8 World Health Organization.
9 Deloitte, 2019.
10 Our World in Data, November 2019.

SNAPSHOT OF TRENDS

30%
estimated increase in global population by 2050[7]

38 million
children under the age of five overweight or obese in 2019[8]

80%
estimated increase in North American meat substitutes market by 2025 to €1.8 billion, from 2018[9]

26%
global greenhouse gas emissions from food production[10]

WHAT WE DO

We improve lives by making food tastier and healthier; by making everyday tasks easier; by promoting a safe, healthy working environment; and by making a difference in our communities.

OUR RESOURCES

SCIENTIFIC AND TECHNICAL KNOW-HOW

LARGE-SCALE MANUFACTURING OPERATIONS

TALENTED PEOPLE

STRONG BALANCE SHEET AND DISCIPLINED USE OF CAPITAL

LONG-TERM RELATIONSHIPS WITH STAKEHOLDERS

WHAT WE DO

WE THINK AND CREATE

Innovation and Commercial Development

Our scientists and nutritionists research, develop and test ingredients to create solutions for our customers. We work closely with them through every stage of our innovation process to move ideas quickly from concept to commercial launch. Consumer preferences are different across the world, which is why our customers come to our local applications labs to work with us to reformulate their products with our ingredients for their local markets.

Read more on pages 36 and 37

WE SOURCE AND MANUFACTURE

Global Operations

Our ingredients come largely from agricultural crops, principally corn. We produce them mainly at large-volume corn wet mills shared by both divisions, and also at smaller blending facilities. Wherever we are in the process, from field to customer, our priorities are safety, quality and consideration for the environment.

Read more on pages 38 and 39

CUSTOMERS

We serve customers, large and small, in more than 120 countries. We are moving from being an ingredient supplier to a growth partner for our customers.

WE PARTNER AND SELL

Food & Beverage Solutions

We have strong technical knowledge of the interplay between sweetness, texture, fibre enrichment and stabilisation. Through this, we provide customers across the world with solutions that bring specific functionality and nutrition to their products.

Read more on pages 28 to 31

Primary Products

We sell high-volume products primarily into the food and beverage, and paper and packaging industries, and mainly in North America. Leveraging our scale and cost-competitive manufacturing base, we compete mainly on price, quality and service.

Read more on pages 32 to 35

EVERYTHING WE DO IS UNDERPINNED BY...

THE VALUE WE CREATE FOR OUR STAKEHOLDERS

FOR SHAREHOLDERS

We balance investing in growth with paying an attractive dividend.

£402m

dividends paid in the past three financial years

FOR CUSTOMERS

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

£113m

revenue from New Products from our innovation pipeline[1]

FOR EMPLOYEES

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

£353m

paid to employees[1]

FOR COMMUNITIES

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

450,000

meals given to people in need in our local communities and beyond[1]

FOR SUPPLIERS

Corn is our largest input, and we have long-term, mutually beneficial relationships with farmers and other supplier partners.

1.5m

total acreage of corn purchased globally[1]

FOR THE ENVIRONMENT

Throughout our operations we look to minimise our environmental impact by reducing emissions and waste, and using water sustainably.

21.8%

reduction in CO_2e emissions since 2008

1 Year ended 31 March 2020.

Our priorities
- Sharpen
- Accelerate
- Simplify

Our values
- Safety
- Integrity
- Respect

Our behaviours
- Partnership
- Agility
- Execution

HOW WE DELIVER VALUE

We have a clear strategy to deliver top- and bottom-line growth in Food & Beverage Solutions and steady earnings from Primary Products.

We produce our ingredients from agricultural raw materials mainly at large-volume corn wet mills, and also at smaller blending facilities where we make bespoke solutions for customers. We operate as one integrated business made up of two trading divisions, both with distinct roles to play. Food & Beverage Solutions is focused on delivering growth, with Primary Products focused on delivering cash and steady earnings. They share a cost-efficient asset base and many common customers, and we manage them together to optimise returns for shareholders.

FOOD & BEVERAGE SOLUTIONS

Through this division, we provide ingredients and solutions which add specific functionality, nutrition and health benefits to our customers' products. This division includes our sucralose business.

We work in partnership with customers to develop new products, and reformulate existing ones, to make food and drink healthier but 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 things have to be taken into account when reformulating food and drink. Taste is inherently local, which means that food and beverages also need to be adapted to different regions and countries. Our portfolio of sweeteners, starches and fibres, combined with our technical expertise in key categories, help us deliver solutions for customers in their local markets.

Our customers come to us for our expertise, particularly in the following areas:

- **Sugar and calorie reduction:** our understanding of sweeteners, built over many years, has given us a unique expertise in sugar and calorie reduction. Our sweeteners and fibres help reduce sugar and calories without compromising the taste and texture consumers know and want.
- **Fibre enrichment:** our portfolio of fibres offers a range of nutritional and functional benefits, alongside exceptional digestive tolerance.
- **Texture:** our starches add body, lengthen shelf-life and replace fat while preserving the texture and mouthfeel people want.
- **Stabilisation:** with our deep knowledge of ingredients and complex food systems, we create customised stabiliser systems (highly functional ingredient blends) that ensure products maintain their stability and appetising texture.

PRIMARY PRODUCTS

Through this division, we provide high-volume products to customers in the food and beverage, and paper and packing industries, primarily in North America. We also sell co-products as animal feed to customers around the world. Our two main markets are bulk sweeteners and industrial starches. These are both large, mature markets but have high barriers to entry. In these markets, we compete primarily on quality, service and price.

We deliver value in Primary Products in the following ways.

- **Drive productivity and efficiency:** the more efficient our plants, the lower our costs of production. We have four large corn wet mills in the US, two smaller corn wet mills in Europe, and acidulants plants in the US and Brazil. For the best returns, they need to operate at, or close to, capacity. We have global and local programmes which ensure a relentless focus on safety, productivity and efficiency at every plant.
- **Optimise product and category mix:** with tight margins on our products, small changes can make an important difference to our performance. We look very closely at what we sell, to whom, and into which markets, moving production where we can from declining to growing product lines, and targeting new and growing markets.
- **Secure corn supply:** corn is our largest raw material, and a secure supply is essential. We invest in our corn silo (elevator) storage network and our relationships with the farmers who supply us, and we manage inventory carefully.
- **Reduce exposure to volatile commodity markets:** every part of the corn kernel has some commercial value, but the selling price of commodities such as corn oil and corn meal is set by the market and can vary considerably. We use a range of measures to manage our exposure as best we can, from tolling contracts which pass the raw material costs on to customers, to using futures contracts to lock in future corn prices.

INVESTMENT CASE

OUR PURPOSE OF IMPROVING LIVES FOR GENERATIONS

- SUPPORTING HEALTHY LIVING
- BUILDING THRIVING COMMUNITIES
- CARING FOR OUR PLANET

CLEAR STRATEGY

FOOD & BEVERAGE SOLUTIONS
TOP- AND BOTTOM-LINE GROWTH

By building leading positions in:

- Three categories globally – beverages, dairy and soups, sauces and dressings
- Two or three additional categories in each region where we have local expertise, such as bakery and snacks

SUCRALOSE
MANAGE FOR CASH – HIGH RETURN ON ASSETS

PRIMARY PRODUCTS
STABLE EARNINGS AND CASH GENERATION

By managing our portfolio to:

- Optimise product and category mix
- Drive productivity and operational efficiency
- Diversify into new and growing end markets

ACCELERATING PERFORMANCE THROUGH THREE PRIORITIES

- SHARPEN THE FOCUS ON OUR CUSTOMERS
- ACCELERATE PORTFOLIO DEVELOPMENT
- SIMPLIFY THE BUSINESS AND DRIVE PRODUCTIVITY

DELIVER RETURNS FOR SHAREHOLDERS

- ACCELERATE GROWTH IN EARNINGS PER SHARE
- IMPROVE ORGANIC RETURN ON CAPITAL EMPLOYED
- MAINTAIN A PROGRESSIVE DIVIDEND POLICY

HOW WE TRACK PROGRESS

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

CHANGES TO KPIs IN 2020

We have added one new strategic KPI this year, profit from Primary Products, because generating steady earnings from this division is a key part of delivering our strategy. We have also removed one KPI related to maintaining financial flexibility, interest cover, as this is no longer a covenant on our borrowings.

CHANGES IN 2021

In next year's Annual Report, we will also report on the first year of progress against the commitments we have made for the three pillars of our purpose. These are set out in the Chief Executive's review on page 17.

◊ LINK TO REMUNERATION

These KPIs are used in determining executive directors' annual bonuses and for long-term incentive plans. Our safety KPIs are also taken into account when determining annual bonuses.

DELIVERING OUR STRATEGY

Food & Beverage Solutions – volume◊

2020	1%
2019	3%
2018	3%

2ppts ▼

Performance in 2020
Volume grew 1%. Momentum continued in North America with growth of 2%, and in Asia Pacific and Latin America with growth of 1%. In Europe, volume declined by 1% as we traded out of lower-margin products.

Why we measure it
Top-line growth in Food & Beverage Solutions is a key element of our strategy.

How we calculate it
As reported, excluding Sucralose.

Food & Beverage Solutions – revenue◊

2020	£942m
2019	£889m
2018	£850m

5% ▲

Performance in 2020
Revenue increased by 5% driven by good price and mix management, and from passing through higher net corn costs.

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

How we calculate it
In constant currency, excluding Sucralose.

Food & Beverage Solutions – profit[1, 2, ◊]

2020	£162m
2019	£143m
2018	£137m

10% ▲

Performance in 2020
Adjusted operating profit was 10% higher driven by good revenue growth, cost discipline and operating leverage.

Why we measure it
We invest in Food & Beverage Solutions, our growth engine, and profit growth demonstrates the return on those investments.

How we calculate it
In constant currency, excluding Sucralose.

Primary Products – profit[1, 2]

2020	£158m
2019	£148m
2018	£166m

3% ▲

Performance in 2020
Adjusted operating profit was 3% higher, with good performance from manufacturing and logistics and strong cost discipline offsetting higher input prices and weaker volume.

Why we measure it
We aim to deliver steady earnings by offsetting declining demand from traditional markets with ever more efficient production and expansion into new markets.

How we calculate it
In constant currency.

Group adjusted profit before tax[1, ◊]

2020	£331m
2019	£309m
2018	£296m

4% ▲

Performance in 2020
Adjusted profit before tax increased by 4% with strong revenue and profit growth from Food & Beverage Solutions and steady earnings from Primary Products.

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

How we calculate it
In constant currency.

1 Adjusted results and a number of other terms and performance measures used in this Annual Report are not defined by accounting standards. For clarity, we have provided descriptions of the various metrics and their reconciliations to the most directly comparable measures reported in accordance with IFRS, and the calculations, where relevant, of any ratios in Notes 1 and 4.

DELIVERING FOR OUR SHAREHOLDERS

Adjusted diluted earnings per share[1,◊]

2020	57.8p
2019	52.0p
2018	49.4p

8% ▲

Performance in 2020
Adjusted diluted earnings per share increased by 8% in constant currency, benefiting from the adjusted effective tax rate in the year being 310 basis points lower at 17.9%.

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 12, with growth rate in constant currency.

Adjusted free cash flow[1]

2020	£247m
2019	£212m
2018	£196m

£35m ▲

Performance in 2020
Higher, reflecting increased earnings and our strong focus on generating cash. The adoption of IFRS 16 Leases led to an increase of £34 million, while capital expenditure was £36 million higher than the prior year.

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 defined in Note 4.

Return on capital employed[1,◊]

2020	17.5%
2019	17.1%
2018	16.2%

40bps ▲

Performance in 2020
Higher, mainly due to increased earnings.

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 from continuing operations, divided by average invested operating capital from continuing operations.

MAINTAINING FINANCIAL FLEXIBILITY

Net debt to EBITDA multiple[1]

2020	0.9x
2019	0.8x
2018	0.9x

0.1x ▲

Performance in 2020
The net debt to EBITDA ratio was slightly higher at 0.9 times due to the adoption of IFRS 16.

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 Company.

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

ACTING SAFELY

Recordable incident rate[3]

2019	0.78
2018	0.94
2017	0.76

17% DECREASE

Lost-time rate[3,4]

2019	0.42
2018	0.47
2017	0.45

11% DECREASE

Performance in 2019
Our recordable incident rate improved with the number of accidents in the year down from 60 to 52. The lost-time rates also improved. This improvement is a positive sign that our Journey to EHS Excellence programme is being embedded in the organisation.

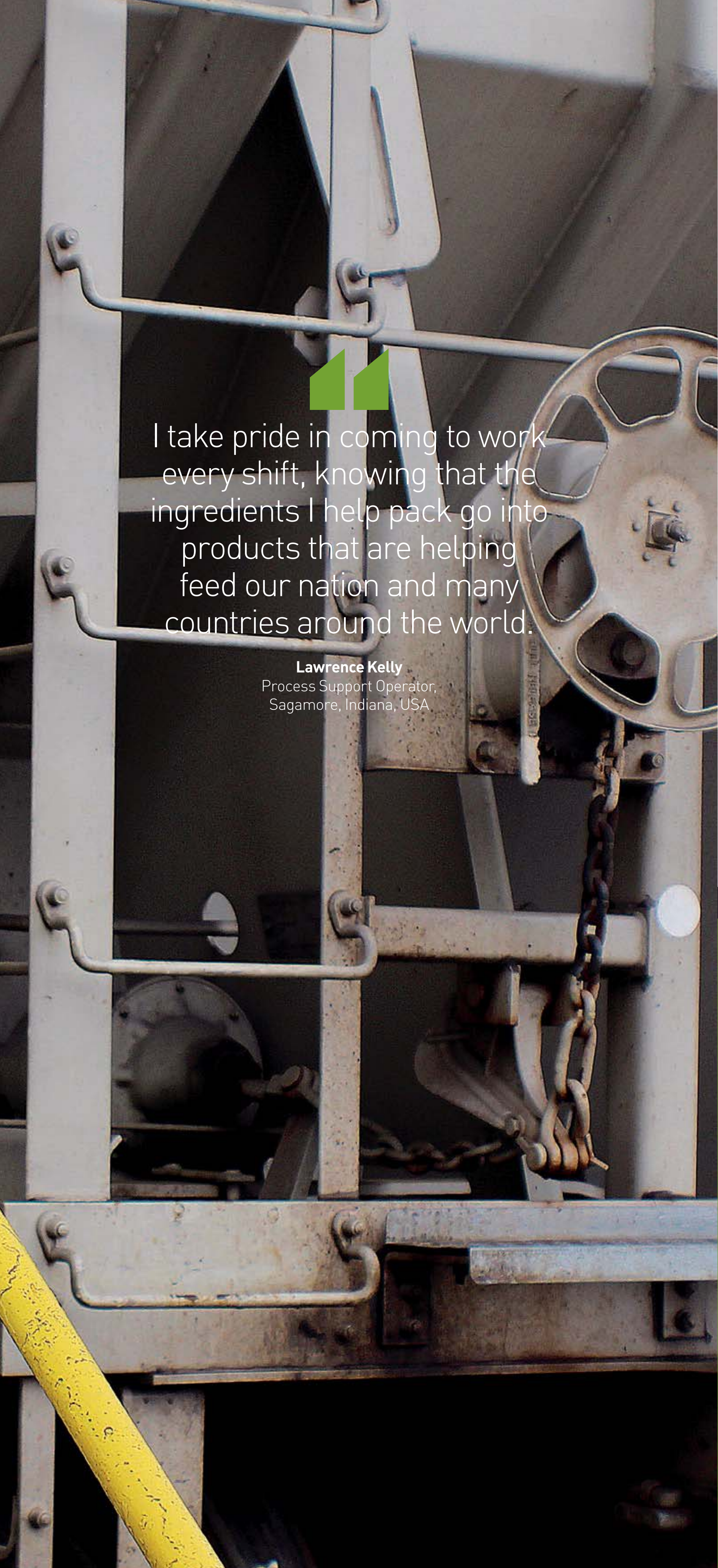
Why we measure it
Ensuring safe and healthy conditions at all our locations is essential for our success.

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 Adjusted operating profit.
3 Measured by calendar year.
4 We are now reporting our lost-time rate in place of our lost-work case rate, because it includes lost-work incidents as well as restricted work incidents, and so is a more comprehensive measure of safety performance.


TATE & LYLE
LAWRENCE KELLY



I take pride in coming to work every shift, knowing that the ingredients I help pack go into products that are helping feed our nation and many countries around the world.

Lawrence Kelly
Process Support Operator,
Sagamore, Indiana, USA

CONTENTS

REVIEW OF THE YEAR

IN THIS SECTION

Food & Beverage Solutions

STRONG PROFIT PERFORMANCE

We work with our customers to develop new products, and reformulate existing ones, to make food and drink healthier while still tasting great.

I'm really pleased to see the sharper focus on our customers being reflected in our results.

Harry Boot
President, Asia Pacific, Food & Beverage Solutions

PARTNER AND SELL

WHAT WE DO

Our portfolio, combined with our technical expertise in key categories such as beverages, dairy, and soups, sauces and dressings, helps us deliver solutions for our customers.

Sweeteners
- Replace sugars
- Reduce calories
- Match sweetness
- Optimise taste

Health and wellness ingredients
- Replace sugar to reduce calories while maintaining taste
- Add nutrition through fibre enrichment

Texturants
- Add body and mouthfeel
- Improve shelf-life and stability
- Improve sensory appeal

Stabilisers
- Improve shelf-life
- Provide stability

Application scientists at Hoffman Estates, Illinois, USA

Harry runs Food & Beverage Solutions in Asia Pacific and is on the Executive Committee. Here he discusses the division's performance this year, the market and what lies ahead.

OUR MARKET

Q HOW IS FOOD & BEVERAGE SOLUTIONS RESPONDING TO MARKET TRENDS?

We are well-positioned to meet many of the major challenges facing the world today, from health issues around obesity and diabetes to the desire for more plant-based food for vegetarian, vegan and flexitarian diets. People want food that is healthy and tasty, but they also want it to be fast and convenient and support their modern lifestyles. That is where we come in with our expertise in sugar reduction, texture, fibre fortification, and stabilisation. These skills are in demand, and customers come to us to help them make the kind of food and drink consumers across the world want.

Q THAT SOUNDS QUITE GLOBAL, BUT ISN'T THE FOOD AND BEVERAGE MARKET LOCAL?

The trends are universal, but we address them on a local level because food is local. People's tastes are different around the world, and that's why we continue to invest in building applications labs in all our regions. Customers come into our labs to work with our food scientists to develop new products or reformulate existing ones, using our ingredients for their local markets. Being on the ground with our customers means we can respond more quickly to their needs, which is increasingly important as new product launches are happening so much faster.

OUR YEAR

Q HOW IS THE STRATEGY PLAYING OUT FOR FOOD & BEVERAGE SOLUTIONS?

The results say it all. We delivered on our strategy with strong top- and bottom-line growth. That's because we are very focused on what we are doing and clear about where growth will come from in each of our four regions. And, as a team, we're being more specific about the targets we go after. In part, that's thanks to practical things, such as better tools, processes and capabilities in our customer-facing teams. But mainly it's thanks to us building much closer relationships with our customers. Last year, we changed the way our customer-facing teams were organised to reflect how our customers are organised – by category – so we have a dairy team, a beverage team and so on, just like they do. This change is starting to really benefit how we work with customers and it is showing in our financial performance as well.

Our success is also about cultural change: this year we've become much faster and more agile in what we do. Take Singapore, where I work. We redeveloped our applications labs and office in just three months. And we did something similar in São Paulo, Brazil. The world is changing at a great pace, so our ability to act fast is going to be even more important in the future.

Q WHAT'S BEHIND THIS YEAR'S RESULTS?

A lot of hard work from an outstanding team across the world – along with strong execution, discipline and a continuous focus on our customers. It's that sharper focus that is really making a difference. We're constantly seeking new ways to work more closely with customers. For example, in the US we held our first two-day Fibre Symposium for around 50 customers at our Innovation Centre in Chicago, and in China, a two-day sugar-reduction event in Shanghai with more than 80 customers.

Q WHAT ROLE HAS PURPOSE PLAYED IN THE RESULTS?

It's been fundamental – because people who believe in what they're doing can move mountains. And I see that all the time at Tate & Lyle. It's amazing to me that something so simple as a sense of purpose can have such a huge impact on everything that we do. And that's because it's real. We really can do good and increase profits at the same time. Supporting healthy living is a great example. When I began to research the dietary and health issues in my own Asia Pacific region, I realised just how significant they are – and how well-placed we are to tackle them. From that small acorn of an idea, we are now working with government departments in China and Singapore to contribute to their countries' healthy living programmes. Without our purpose, this wouldn't have happened.

OUR FUTURE

Q WHAT ARE YOUR PRIORITIES FOR 2020 AND BEYOND?

It's actually quite simple – more of the same! People need to eat and drink, and they want to do that in a healthy way. And that's basically what we do. We just need to do it better, and faster. Clearly, 2020 will have some challenges as we navigate the Covid-19 pandemic but there are plenty of opportunities too. We're on the right track because we're continuously reinvesting in our people and our assets. And we have a great team that's united in their belief that what we're doing really matters. The true unlock for us will be speed, and an even greater focus on our customers. That's what we'll be aiming for in the coming year.

OUR RESULTS

Volume

+1%

Revenue

+5%

in constant currency

Adjusted operating profit

+10%

in constant currency

YEAR ENDED 31 MARCH CONTINUING OPERATIONS	2020 VOLUME CHANGE
Volume	
North America	**2%**
Asia Pacific and Latin America	**1%**
Europe, Middle East and Africa	**(1%)**
Total	**1%**

YEAR ENDED 31 MARCH CONTINUING OPERATIONS	2020 £M	2019 £M	CHANGE %	CONSTANT CURRENCY CHANGE %
Revenue				
North America	**470**	430	9%	6%
Asia Pacific and Latin America	**214**	201	6%	7%
Europe, Middle East and Africa	**258**	258	0%	1%
Total	**942**	889	6%	5%
Adjusted operating profit	**162**	143	13%	10%

SUCRALOSE

YEAR ENDED 31 MARCH CONTINUING OPERATIONS	2020 £M	2019 £M	CHANGE %	CONSTANT CURRENCY CHANGE %
Volume			(4%)	
Revenue	**161**	164	(2%)	(4%)
Adjusted operating profit	**63**	61	4%	1%

STRONG REVENUE AND PROFIT GROWTH

Volume was 1% higher while revenue increased by 5% in constant currency to £942 million from good price and mix management, as well as the impact of passing through higher net corn costs. Adjusted operating profit was 10% higher in constant currency with good revenue growth, cost discipline and operating leverage. Operating margin increased by 110 basis points to 17.2%. The effect of currency translation was to increase revenue by £11 million and adjusted operating profit by £5 million.

North America

Top-line momentum continued with volume up 2% and revenue up 6% in constant currency to £470 million, with good progress across a range of categories notably beverage, dairy, bakery and nutrition. While growth in the overall US food and beverage market remained largely flat, we continued to see strong customer demand in beverage, dairy, bakery and nutrition, particularly to deliver sugar and calorie reduction in packaged and shelf-stable foods.

Asia Pacific and Latin America

Volume increased by 1%. Revenue increased by 7% in constant currency to £214 million with mid single-digit growth in Asia Pacific and double-digit growth in Latin America. In Asia Pacific, revenue growth softened in the second half as demand across China weakened in the face of the Covid-19 pandemic, while growth remained firm in South East Asia, particularly in dairy and soups, sauces and dressings. In Latin America, revenue growth remained strong, with good growth in Brazil and in the Andean region. In much of Latin America new front-of-pack labelling rules led to increased reformulation opportunities with customers.

Europe, Middle East and Africa

Volume decreased by 1%, while revenue at £258 million was 1% higher in constant currency as we continued to exit lower-margin texturant business to improve mix. Revenue was in line with the prior year in our more mature western European business which included revenues from our oats ingredients business which we sold at the end of the prior year, while in

Turkey, Middle East and Africa we saw high single-digit growth. In October 2019 we opened the expansion of our facility in Slovakia, doubling capacity of high-grade maltodextrin (used in categories such as baby food).

New Products

Revenue from New Products (products launched in the last seven years) increased by 15% in constant currency to £113 million with each of our sweeteners, health and wellness and texturants platforms delivering double-digit revenue growth. New Products now represent 12% of Food & Beverage Solutions revenues. Sugar and calorie reduction particularly in beverage, dairy, confectionery and bakery is a key focus for customers and consumers. As a result, we saw strong growth in revenue from stevia sweeteners, as well as PROMITOR® Soluble Fibre, reflecting its use as a sugar replacement and fibre enrichment solution. We also saw good growth in Non-GMO texturants and clean label starches from our CLARIA® line of functional starches.

SUCRALOSE

Solid results

Sucralose volume and revenue (in constant currency) decreased by 4% reflecting the impact of the prior year programme to optimise inventory. Excluding the impact of inventory optimisation, underlying volume was 1% higher. Revenues were £161 million with good customer mix management. Adjusted operating profit at £63 million was 1% higher in constant currency reflecting good cost management which offset a £3 million one-off gain from a supply contract in the prior year. Currency translation increased revenue by £3 million and adjusted operating profit by £2 million.

LIVING OUR PURPOSE

SUPPORTING HEALTHY LIVING

Nutrition

By 2025, through our low-/no-calorie sweeteners and fibres, we'll have helped remove 9 million tonnes of sugar from people's diets, equivalent to 36 trillion calories

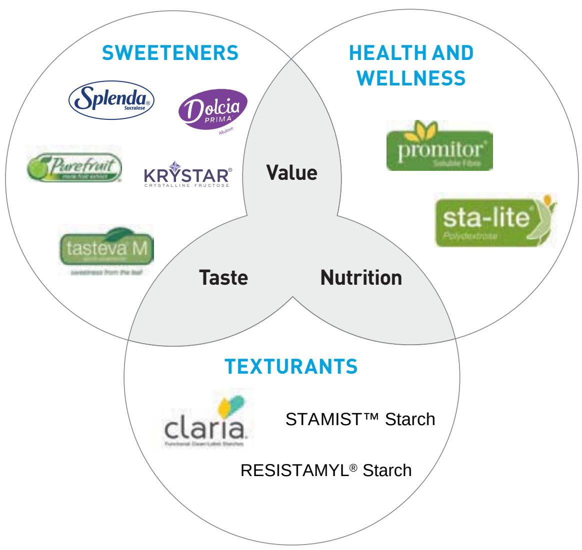
HARD SCIENCE PROVES A HIT

Part of our TEXTURE-VANTAGE® Expert Systems toolbox for customers, Texture University is a series of quarterly open webinars to help formulators in the challenging area of texture science, explains Vicky Stencel, Global Texturants Platform Marketing Director.

'Starches are vital ingredients in food and beverage manufacturing, but act very differently in different applications and conditions. There aren't many starch specialists in the world, and these in-depth webinars, delivered by our scientists, make our great people and expertise accessible to customers everywhere. They've been a huge success, with up to 1,000 people signing up per session.'

ADDRESSING GLOBAL TRENDS

Our portfolio is well-placed to provide solutions for our customers to meet global consumer trends.



STEADY EARNINGS IN A CHALLENGING YEAR

We sell high-volume products to customers in the food and beverage, and paper and packaging industries, mainly in North America.

We are totally focused on getting the basics right to make us the best supplier to our customers.

Jim Stutelberg
President, Primary Products

PARTNER AND SELL

WHAT WE DO

The two main markets we operate in are bulk sweeteners, used mainly in carbonated soft drinks, and industrial starches. Our customers come to us for quality, reliability, service and price.

Some of our ingredients

- Nutritive sweeteners, such as high fructose corn syrup and dextrose
- Industrial starches for paper, packaging and industrial adhesives
- Acidulants, such as citric acid
- Commodities, such as corn gluten feed and meal for animal nutrition, as well as corn oil

Members of the co-products team testing feed quality at our Sagamore plant in Indiana, USA

Jim explains the dynamics of our Primary Products business, and how we continued to deliver steady earnings despite a challenging year.

OUR YEAR

Q ANOTHER GOOD YEAR IN CHALLENGING CONDITIONS – HOW DID YOU DO IT?

With such large volumes, even a small margin improvement can have a big impact on profitability. So we have to be really good at the basics – price management, product mix management, cost control and customer service – supported, of course, by Global Operations managing our end-to-end supply chain for maximum efficiency. And I'm pleased to say we managed all these things well again this year.

Q HOW ARE YOU DIFFERENTIATING YOURSELVES TO CUSTOMERS?

Our big customers see us as a strategic supply partner, because we are totally focused on being the easiest supplier to do business with. We have a great team who see themselves as innovators in the service of our customers, always thinking about what they need and how we can adapt whatever the environment. It paid off this year – when late winter storms and flooding disrupted both customers and competitors, we continued delivering our high levels of service.

Q HOW ARE YOU CONTROLLING COSTS TO MAINTAIN PROFITABILITY?

Our main raw material and input cost is corn. A secure supply is essential, and we ensure this through our relationships with farmers, and our own corn storage facilities. In terms of cost, every part of the corn kernel has some commercial value, but the selling price of commodities such as corn oil and corn meal is set by the market and can vary widely. So we use a range of measures to manage our exposure to corn prices as best we can, from tolling contracts which pass raw material costs on to customers, to using futures contracts to lock in future corn prices.

The other aspect is production costs. For the best returns, our plants need to operate at or close to capacity, and the more efficient they are, the lower our costs. The work our Global Operations team has been doing to drive a relentless focus on safety, productivity and efficiency is key – described by Melissa Law on pages 38 and 39.

Q WHAT ROLE HAS PURPOSE PLAYED IN YOUR RESULTS?

Our team has a genuine emotional connection with our purpose. From adding great taste to beverages, to making paper smoother, to helping cardboard boxes stay sealed, our sweeteners, starches and acidulants help make the lives of millions of people easier and more enjoyable every day. We have been doing that for over a century and that makes us proud. In Primary Products, our people also identify heavily with colleagues in our plants, and the farmers who supply our corn. We come from those communities, and so, whether it's by supporting local schools or sourcing from local farmers, the overall contribution we make to their lives really matters. That's why we were so proud this year to become the first corn wet miller to support sustainable acreage equivalent to all the corn we buy globally each year.

OUR MARKET

Q HOW ARE YOU DEALING WITH CHALLENGES IN THE MARKET?

Our two largest product lines, bulk sweeteners and industrial starches, are in gradual decline. People are drinking fewer caloric carbonated beverages and using less paper. To maximise performance in the short term, we manage our portfolio by optimising product and customer mix, and by driving operational efficiencies through our continuous improvement programme. But there is also plenty of opportunity for long-term value creation. We are being very intentional about identifying new and profitable end markets for our products, whether that's with new customers or for new uses.

For sweeteners, we're seeing growth in areas like craft beer and fermentation applications. And in industrial starches, we're moving into new markets like personal care – this year we launched a new range of starches targeted at that market. The recycling trend also has some benefits for us, because recycled paper needs more starch to hold it together.

In the future, I believe that the trend towards bio-based innovation will help us, as the world looks for replacements for petrochemical-based substrates. We're already in that market through our Bio-PDO™ joint venture with DuPont, but it's a long-term, gradual change.

OUR FUTURE

Q WHAT ARE YOUR PRIORITIES FOR THE COMING YEAR?

In many ways, it's more of the same. We must focus on every opportunity for continuous improvement, for operational efficiency, for serving our customers just that little bit better. We need to have a mindset of squeezing out every little bit of value we can, every day. And, with the consequences of Covid-19 likely to have a significant impact on our business in the year ahead, that mindset has never been more important.

Q HOW DO YOU KEEP UP THAT RELENTLESS FOCUS ON VALUE?

It's all about attitude, and that is why our purpose is so important. We all want to be part of something bigger than ourselves, and when we believe in what we're doing, we have the tenacity and commitment to stay relentless.

OUR RESULTS

Volume

(2%)

Revenue

+2%

in constant currency

Adjusted operating profit

+3%

in constant currency

YEAR ENDED 31 MARCH CONTINUING OPERATIONS	2020 VOLUME CHANGE
Volume	
North American Sweeteners	(2%)
North American Industrial Starches	(8%)
Total Primary Products	(2%)

YEAR ENDED 31 MARCH CONTINUING OPERATIONS	2020 £M	2019 £M	CHANGE %	CONSTANT CURRENCY CHANGE %
Revenue	1 779	1 702	5%	2%
Adjusted operating profit				
Sweeteners and Starches	133	126	5%	1%
Commodities	25	22	17%	17%
Total Primary Products	158	148	7%	3%

MOVING INTO NEW MARKETS

Chris Atkinson, Director of Marketing, Industrial Starches, shares an example of how Primary Products is finding new applications for its ingredients.

TAKING CARE WITH TEXTURLUX®

'Earlier this year, we entered the personal care market in North America with our TEXTURLUX® Personal Care Additives range. These sustainable, bio-based speciality polymers offer exciting benefits to manufacturers of skin, hair and sun care products, in terms of functionality and natural sourcing. This is part of our strategy to move away from declining to growing markets. And, while commercially it's still early days for us in this market, it's a promising direction for the future.'

PROFIT HIGHER DESPITE CHALLENGING MARKET CONDITIONS

Volume was 2% lower with North American Sweetener volume 2% lower and North American Industrial Starch volume 8% lower. Revenue at £1,779 million was up 2% in constant currency reflecting the pass through of higher net corn costs. Adjusted operating profit at £158 million was 3% higher in constant currency. Currency translation increased revenue by £51 million and adjusted operating profit by £5 million.

Adjusted operating profit in Sweeteners and Starches was 1% higher in constant currency with good performance from manufacturing and supply chain together with strong cost discipline, offsetting cost inflation and weaker volume. The results also reflected the impact of the £4 million insurance recovery in the prior year. Commodities adjusted operating profit at £25 million was 17% higher in constant currency.

To simplify our business and focus capital investment on key priorities, in December 2019 we closed our small, non-core, savoury ingredients business after deciding not to invest the significant capital required to sustain it. This decision led to an exceptional charge of £5 million, mainly to write off the associated assets. This business generated profit of £7 million in the year ended 31 March 2020.

Sweeteners

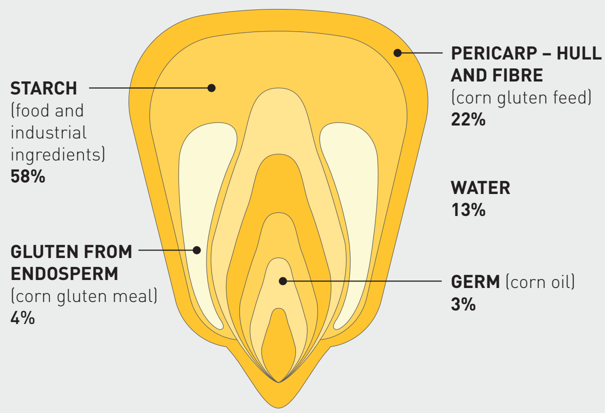
Volume was 2% lower due to lower demand from our Bio-PDO™ joint venture reflecting competitive cost pressure for its products. Excluding this impact, sweetener volume was slightly higher than the prior year despite a decline in carbonated soft drinks consumption in the US, partly reflecting higher pricing and lower promotional intensity within that category.

Industrial Starches

Volume was 8% lower due to the closure of paper capacity at a customer's facility combined with weaker demand for paper and for packaging as e-commerce operators sought to reduce packaging. In the second half of the year our strategy to diversify product mix and a recovery of domestic paper production delivered improved performance. An example of this was our entry into the personal care category in North America with TEXTURLUX® Personal Care Additives. This created a range of bio-based speciality polymers for skin, hair and sun care applications. Early customer interest has been encouraging.

Commodities

Commodities delivered adjusted operating profit of £25 million, 17% higher in constant currency. Co-product recoveries from corn gluten meal and corn oil were stronger than the prior year while ethanol cash margins declined and moved sharply lower at the end of the year.



USING EVERY BIT OF THE CORN KERNEL

Nothing is wasted in the corn wet milling process. Brad Morrison, Director, Corn Procurement explains how each part of the kernel is used.

'After steeping in water, the softened kernels go through various milling processes to separate out the starch, fibre, gluten and oil. Starch is the largest component and we extract it from the endosperm to use in our food and industrial ingredients. Protein-rich gluten, also from the endosperm, goes into corn gluten meal, used in aquaculture feed and pet food. Fibre from the hull is used in corn gluten feed for livestock, and we sell oil from the germ to the food industry. We even use the steep-water – it contains nutrients used in animal feed and fermentation. In these resource-constrained times, it's good to know we're being efficient and sustainable.'

Innovation and Commercial Development

EVER CLOSER TO OUR CUSTOMERS

Innovation is central to our strategy. We develop new ingredients and applications for our customers, and new ways of doing things that make our business even more efficient.

> Our purpose is synonymous with innovation – working to improve lives is what we do all day, every day.

Andrew Taylor
President, Innovation and Commercial Development

THINK AND CREATE

WHAT WE DO

Innovation and Commercial Development (ICD) consists of seven areas working together as one team:

- Research and development
- Product management
- Nutrition science
- Regulatory
- Open innovation
- Global marketing
- Process technologies

Scientist at work at our labs in Mexico City

Andrew discusses how the team is delivering results by working increasingly closely with customers to respond to trends in the market.

OUR YEAR

Q HOW HAS THE MARKET EVOLVED THIS YEAR?

One of the most positive things we've seen this year is that customers are more open to working together on joint development initiatives than ever before. Even those who have historically wanted a more transactional, supplier-type relationship are now asking us to help them reformulate their products. This is a really positive affirmation for the whole Tate & Lyle team who have worked extremely hard to build our innovation capabilities – and it's also a reflection of how the trends we've been seeing in the market are getting stronger. Sugar reduction is a key example – regulators are driving huge change in the way formulations are done around the world, from Chile to France to Mexico to Singapore.

There's also pressure to have a clean label – if an ingredient is not in their pantry, many consumers don't want it on a label. And they want to see a smaller number of ingredients. Achieving objectives like these in a way that consumers will accept – the products still taste great – and that allows customers to make money is hard. Our ability to deliver on these trends is why we now have a seat at the table with so many customers across the world.

Q HOW HAS ICD CONTRIBUTED TO OUR THREE BUSINESS PRIORITIES THIS YEAR?

Our close relationships with customers delivered a 15% growth (in constant currency) in revenue of New Products this year. We continued to see great uptake of stevia, both our Reb M products as well as those from our stevia partner, Sweet Green Fields. In North America the change in labelling for allulose (a low-calorie rare sugar) championed by our regulatory team (it is no longer labelled as sugar) has made a big difference to customer projects in the pipeline, which is starting to pull through into revenue. Our innovation pipeline again increased in value by 18% this year – and from a larger base. We also made a significant contribution to our simplify agenda by streamlining our customer-facing organisation. As a result, all our products, new and existing, are now managed together within ICD which makes us much more efficient as we partner with customers in the regions.

Q YOU MENTION THE PURPOSE AS SYNONYMOUS WITH ICD – WHAT BENEFITS DOES THAT BRING?

The competition for the best technical talent is fierce and we have been able to build a great team. That's because people believe in what we're doing; it's the reason they give their best. Our purpose connects everything we do, from our core work in creating healthier food to our strategic work in open innovation. We also work to help our manufacturing plants manage their waste streams and become more energy efficient.

OUR FUTURE

Q HOW IS COVID-19 AFFECTING YOUR WORK?

The situation for everyone is very fluid and uncertain, but it's in this environment that strong relationships with customers really tell. We are adapting what we do to ensure we can serve our customers in the best way possible. For example, we have intentionally slowed down some of our development work on new molecules so we can do more applications work for customers in these challenging times. If anything, this situation has brought out the best in our people, not just in the way we're supporting each other in our own team, but how we're supporting our customers too. Tate & Lyle people are known for their integrity and being good people to work with, and that will only benefit us in the long run.

New Products revenue

£113m

Increase in value of innovation pipeline

+18%

Patents granted

36

ENABLING A NEW GENERATION OF LONG-LIFE PRODUCTS

Our CLARIA® line of functional starches delivers great flavour, white colour and consumer-friendly labelling. The latest addition, CLARIA EVERLAST®, brings valuable new benefits. Jim Smoot, Senior Manager ICD, explains.

'Food quality can be impaired by processing, transportation and storage. Our CLARIA EVERLAST® clean-label starch line, launched in March, maintains quality in frozen meals, baked goods, sauces and more, even in extreme conditions. So manufacturers can formulate an easily transportable, long-life yogurt, for example, while meeting consumer demand for taste and quality. At a time when shelf-life has never been more important, CLARIA EVERLAST® is proving to be a breakthrough ingredient.'

Global Operations

RELENTLESS FOCUS ON PRODUCTIVITY

We make and deliver high quality ingredients to our customers around the world, focusing relentlessly on safety, quality and productivity.

> We're investing all the time in better ways of doing things and this is showing through in the productivity gains we are making.

Melissa Law
President, Global Operations

SOURCE AND MANUFACTURE

WHAT WE DO

We run our plants and manage the global supply chain to ensure our ingredients reach our customers on time and to the right specification.

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

Working safely at our Decatur, Illinois, USA plant

Melissa talks about how the team continues to make our operations efficient and responsive to the needs of Food & Beverage Solutions and Primary Products and, ultimately, our customers.

OUR BUSINESS

Q HOW DO YOU SERVICE THE DIFFERENT NEEDS OF THE TWO DIVISIONS?

For Food & Beverage Solutions, delivering to customers is a complex process with multiple ingredients travelling around the world. For Primary Products, volumes are larger but our customers are mostly in North America, so our ingredients generally travel shorter distances. But, while their needs from Global Operations are different, the underlying principles of how we serve all our customers flexibly and efficiently are the same. How efficient we are in running our operations and delivering competitively priced ingredients is fundamental to the economics of both divisions. And nothing less than excellence in EHS – environment, health and safety – and quality across our operations will do. Running efficient operations day in, day out, is hard work because it requires a relentless focus on doing everything a little bit better each day, while keeping safety and quality front and centre. And that's where the strength of our team is so important.

Q WHAT KEEPS YOUR TEAM FOCUSED ON EXCELLENCE EVERY DAY?

We're investing all the time in better ways of doing things, like continuous improvement and maintenance improvement programmes. But what really makes the difference is people's attitude and belief in the value of what we do, which is where our purpose comes in. People in our manufacturing plants take pride that our ingredients help feed the world with tasty and nutritious food. And, our community focus is also fundamental. Many of our plants are located in farming communities, and it's really energising for our people to see how they can have a positive impact on their families and friends. Our partnership with Truterra™ to support sustainable farming across the US Midwest is a huge deal. To know that we're helping farmers to improve their livelihoods and those of future generations gives us all a real sense of pride in Tate & Lyle.

OUR YEAR

Q YOU MENTION INVESTMENTS – ISN'T THE PRODUCTIVITY PROGRAMME ABOUT SAVINGS?

The exciting thing about our productivity programme is that it's not about saving for saving's sake – it's about doing things better and it's also about building the funds to invest in growth. I'm really proud that we're continuing to beat our productivity target, but what's more exciting is how we're improving our ways of working. For example, this year we invested in digital technology within logistics to give people access to real-time information, allowing them to make more informed decisions and partner better with our business divisions to respond to customer needs. We've also continued to make major investments in operational efficiency like the new US$75 million natural gas-fired co-generation system at our corn wet mill in Lafayette, Indiana.

Q ANY UNEXPECTED CHALLENGES THIS YEAR?

In operations, there are always surprises – it's part of the job to be ready for the unexpected! Really great operations organisations roll with these surprises – and my team did a fantastic job this year adapting to new situations. The main one that stands out was Covid-19, which really challenged our people, how we run our plants and the global supply chain. But despite everything that's been thrown at them, the team has done a fantastic job keeping our people safe, our plants running and our customers served – I couldn't be more proud of them.

OUR FUTURE

Q HOW WILL YOU KEEP UP THE MOMENTUM ON PRODUCTIVITY?

We have a robust pipeline of productivity projects – there's a lot to go after. Also, I'm really excited about our digital roadmap and the investments we're making in IT, which are going beyond logistics and warehousing, into our manufacturing plants. Another area of focus this year will be to support our people and local communities to adapt to what is a rapidly changing world and working environment, both inside and outside our operations. Because, despite all the large plants and machinery, we are a people business and it's our people that make us the company we are.

RAILCAR REORGANISATION BRINGS GREAT SAVINGS

Continuous improvement (CI) is now firmly embedded in our business and our mindset and we're seeing the results in increased efficiency and reduced waste. Gerrit LaDage, Regional CI Leader, describes a project he led this year at our Sagamore plant, Indiana, USA.

'We use railcars to deliver ingredients to many large customers, and the railroad company charges us for every empty railcar stored on their tracks. By expanding the remit of what the cars could carry and streamlining cleaning, we reduced "dwell time" and the number of railcars we needed. This saved us more than US$750,000 per year. By understanding the data, we were able to make better decisions.'

Chief Financial Officer's introduction

STRONG FINANCIAL POSITION

> Strong financial discipline gives us the financial strength and flexibility to invest in the future.
>
> **Imran Nawaz**
> Chief Financial Officer

Adjusted diluted earnings per share
+8%
in constant currency

Adjusted free cash flow
£247m
increase of £35 million

Return on capital employed
17.5%
increase of 40bps

Imran reflects on key aspects of our results and looks ahead with confidence despite the near-term challenges of Covid-19.

OUR YEAR

Q WHAT'S YOUR VIEW OF THE RESULTS THIS YEAR?

I'm pleased with the results because we faced some difficult market conditions and our financial performance was slightly ahead of our expectations coming into the year. Cost discipline was good and our productivity programme delivered ahead of our expectations. Once again, people across the business did what they said they would do, which makes me proud and gives me confidence for the future.

Overall, it was another consistent year of financial performance. Group adjusted profit before tax of £331 million was 4% higher in constant currency. What I'm really pleased about is that the mix of earnings shows our strategy is working. Food & Beverage Solutions, our engine of growth, grew profit by 10%, while Primary Products delivered steady earnings, growing profit by 3%. This was particularly commendable given some tough market conditions for both its main product lines, bulk sweeteners and industrial starches, and is a real credit to the team. Adjusted diluted earnings per share were 8% higher in constant currency at 57.8 pence, benefiting from a lower effective tax rate of 17.9% (2019 – 21.0%). And we delivered strong adjusted free cash flow – £35 million higher at £247 million.

Q THE PRODUCTIVITY PROGRAMME IS AHEAD OF TARGET – WHAT'S THE STORY THERE?

Our programme isn't only about saving for the sake of saving, it's also about building the funds to invest in growth and in doing things better. Our people have really embraced that message, which is creating a virtuous cycle. Over the first two years of the productivity programme, we delivered US$87 million of productivity benefits which is more than we had targeted at this stage. We believe we can do more, so we're increasing our target to US$150 million and extending the programme to six years ending in March 2024. Where will the savings come from? The same sort of areas as before – such as capital investments to reduce energy costs, efficiency improvements in our supply chain, simplifying the organisation, reducing discretionary spend and modernising our systems and processes.

Q WHERE ARE YOU INVESTING CAPITAL?

We invested slightly more in productivity and growth projects this year, so capital investment increased to £166 million. We also made investments in ensuring our plants operate safely and efficiently.

A key part of our investment programme is to enhance our environmental performance. We've committed to replacing coal in all our plants by 2025 and, as part of those plans, during the year we announced a US$75 million investment to build a new natural gas-fired combined heat and power system at our corn wet mill in Lafayette, Indiana. This is similar to the co-generation system we commissioned in 2017 at our corn wet mill in Loudon, Tennessee. These investments are a win/win because, while replacing coal boilers will deliver a substantial reduction in carbon emissions, they make our plants more efficient too.

Better IT systems have also been a focus this year. We've invested in tools like Workday®, our new global HR platform which replaces nine legacy platforms. We're also completing the rollout of SAP to our smaller sites, and have introduced better communications systems for virtual working, such as Microsoft Teams. And we're investing in data systems for our logistics and plants, as Melissa talks about on page 39. These are essential for ensuring our growth is efficient and profitable.

Q HOW STRONG IS TATE & LYLE'S FINANCIAL POSITION?

We are in a strong position thanks to the great work of our people across the business. Our leverage is low with good headroom and committed facilities, with a net debt/EBITDA ratio at 0.9 times (0.6 times on a covenant basis). Liquidity is strong and we have access to more than US$1 billion through cash at hand and a committed and undrawn revolving credit facility. The covenant headroom on our borrowings is also significant, and we have no debt to repay until 2023.

During the year we also took two actions to strengthen and de-risk our balance sheet. We supported the trustees of our main UK pension scheme in completing a £930 million bulk annuity insurance 'buy-in' of the scheme, and we refinanced some of our debt at a lower cost.

LOOKING AHEAD

Q HOW ARE YOU RESPONDING TO COVID-19?

From the outset of the pandemic, our priority has been to keep our people safe, our operations running and to support our customers. The fact that we have managed to do all three so far shows the real resilience and commitment of the whole Tate & Lyle team.

From a financial standpoint, we entered this period in a strong position. In March, as the pandemic unfolded, we acted to reduce costs and preserve cash. This included stopping non-essential discretionary spend, freezing salary increases and recruitment, and reprioritising capital expenditure. These are never easy decisions to take but are necessary given that no one really knows, at this stage, what the full impact of the pandemic will be.

Q WHAT ARE YOUR IMMEDIATE PRIORITIES FOR THE COMING YEAR?

Navigating the challenges of Covid-19, preserving cash and maintaining the strength of our balance sheet are clearly key priorities for us. It's also important we don't lose sight of the longer term. We are fortunate that the strength of our balance sheet enables us both to navigate Covid-19, and to continue to invest selectively to deliver long-term growth.

Q HOW CONFIDENT ARE YOU IN THE FUTURE, GIVEN THE UNCERTAINTIES IN THE WORLD?

In the near term, in light of Covid-19, the team is managing what we can control and making sure we're prepared as best we can for what we can't. Tate & Lyle is a resilient business and I am confident we will get through this period successfully and emerge a stronger company.

For the longer term, it's about the strength of the underlying business we're in. I've always worked in consumer goods businesses, and personally I'm excited by our purpose and how it promotes healthy living, because it's how we can directly affect millions of people. And our growth is coming from helping our customers improve people's lives by making food healthier and tastier – something that will never go out of fashion.

I've also seen for myself how our purpose inspires our people, which makes them more committed to the Company. And committed people deliver results.

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

ACQUISITIONS, JOINT VENTURES, PARTNERSHIPS

PROGRESSIVE DIVIDEND POLICY

RETURN SURPLUS CAPITAL TO SHAREHOLDERS

SUMMARY OF FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2020 (AUDITED)

YEAR ENDED 31 MARCH[1] CONTINUING OPERATIONS UNLESS STATED OTHERWISE	2020 £M	2019 £M	CHANGE %	CONSTANT CURRENCY CHANGE %
Revenue	**2 882**	2 755	5%	2%
Adjusted operating profit				
- Food & Beverage Solutions	**162**	143	13%	10%
- Sucralose	**63**	61	4%	1%
- Primary Products	**158**	148	7%	3%
- Central	**(52)**	(47)	(10%)	(9%)
Adjusted operating profit	**331**	305	9%	5%
Net finance expense	**(28)**	(26)	(7%)	(4%)
Share of profit after tax of joint ventures	**28**	30	(8%)	(9%)
Adjusted profit before tax	**331**	309	7%	4%
Exceptional items	**(24)**	(58)	58%	59%
Amortisation of acquired intangible assets	**(11)**	(11)	–	–
Profit before tax	**296**	240	23%	20%
Income tax expense	**(51)**	(59)	13%	15%
Profit for the year	**245**	181	35%	31%
Earnings per share (pence)				
Adjusted diluted	**57.8p**	52.0p	11%	8%
Diluted	**52.1p**	38.6p	35%	31%
Cash flow and net debt[2]				
Adjusted free cash flow	**247**	212		
Net debt	**451**	337		

1 Adjusted results and a number of other terms and performance measures used in this document are not directly defined within IFRS. We have provided descriptions of the various metrics and their reconciliation to the most directly comparable measures reported in accordance with IFRS and the calculation (where relevant) of any ratios in Notes 1 and 4.
2 IFRS 16 Leases was adopted at the beginning of the year, without restating comparatives. Lease payments are now classified as financing rather than operating cash flows, increasing adjusted free cash flow in the year ended 31 March 2020 by £34 million. IFRS 16 lease liabilities increased net debt by £162 million at 31 March 2020.

Sales from continuing operations of £2,882 million were 5% higher than the prior year (2% higher at constant currency). On a statutory basis, profit before tax from continuing operations increased by £56 million to £296 million driven by increased earnings and a lower net exceptional charge of £24 million (2019 – charge of £58 million).

Statutory diluted earnings per share from continuing operations increased by 13.5 pence to 52.1 pence due to higher earnings, lower exceptional charges and a lower statutory effective tax rate of 17.1% (2019 – 24.4%).

Adjusted profit before tax from continuing operations at £331 million was £22 million higher than the prior year (4% in constant currency). Adjusted diluted earnings per share from continuing operations increased by 5.8 pence to 57.8 pence (8% in constant currency) reflecting higher adjusted profit before tax.

CENTRAL COSTS

Central costs, which include head office costs and certain treasury and legal activities, were 10% higher (9% in constant currency) at £52 million, primarily driven by incremental costs as part of our overall Covid-19 response. Such increases were partially offset by strong overhead cost discipline.

NET FINANCE EXPENSE

Net finance expense from continuing operations was £2 million higher at £28 million, reflecting the adoption of the new leasing standard, IFRS 16, which increased finance expense by £6 million. This has been partially offset by lower borrowing costs.

The Group has raised new debt and refinanced maturing debt, both lowering its overall borrowing rates and increasing its access to liquidity. In November 2019, the Group issued a US$200 million private placement, comprising US$100 million 3.31% notes due 2029 and US$100 million 3.41% notes due 2031, and used the proceeds to refinance a £200 million 6.75% bond maturing at that time. In May 2020, the Group extended the maturity of its US$800 million revolving credit facility by a year to 2025 and priced a committed US$200 million debt private placement which will be issued on 6 August 2020, at which point US$100 million 2.91% notes maturing in 2030 and US$100 million 3.01% notes maturing in 2032 will be drawn down.

Following the buy-in of the main UK defined benefit pension scheme, interest income of about £5 million per year on the accounting surplus of the plan will no longer be recognised from the start of the 2021 fiscal year.

SHARE OF PROFIT AFTER TAX OF JOINT VENTURES

The Group's share of profit after tax of joint ventures of £28 million was 8% lower (9% lower in constant currency) principally reflecting weaker demand at DuPont Tate & Lyle Bio Products (Bio-PDO™), which is expected to continue into the 2021 fiscal year.

EXCEPTIONAL ITEMS FROM CONTINUING OPERATIONS

The Group recorded a net exceptional charge of £24 million, which principally comprised £19 million of restructuring charges for the previously-announced simplification programme, consisting of the following:

- £5 million of severance costs for roles removed from the organisation; and
- £14 million of productivity costs including the accelerated depreciation of assets being replaced with more efficient alternatives, Global Operations cost-saving initiatives, and other associated project costs.

The Group also recorded a £5 million charge following the decision in the first half of the year to exit the Primary Products' small, non-core savoury ingredients business, mainly comprising the cost of writing off the associated assets.

The exceptional cash outflows for the year totalled £24 million, comprising £9 million of cash outflows related to charges recorded in the current financial year and £15 million of cash outflows resulting from exceptional costs recorded in the prior year.

In May 2018, as part of its simplification programme, the Group announced a plan to generate productivity benefits of US$100 million over a four-year period to 2022, and that the cash costs of delivering this would be around US$40 million. During the year ended 31 March 2020, exceptional cash costs in respect of this programme of US$19 million were recognised, bringing the total to date to US$33 million.

During the year ended 31 March 2019, the Group recorded a net exceptional charge of £58 million which mainly comprised a £43 million non-cash impairment charge on the oats ingredients business.

TAXATION

The adjusted effective tax rate was 17.9% (2019 – 21.0%). The rate was lower than the prior year as a result of the recognition of a deferred tax asset following the pension buy-in transaction which enabled the utilisation of some previously unrecognised tax losses, the re-measurement of deferred tax assets in the UK following the reversal of the UK government's previously enacted decision to reduce the standard rate of corporation tax from 19% to 17%, and the expiry of the statute of limitations on a number of uncertain tax provisions. Of these items, the latter two were discrete items recorded in the second half of the year ended 31 March 2020, causing the full-year rate to be lower than that of the first half.

We expect the rate for the year ended 31 March 2021 to be between 17% and 19%.

EARNINGS PER SHARE

Adjusted basic earnings per share increased by 11% (8% in constant currency) to 58.6 pence and adjusted diluted earnings per share at 57.8 pence were also 11% higher (8% in constant currency). Statutory diluted earnings per share increased by 13.5 pence to 52.1 pence reflecting increased earnings and lower exceptional charges in the year.

CASH FLOW AND NET DEBT

	YEAR ENDED 31 MARCH[1]	
	2020 £M	2019 £M
Adjusted operating profit from continuing operations	**331**	305
Adjusted for:		
Depreciation[2] and adjusted amortisation	**161**	141
Share-based payments charge	**14**	18
Changes in working capital and other non-cash movements	**2**	(16)
Net retirement benefit obligations	**(21)**	(25)
Capital expenditure	**(166)**	(130)
Net interest and tax paid	**(74)**	(81)
Adjusted free cash flow[3]	**247**	212

	AT 31 MARCH	
	2020 £M	2019 £M
Net debt[4]	**451**	337

1 Adjusted results and a number of other terms and performance measures used in this document are not directly defined within IFRS. We have provided descriptions of the various metrics and their reconciliation to the most directly comparable measures reported in accordance with IFRS and the calculation (where relevant) of any ratios in Notes 1 and 4.
2 Excludes £8 million of accelerated depreciation in exceptional items.
3 IFRS 16 Leases was adopted in the year without restating comparatives. Lease payments are now classified as financing rather than operating cash flows, increasing adjusted free cash flow by £34 million.
4 IFRS 16 lease liabilities increased net debt by £162 million at 31 March 2020.

DIVIDEND

The Board is recommending an unchanged final dividend of 20.8 pence per share, bringing the full-year dividend to 29.6 pence per share (2019 – 29.4 pence), up 0.7% on the prior year. The final dividend is subject to approval by shareholders at the AGM on 23 July 2020. Subject to shareholder approval, the final dividend will be due and payable on 31 July 2020 to all shareholders on the Register of Members on 19 June 2020. In addition to the cash dividend option, shareholders will continue to be offered a Dividend Reinvestment Plan alternative.

CASH FLOW, NET DEBT AND LIQUIDITY

Adjusted free cash flow was £247 million (2019 – £212 million). The increase of £35 million reflects a favourable impact of £34 million from IFRS 16. Excluding this impact, the increase was £1 million, with higher capital expenditure of £166 million (2019 – £130 million) being offset by higher operating profit, better working capital performance and lower retirement benefit contributions and tax payments.

We expect capital expenditure for the 2021 financial year to be between £140 million and £160 million.

Overall net debt at 31 March 2020 of £451 million was £114 million higher than at 31 March 2019. The adoption of IFRS 16 increased net debt by £162 million at 31 March 2020. Excluding the impact of IFRS 16, net debt would have been lower due to net cash flow generated from operating and investing activities, partially offset by the translation impact of the stronger US dollar on US-denominated borrowings.

At 31 March 2020, the Group held cash and cash equivalents of £271 million and had a committed, undrawn revolving credit facility of US$800 million. Net debt/EBITDA ratio was 0.9 times (2019 – 0.8 times), with the increase driven by the impact of IFRS 16. On a covenant-testing basis, net debt/EBITDA ratio was 0.6 times, which was significantly lower than the covenant ratio of not greater than 3.5 times, demonstrating significant headroom above this covenant requirement.

RETIREMENT BENEFITS

The Group maintains pension plans for its current employees and former employees in a number of countries. Certain of these arrangements are defined benefit pension schemes. All funded schemes in the UK and US are closed for further accrual. In the US, the Group also continues to provide an unfunded post-retirement medical benefit scheme.

On 18 September, the Group further de-risked its retirement benefit obligations by supporting the trustees of the main UK defined benefit pension scheme in completing a £930 million bulk annuity insurance policy 'buy-in' for that scheme. The 'buy-in' secured an insurance asset that fully matches the remaining pension liabilities of the scheme, with the result that the Company no longer bears any investment, longevity, interest rate or inflation risk.

As the scheme was in surplus on an accounting basis, in accordance with the relevant accounting standard the impact of this transaction was to record a re-measurement loss of £195 million to other comprehensive income. There was no impact on profit before tax and no incremental funding by the Group was required.

The other significant movements in retirement benefit obligations relate to actuarial losses recognised in other comprehensive income of £46 million, with the main driver being the reduction in the discount rates applied to US pension liabilities leading to increased liabilities which were only partially offset by higher returns on plan assets of £20 million.

While discount rates applied to UK pension liabilities also decreased, this impact was more than offset by the decrease in inflation assumptions, resulting in an overall actuarial gain for the UK pension liabilities. However, for the main UK pension plan, this actuarial gain was offset by an equal and opposite decrease on the return on plan assets because of the nature of such assets following the 'buy-in' described above.

The Group's retirement benefit obligations are now in a net deficit of £203 million (2019 – surplus of £24 million). Such movement reflects the re-measurement loss on the 'buy-in' described above. The largest component of the net deficit are certain deliberately unfunded schemes in the US. The movement in the net retirement deficit remains very sensitive to the changes in the principal assumptions, the impact of which is disclosed in Note 29.

As a result of the 'buy-in', cash contributions into the main UK scheme will cease, saving approximately £20 million of cash annually from the 2021 financial year. In addition, the Group will no longer record non-cash interest income on the accounting surplus of about £5 million per year.

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 28.

GOING CONCERN

The Directors are satisfied that the Group has adequate resources to continue to operate for a period not less than 12 months from the date of approval of the financial statements and that there are no material uncertainties around their assessment. Accordingly, the Directors continue to adopt the going concern basis of accounting.

In making this assessment, the Directors have taken into consideration that, since the balance sheet date, significant actions have been taken by most governments to contain the spread of Covid-19, which have had a severe effect on economic activity in the countries in which the Group operates.

While the Group's trading in March showed limited impact from the Covid-19 pandemic, the lockdowns in place in many countries across the world throughout April, most notably in its largest markets of the US and Europe, have led to some significant changes in demand patterns for its products. Primary Products volume was significantly impacted by the first full month of lockdown in the US. Bulk sweetener volume was 26% lower from reduced out of home consumption as bars, cinemas, restaurants and sporting events were either shut or cancelled. Industrial starch volume was 9% lower reflecting reduced demand for paper and packaging following the closure of schools, offices and a decline in economic activity.

The impact of lower demand was partially mitigated by actions taken in March to optimise cash and reduce costs as we saw the pandemic unfolding. These include freezing salary increases and recruitment, stopping non-essential discretionary spend and reprioritising capital commitments.

At the year end, the Group held cash and cash equivalents of £271 million and had an undrawn, committed revolving credit facility of US$800 million (£642 million). In addition, during May 2020, the Group successfully obtained further committed borrowings through a US$200 million US private placement at an average coupon of 2.96% and extended the term of its US$800 million revolving credit facility by one year to March 2025.

In concluding that the going concern basis is appropriate, the Directors have modelled the impact of a 'worst case scenario' which includes the potential impact in aggregate of three plausible but severe downside risks. It specifically included a severe extended impact from lower out-of-home consumption across our Primary Products and Food & Beverage Solutions businesses due to Covid-19. In addition, this 'worst case scenario' also included two other risks from the Group's viability assessment unrelated to Covid-19, being 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.

Having reviewed this 'worst case scenario' forecast for the coming year, and having applied reverse stress tests, the Directors consider it remote that available liquidity could be exhausted. In addition, even under the 'worst case scenario' there remains no forecast breach of the Group's covenant ratio of 3.5 times net debt to EBITDA.

UNITING TO SUPPORT EACH OTHER

Laura Hagan
Chief Human Resources Officer

Laura celebrates the fantastic work of our people and reflects on how we're investing and supporting them during challenging times.

Like every company this year, the biggest challenge for our people has been adapting to the new environment of Covid-19. Personally, I've been so impressed by how our people have united and supported each other, whether that's our production teams going to work to keep our plants running to serve our customers, or our many office-based people adapting to working at home with only virtual contact with their colleagues and teams. This tremendous combination of energy and compassion has truly demonstrated the quality of our people. Everywhere I look, people are embodying our values and living our purpose in their support for each other, the Company, and the communities around them.

INVESTING IN SYSTEMS AND PEOPLE

We've also been helped by the investments we've made in HR systems during the year, which have made it easier for people to support each other in practical ways. In January, we replaced nine legacy administrative systems with one global people system, Workday®, providing higher-quality data and reducing bureaucracy for managers and their teams. It got off to a flying start, with 72% of people logging in during the first six weeks, and we've had great feedback on how it's making our people's lives easier.

In the final quarter of the financial year, we simplified the organisation of, and ways of working for, our customer-facing teams. This is helping us to be more agile and responsive, and get closer to our customers in their local markets. I'm particularly proud that the new organisation and ways of working came from those best placed to know what will work: a team of our own people. And, of the nine pivotal new roles, eight were internal appointments.

Another key area for us was mental wellbeing. We brought forward the piloting of our new mental wellbeing programme to February, and will be rolling it out in the first half of the new financial year as part of our Journey to EHS Excellence (J2EE) programme.

A GREAT CELEBRATION OF OUR PEOPLE

A real highlight was our Extraordinary People Awards held in Miami in October. These awards celebrate individuals and teams nominated by their peers for their outstanding contribution to Tate & Lyle, our customers and the communities we operate in. What really stood out for me was how touched people were – not just winners but everyone and their guests. The event was energising, joyful and inspiring, not least because of the incredible stories, from stopping a runaway barge in Loudon, Tennessee, USA (not one of ours!), to creating a spreadsheet tool that saved people thousands of hours of work, to commercialising a new ingredient in record time.

ACHIEVING OUR GOALS

We know that the year ahead is going to be tough for all of us as we deal with the ongoing implications of Covid-19. But it's genuinely brought out the best in our people and, as a result, we're already making progress on our ambitions around managing people better, and promoting an entrepreneurial culture of feedback and honesty. I've seen for myself the ingenuity, courage and decency of Tate & Lyle people in adversity, and I know that together we can achieve our goals.

OUR PEOPLE

OUR COMMITMENT TO INTEGRITY AND HUMAN RIGHTS

We expect everyone at Tate & Lyle, and all who work with us, to act in accordance with our values and live up to our standards. We set out what this means in our Code of Ethics, available in 12 languages and publicised widely across the Group. We relaunched the Code in 2018, and this year continued to promote it through online training for everyone and face-to-face training for particular areas of risk, such as sales and procurement. We strongly encourage people to report breaches through our Speak Up (whistleblowing) programme, which is advertised across our plants and offices, on our intranet and in 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

This year, concerns raised through Speak Up, either directly or through our independent third-party partner, Safecall, doubled again from 34 to 70. This still represents a small number of calls compared with the number of employees, and so we see this increase as a positive reflection of our efforts to encourage reporting. We also saw more people raising questions or concerns about Code-related issues directly with our in-house legal team and the Head of Ethics and Compliance, which we're pleased about because it means people are not afraid to come forward. We investigate all issues fully.

Communicating our standards and policies

We support the Code with a set of standards including Group Competition (Anti-trust), Group Gifts and Hospitality, Anti-Money Laundering and Anti-Corruption/Bribery, and Agents and Commissions. Our global HR policies cover topics such as equal opportunities, diversity and inclusion, employee training and reward, and we publish these and our standards on our intranet, as well as publicising them across Tate & Lyle. We also publish standards for our supply chain, and our statement on anti-slavery and human trafficking can be found at www.tateandlyle.com/anti-slavery-statement.

FOSTERING AN INCLUSIVE CULTURE

Our policy is to employ the best candidates for every position regardless of gender, sexual orientation, age, nationality, colour, disability, race, religion or philosophical beliefs, marriage or civil partnership, pregnancy, maternity, gender reassignment or ethnic or national origin. But what does 'best candidate' mean for Tate & Lyle? Skills and expertise are important, of course, but these can be learned. What matters most is that people have passion for our purpose and culture, embracing diversity of thought and experience.

Encouraging boldness and ambition

For us, the right culture is one based on our values of safety, integrity and respect, and which is truly inclusive as well as performance-driven. People are at their best when they feel they're contributing to the Group's performance, while also developing their own abilities. Our aim this year was to inject more boldness and ambition into our culture, and we've definitely seen progress with people much more confident about taking the initiative and getting things done.

Focusing on gender as the gateway to broader diversity

We believe that our focus on diversity and inclusion is very important, because people do their best work when they feel they can be themselves. We've done a lot of work around gender diversity this year, but we still have much to do, which is why we made one of our new purpose commitments to achieve gender parity in leadership roles by 2025. We have 128 senior managers, including statutory directors, of whom 23% (30) are women.

OUR PEOPLE

Employee profile
(as at 31 March 2020)

4,218

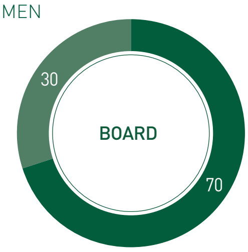
(2019: 4,121)

Employees by geography (%)

- NORTH AMERICA
- EUROPE, MIDDLE EAST AND AFRICA
- LATIN AMERICA
- ASIA PACIFIC

Gender diversity (%)
(as at 31 March 2020)

- MEN
- WOMEN



MAKING OUR VOICES HEARD

Thais Isabel, Microbiologist, set up the Professional Women's Network at our citric acid plant in Santa Rosa, Brazil.

'We don't have many women in our factory and, as the J2EE Element Owner for Engagement, I talk to people a lot. I saw that women needed more of a voice so I started the group. It's definitely helped us all mix and speak more freely!'

We're proud to have a strong professional women's network, which was set up by employees and is proving very popular, bringing together women across the Group for networking, personal development and socialising. Thanks to our non-executive director, Anne Minto, who is on the Board of the International Women's Forum UK (IWF), we have formed strong links with the IWF and look forward to sponsoring a future event (post Covid-19).

Gender balance differs across the business. One area that's particularly difficult for gender parity is plant management. This is largely to do with the scarcity of women working in this area, and we were therefore really pleased that our first new safety engineer recruited this year was a woman. Looking at our Innovation and Commercial Development team, we're delighted to have reached gender parity already. Gender is, of course, only a subset of diversity, but it is the easiest to focus on first, and it then becomes the vanguard for other things by opening up a wider conversation about diversity. This has led to the establishment of different affinity groups within the Company – LGBTQ+ for example – and we're encouraging our people to set up whatever groups will best serve their needs.

Gender pay gap reporting

Although we are below the legislative threshold for UK gender pay reporting, we publish details of our gender pay gap on our website. Using the UK government's methodology, our median gender pay gap for UK employees was 15% (2019 – 9%). This is because a large number of our most senior roles are based in the UK, and we have fewer women in those roles than men.

LIVING OUR PURPOSE

BUILDING THRIVING COMMUNITIES

Gender equality

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

SUPPORTING EMPLOYEE WELLBEING

With modern ways of working, the dividing line between work and personal life is increasingly blurred. While this has its benefits – flexible working patterns, the ability to work from home and therefore continue to work, for example during the Covid-19 lockdowns this year – it also brings additional stress as the workplace gets faster and more intense. Mental wellbeing is essential to people's overall ability to do their jobs well, and in the world at large there's been a positive shift in openness about discussing mental health issues.

Investing in mental health

Our purpose commitment to promote personal wellbeing demonstrates how important this area is to us, but it's really a natural evolution of the supportive environment our people create for each other. This year, alongside our many site-based wellbeing initiatives – lunchtime talks, on-site gym facilities, subsidised massage and yoga, healthier options in canteens, visits from occupational health professionals – we've also invested in mental health. We knew that some people were suffering 'under the radar', so we wanted to make sure we offer an environment in which people feel safe to talk about mental health, and will seek support.

MENTAL HEALTH FIRST AIDERS

Saquib Ramday, Category Director in London, UK, trained as a Mental Health First Aider.

LET'S KEEP TALKING

'We all know stress can affect people, so when I became leader of a large team I wanted to create an environment where people felt protected. It's about leading by example – opening up conversations, spotting early signs and encouraging people to take positive steps towards self-care and extra support, if needed. None of this precludes high performance. In fact, it drives it.'

We've introduced mental health first aiders at our global head office in London, UK and our Commercial Food and Innovation Centre in Hoffman Estates, Illinois, USA, who are trained to spot the signs and offer support. And, as mentioned earlier, we brought forward the piloting of our new mental wellbeing programme to February, and will be rolling it out across the Group in the first half of the new financial year as part of our J2EE programme.

We also expanded our Employee Assistance Programme, which offers information and counselling on health and wellbeing, to include everyone across Tate & Lyle.

LIVING OUR PURPOSE

SUPPORTING HEALTHY LIVING

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

SO MUCH TO CELEBRATE!

We've always honoured people's achievements, but the Extraordinary People Awards introduced three years ago took things to the next level. Chief Executive Nick Hampton reflects on this year's event.

'Colleagues in every part of our business nominated 'Tate & Lylers' who are inventing, inspiring, accelerating, sharpening, simplifying, improving lives, being superstars, keeping people and our planet safe, and going above and beyond behind the scenes. Our extraordinary people are an inspiration to me and to all of us – and we go all out to celebrate them in style.'

ENSURING EMPLOYEES ARE MOTIVATED AND RECOGNISED

Fair, performance-based remuneration is fundamental to people's motivation, and our incentive arrangements are based on both Group and individual performance measures, while we ensure our packages are fair by benchmarking them regularly against the market. We made a big investment in pay this year, by expanding the bonus pool, effectively doubling the number of people eligible for an annual cash bonus.

Celebrating our extraordinary people
Recognition is about far more than pay, however, and we are very aware of the importance of personal recognition to feeling rewarded. This takes many forms, from localised recognition moments in team meetings, through to large events such as our biennial Extraordinary People Awards, which recognises truly exceptional behaviour from our people across the world. This year was an Awards year, and we were delighted to receive a record 565 nominations for our eight categories, that were celebrated in Miami in October.

Staying connected through regular communications
On a day-to-day level, good internal communications are essential for keeping people connected and engaged, especially in difficult times. We communicate with our employees globally through a number of channels. These include email, videos, our intranet, our Yammer internal social network, team meetings, employee town halls, food tasting sessions and our global employee magazine, which we publish at least twice a year in English, with summaries in nine other languages. This year, we also delivered an employee communications and community involvement programme to celebrate the 160th anniversary of the founding of the business that would later become Tate & Lyle. To ensure our communications are effective and to understand what people are thinking, we carry out periodic pulse surveys.

As the Covid-19 pandemic unfolded, in February 2020 our Chief Executive began a weekly all-employee email, with short video messages from himself and other senior leaders. We also implemented an extensive communication programme to support our employees and keep them informed of our Covid-19 response. This included a series of 'virtual cafes' where every employee had the opportunity to speak to the Chief Executive and ask him questions. This open approach to communication during this difficult time is really helping morale, as we know from our internal surveys and from employees' Yammer posts.

DEVELOPING TALENT AND ENHANCING LEADERSHIP SKILLS

We want to be a company where people are constantly learning, and this is as much about attitude as it is about formal training programmes. Traditional face-to-face programmes still have their place, but technology has given us the opportunity to democratise learning, which means offering people a range of training options which they can take up in their own time. This is also important because our people are spread out all over the world, and so providing online training means we can reach people easily wherever they are.

There's definitely a real appetite for development, particularly among our younger colleagues. But many mid-career people are less clear what their needs are or how best to tackle them, and are similarly less used to asking for development opportunities. We recognise that we need to do more to create a better learning culture for everyone.

In the coming year, we want to improve our online leadership and inclusion training programmes to help our people in these important areas.

AMBITIOUS NEW TARGETS TO ACCELERATE OUR PROGRESS

> The good progress we've made this year is thanks to the efforts of our people, who show their concern for each other and the environment in what they do every day.

Melissa Law
President, Global Operations

We're now into the third year of our Journey to Environment, Health and Safety (EHS) Excellence (J2EE). The aim of this multi-year programme, launched in January 2018, is to deliver and sustain world-class EHS performance throughout Tate & Lyle.

OUR YEAR IN SUMMARY

During the year, as we continued to embed J2EE, we saw not only good progress in EHS performance but also a positive shift in our culture. We spent considerable time looking at our impact on the world around us and how we can truly live our purpose, particularly in terms of caring for our planet. As a result, we have developed ambitious new environmental commitments and targets for the next 10 years, as set out on page 52. They cover carbon emissions (not just inside our operations but across our whole value chain), water, waste, and sustainable agriculture. The last is where we can have a considerable impact on our supply chain which is why, during the year, we entered into a ground-breaking partnership with Truterra™ LLC (formerly Land O'Lakes SUSTAIN™) to support sustainable farming practices for 1.5 million acres of US-grown corn, equivalent to all the corn we buy globally each year.

At the end of the financial year, the Covid-19 pandemic posed significant challenges for the whole Group. The health and safety of our people is our top priority, and we took the necessary precautions to protect and support them while enabling our plants to remain in operation to supply ingredients for food and beverage customers across the world.

OVERVIEW OF J2EE

Our J2EE programme is designed to involve everyone within Tate & Lyle in strengthening our EHS culture and performance. In practical terms, this involves each site introducing standardised behaviour and protocols and passing through a series of stages, or tollgates (seven in total), with the help of element owners – colleagues who champion a particular aspect of EHS. Passing a tollgate involves a rigorous assessment carried out by internal EHS experts.

J2EE is supported by a global EHS management system aligned with the requirements of international standards for the environment, occupational health and safety, and risk management (ISO 14001 and ISO 45001). This feeds into our global EHS policy (available on our website), which sets out a number of principles designed to safeguard our people and planet, 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, Gensuite, 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.

EHS governance

Our EHS Advisory Board oversees J2EE and reviews performance. It meets quarterly and is made up of senior executives, including the Chief Executive, and an external expert. The Board of Directors receives monthly updates on EHS performance, and a more detailed review of progress at least twice a year.

Each year, senior executives visit sites to meet employees and contractors to discuss EHS and identify key issues. This first-hand insight helps us review and improve our EHS practices and address any specific concerns employees may have.

Continuing good progress

It was a year of encouraging progress. By the end of March 2020, 37 sites had passed tollgate 1, 32 sites tollgate 2, and 16 sites tollgate 3. And, we were delighted that three of our manufacturing sites had passed tollgate 4, and one, tollgate 5.

We encourage employees to tell us about any EHS concerns they may have, no matter how large or small. This year, they raised 5,413 concerns, and over 78% were addressed within our target of 30 days, a 4% improvement on 2018. Nonetheless, cultural change is a gradual process, and we still have work to do to ensure EHS issues are fully understood across Tate & Lyle.

J2EE AIMS

- To build a strong, sustainable EHS culture
- To prevent loss of life and injuries
- To prevent business disruption
- To provide clarity about the behaviour we expect from those who work for us and with us
- To manage our operational EHS risks to minimise our environmental footprint, while ensuring compliance with applicable regulation

PUBLIC REPORTING

We explain the scope, principles and methodologies we use to report our EHS performance in 'EHS Reporting Criteria' at www.tateandlyle.com/about-us/corporate-responsibility.

ASSURANCE

AECOM has independently verified selected environmental data from pages 52 to 54. Their limited assurance statement is at www.tateandlyle.com/about-us/environment.

We report EHS data by calendar year.

ENVIRONMENT

INTRODUCTION

This year marked a real step-change in our approach as we looked to deliver on our purpose pillar, caring for our planet. Protecting our planet's natural resources, and addressing climate change in particular, are very real concerns for the world, and businesses have an important role to play in tackling these challenges. That is why, during the year, we developed a set of new, ambitious targets for our environmental impacts, with a baseline of the 2019 calendar year, as well as making some important environmental commitments like eliminating the use of coal from our operations by 2025.

We measure our environmental footprint in four main areas: our impact on the climate; water use; beneficial use of waste; and promoting sustainable agriculture.

HOW WE MANAGE ENVIRONMENTAL RISK

Our global EHS management system includes:

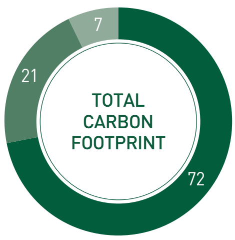
- Identifying and measuring environmental risks to prevent and mitigate our impacts
- Planning, setting targets, measuring progress, and tracking actions to achieve our objectives
- Documenting all legal and other environmental obligations and their fulfilment
- Investing in our employees to build a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

Our total carbon footprint

During the year, with the support of an external expert, we analysed our carbon footprint throughout our entire value chain. We found that just under 30% of our carbon emissions came from Scope 1 and 2 CO_2e emissions (energy used in or purchased for our facilities), with more than 70% from Scope 3 CO_2e emissions (indirect emissions from across our value chain). We are using this data to consider how best we can reduce our total carbon footprint moving forward.

OUR TOTAL CARBON FOOTPRINT

- SCOPE 1 (21%)
  Direct emissions from owned or controlled sources
- SCOPE 2 (7%)
  Indirect emissions from the generation of purchased energy
- SCOPE 3 (72%)[1]
  34% – emissions related to our purchased goods and services (principally corn)
  26% – emissions related to processing and use of our products
  12% – other



1 Not assured. This will be included in our limited assurance scope in 2021.

How we developed our new commitments and targets

In setting these targets, rather than starting from where we are, we looked at where we believed we should be in 2030 and beyond, and then worked back to see what that would mean for what we must achieve by 2025 and then 2030. To make our carbon footprint targets more meaningful, they are based on absolute rather than intensity reduction, and we are committed to having them validated as science-based by the Science Based Target Initiative (SBTi). This means that, by meeting our CO_2e 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 promoting sustainable agriculture is fundamental to our overall ability to meet our targets because of the significant proportion of our climate impact that comes from corn growing. That is why we've committed to ensuring we support sustainable farming equivalent to the corn acreage we buy globally each year – currently 1.5 million acres. We're proud to be leading the industry as the first corn wet miller to introduce this kind of programme. It has a wider significance too, because sustainable agricultural practices aren't just about their environmental impact – they're about supporting farmers' livelihoods and local communities, which also aligns with our purpose pillar of building thriving communities.

We've also signalled our commitment to our new targets by 'going green' with the refinancing of our US\$800 million revolving credit facility in May 2020. The pricing of this is linked to us achieving our Scope 1 and 2 CO_2e emissions, water use and waste reduction targets.

Building a sustainable EHS culture

The capital investments we're making in our plants, such as co-generation systems to replace coal boilers, and in our sustainable agriculture programme, are of course vital for achieving our targets. But what matters perhaps even more is the behaviour and commitment of our people, as we know from our work with J2EE. Many of the incremental improvements we've made have come from our own employees understanding what we're trying to achieve and coming up with ideas.

At the same time, it's important that we educate employees to understand the environmental impacts of decisions they're making. A key part of our work, then, is to embed environmental concerns into everyday working practices, in the way that we have done with health and safety.

LIVING OUR PURPOSE

CARING FOR OUR PLANET

NEW COMMITMENTS AND TARGETS

Carbon footprint
- By 2030, we'll have delivered a 30% absolute reduction in our Scope 1 and 2 CO_2e emissions, with an ambition to reach a 20% reduction by 2025.
- By 2030, we'll have delivered a 15% absolute reduction in our Scope 3 CO_2e emissions.
- Our Scope 1, 2 and 3 CO_2e emissions reduction targets will be science-based.
- By 2025, we'll have eliminated coal from all our operations.

Waste
- By 2030, 100% of our waste will be beneficially used, with an ambition to reach 75% by 2025.

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

Sustainable agriculture
- We'll maintain sustainable acreage equivalent to the volume of corn we buy globally each year, currently 1.5 million acres, and through partnerships we'll accelerate the adoption of conservation practices.

Task Force on Climate-related Financial Disclosures

During the year we brought together a cross-functional team from around Tate & Lyle and engaged an external expert to help us analyse the requirements of the Task Force on Climate-related Financial Disclosures (TCFD), and determine how we can meaningfully report against them. This work is ongoing (see Risk Report on page 62) and we expect to report more fully against the TCFD in next year's Annual Report.

REDUCING CO_2e EMISSIONS: PERFORMANCE IN 2019

Our target for 2020 is to reduce CO_2e emissions (Scopes 1 and 2) from energy use by 19% per tonne of production from our 2008 baseline. We beat that target in 2018, and again this year, with a 21.8% reduction. Contributions include our plant in Koog, the Netherlands, where all energy purchased from the grid is now certified as being from renewable sources. And, in Ossona, Italy, the solar panels we installed in January 2019 are now generating enough electricity to supply nearly 20% (53,012 kWh) of the energy the site needs. While these are a step in the right direction, we recognise that we need to do more, and our focus has now shifted to delivering our new targets for 2030.

Investing to achieve our 2030 targets

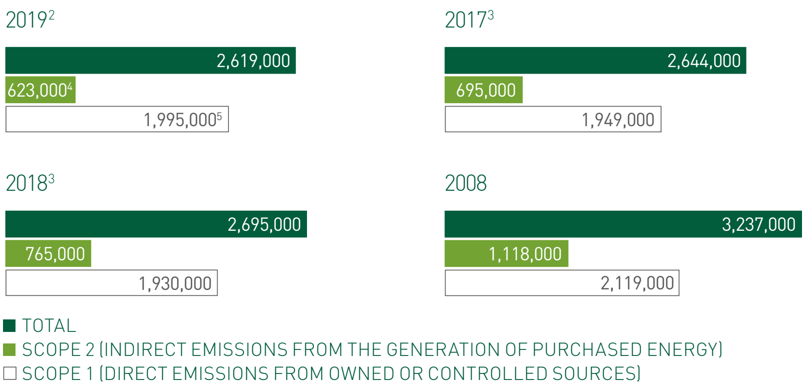
We will achieve a significant proportion of our Scope 1 target through investments in our plants. We are in the middle of a multi-year capital investment programme totalling more than US$150 million to eliminate coal from our plants by 2025. These investments are a double win for us, because they'll make our plants more efficient while being less carbon intensive, and so will be good for our business as well as the environment. Examples of investments we are making include a new boiler at our largest plant, Decatur, Illinois, in the US, and a co-generation energy system at our Lafayette, Indiana, USA plant.

> Eliminating coal from our operations will reduce our carbon emissions and increase our efficiency – it's the right thing to do for our planet and our business.
>
> **Jan-Jaap van der Bij**
> Senior Vice President,
> Global EHS and Quality

ENERGY USE AND CARBON FOOTPRINT

Energy use[1]
Gigajoules (GJ) per tonne of production

Carbon footprint, Scopes 1 and 2[1]
Tonnes CO_2e



1 Although we usually exclude UK sites from these figures because their environmental impact is negligible, we have included them here to meet the UK's Streamline Energy and Carbon Reporting (SECR) requirements.
2 UK use represents 0.014%.
3 Restated to reflect the sale of our Kimstad, Sweden facility in 2019.
4 UK emissions represent 0.052%.
5 UK emissions represent 0.004%.

Energy use intensity[6]
Tonnes CO_2e per tonne of production

6 Excludes UK sites because they are too small to qualify for inclusion under our EHS Reporting Criteria.
7 Restated to reflect the sale of our Kimstad, Sweden facility in 2019.

Regarding our Scope 3 reduction target of 15% by 2030, we expect to achieve the majority of this through our sustainable corn programme, discussed on page 55. We're also looking into where we can make progress in other areas, for example transport and packaging. This will be a key area of focus for us going forward and our ambition, over time, is to go beyond our Scope 3 target.

Highlights of good practice this year

Nonetheless, investments can only take us so far. The other essential part of achieving our emissions targets comes from the ongoing, everyday efforts of our employees in making continuous improvements to our operations. This year we've seen some great work from colleagues across Tate & Lyle, and we were particularly pleased that our Lafayette, Indiana and Loudon, Tennessee plants in the US were again the only two corn wet mills in the US to receive Energy Star certifications. These are awarded annually by the US Environmental Protection Agency for outstanding energy efficiency performance.

REDUCE WASTE

Most of our waste is organic matter that comes from the corn wet milling process. In most cases, it can be beneficially used, particularly as nutrients for local farms, which provides a nice circularity to our process, given that these farms are often those that supply us with corn.

Our target for 2020 is to reduce waste to landfill by 30% from our 2008 baseline. In the 2019 calendar year, we achieved a 9.3% reduction, slightly worse than our result in 2018 of 10.7%[1]. This was mainly due to feed at our Decatur, Illinois facility being used to absorb waste liquid and then sent to landfill, an issue we've since addressed. Elsewhere, we saw examples of encouraging progress. Our Mold, UK and Ossona, Italy sites beneficially used more than 99% of all their waste, and our Loudon, Tennessee site in the US did the same with its wastewater sludge. Our McIntosh, Alabama site continued to divert all its wastewater sludge from landfill to fertilize local farmlands.

As with carbon emissions, we're making some changes to how we manage waste to support progress towards our new target of beneficially using 100% of our waste by 2030. For the coming year and beyond, we have contracted a third party to collect and beneficially use the waste from our four large US corn wet mills, for example as compost, as animal nutrition, or to generate energy.

All our sites set an annual target for waste management and reduction. Some already beneficially use nearly all of the waste they generate, while many have taken other actions, for example switching from single-use plastic, such as coffee and water cups, to more sustainable alternatives.

REDUCING WATER USE

Corn wet milling is a water-intensive process, and water is, of course a shared resource, which means we need to ensure that our use of water is sustainable not only for ourselves, but for the communities we operate in. Many of our plants are located close to rivers or lakes and we need to ensure that we use water as efficiently as possible. We must also take care not to allow any run-off from our sites to pollute these local water courses.

Since water is essentially a local issue, we need to understand the specific risks and opportunities for water at each of our sites. To this end, we completed a global risk and opportunity assessment project in 2019, which gave us the data we needed to set our new target for reducing water use by 15% by 2030, and to determine where we can have the most impact.

Given our consumption of water – 34.6 million m^3 this year, slightly up on 2018 – our new target is a real challenge. And it will become more difficult as we increase our production of ingredients for our Food & Beverage Solutions division, which can be more water intensive. We're therefore developing a model of what this increased production might look like, so that we can plan the right water reduction programmes.

To help us achieve this, we've assigned an engineer from our Global Engineering Team to work full-time on water reduction initiatives.

Focus on stormwater and wastewater

Run-off is becoming an increasing issue in many areas where, as a result of climate change, rainfall is getting heavier and floods more common. So, in 2019, we increased our focus on wastewater and 'stormwater' (rain, snow or floodwater that gets washed from our sites into local water courses, carrying with it production or waste matter).

Raising awareness of the impact of stormwater and promoting good housekeeping are key to managing this issue. Ensuring nothing is left outside that could get washed away, and spills are cleaned up promptly, should mean that any stormwater washing off our sites is free of contaminants.

We've also made investments in wastewater treatment, for example at our Dayton, Ohio plant in the US, where we installed a new system that will reduce the chemical oxygen demand in the site's wastewater effluent by 85%. The system also has an anaerobic digester that will supply renewable energy later in the year.

> We completed our global water risk and opportunity assessment project this year, giving us the data to understand where we can make the most meaningful water reductions.

Peter Lloyd-Jones
Project Lead – Global Water Reduction Project

WASTE TO LANDFILL

Tonnes per 1,000 tonnes of production

WATER USE

Cubic metres per tonne of production

1 Restated to reflect the sale of our Kimstad, Sweden facility in 2019.

PROMOTING SUSTAINABLE AGRICULTURE

Partnerships are essential to improving sustainability across the entire value chain. The highlight of our year in environmental terms was bringing 1.5 million acres of corn in the US Midwest – equivalent to the total amount of corn we buy globally each year – into our sustainable agriculture programme with Truterra™, a leading US resource stewardship solutions provider. The first of its kind in our industry, this programme aims to help farmers understand the impact sustainable practices will have on their crops and their profitability, and to adopt them.

We initially launched the programme in 2018 by enrolling 310,000 acres. Following the success of this pilot, in September 2019 we expanded it to cover the full amount of corn we buy globally each year. And, we won't stop there – we are committed to maintaining sustainable corn equivalent to the amount we use. If our usage increases, we will enrol more acres. This long-term commitment is important because changes in agricultural practices don't happen quickly, and measuring their impact takes multiple growing seasons, given uncontrollable factors such as the weather.

We're also active members of the US Corn Refiners Association and of Field to Market, the US alliance for sustainable agriculture, which helps define, measure and promote sustainability, particularly for corn production. Our partnership with Truterra™ is the largest registered continuous improvement Field to Market project. We also work closely with key customers to enable them to meet their commitments and realise their ambitions for sustainable agriculture.

The first year's results of our corn programme with Truterra™

In practical terms, Truterra™ uses best-in-class technology to monitor and improve air and soil quality on each farm in its programme, working with the farmers to understand the data and make informed decisions on how to adopt conservation practices and improve profitability. In April 2020, we saw encouraging early results from the programme as described in the case study above.

A CORN INDUSTRY FIRST

Early results of our sustainable corn partnership with Truterra™ are really encouraging, explains Anna Pierce, Sustainability Director.

Encouraging progress in the first year

'In the first year, 2018, we engaged 196 farmers, bringing 310,000 acres into our programme. We expanded it in 2019 to 1.5 million acres and more than 1,700 farmers.

'In April 2020, we received results from the 148,000 acres that have been in the programme since the beginning, and were really pleased that they demonstrate an early positive impact. For example, we've seen a 10% reduction in greenhouse gas emissions, equivalent to removing 1,254 cars from the road each year. Soil quality has improved by 4%, as measured by the Soil Conditioning Index, while topsoil erosion reduced by 6% – equivalent to 1,085 truckloads staying on the farm, although wind erosion remained unchanged.

'We are incredibly encouraged by this progress, and are working closely with key stakeholders to support growers as they continue their conservation journey.'

> I'm really proud that we're the first corn wet milling ingredient supplier to launch a sustainable agriculture programme of this kind.
>
> **Anna Pierce**
> Sustainability Director

A more sustainable stevia supply chain

In 2019, we completed a sustainability risk assessment of all our raw materials, down to their agricultural source. These include those we source directly, and many more that we process as part of our manufacturing operations. This assessment will inform the development of our sustainable agriculture programmes. We are currently focusing on stevia, following the review we commissioned in 2019 of the socio-environmental impact of our stevia supply chain in China, where most of our stevia is grown. This was carried out by Earthwatch, an independent, international science-based organisation. The report has proved helpful in understanding the areas of key impact, and we are now looking at developing a sustainable agriculture outreach programme for stevia farmers.

HEALTH AND SAFETY

The safety and wellbeing of our people – all those who work at our sites, whether employees or contractors – is our primary concern. Covid-19 has posed some of the most difficult challenges for our people in our 160-year history, as our Chief Executive discusses on page 13. As explained in the Our people section on pages 46 to 49, during the year we were already taking steps to improve our people's health and wellbeing – initiatives we adapted and accelerated in the face of Covid-19.

Here we discuss health and safety in terms of the occupational safety work covered by our J2EE.

As a minimum, we expect everyone working on a Tate & Lyle site – employees, contractors and any other third parties – to take responsibility in three ways:

- Comply with all safety rules and regulations relevant to their work
- Intervene to prevent unsafe conditions
- Respect fellow workers and the communities in which we work.

In 2018, we introduced a STOP Work Authority across Tate & Lyle. It means anyone conducting work or work-related activities at our sites has the authority and responsibility to stop any activity they believe is not being done safely or that poses an environmental risk. It doesn't matter how critical the activity is for our operations – we will always support a decision to stop work in those circumstances. And to prove that we mean it, we have a weekly STOP Work Authority award that recognises the top action of that week.

As part of our J2EE, we developed 10 life-saving principles to prevent serious injury or loss of life in areas such as working at height, combustible dust, railcar safety, and hot liquids, chemicals, gases and steam. Each principle defines the critical behaviours expected of leaders and employees to ensure their own safety and that of their teams. Although most of our high-risk activities take place in our plants, there are two that apply to all our sites – driving or actions during emergency situations (such as a fire evacuation).

OUR 10 LIFE-SAVING PRINCIPLES

1. Permit to work
2. Lock/tag/try and electrical safety
3. Railcar safety
4. Working at height
5. Mobile-powered equipment
6. Transportation (driving)
7. Safety barrier management
8. Hot liquids, chemicals, gases and steam
9. Combustible dust
10. Emergency situations

How we respond to potentially severe events

When major, severe, or potentially severe events (PSEs) occur, the site manager reports them to our Incident Review Board (IRB). The IRB is led by Jan-Jaap van der Bij, Senior Vice President, Global EHS and Quality, and is attended by senior leadership from Global Operations, and plant and site managers. It is an open forum for discussion, and considers these questions:

- Do we understand what happened?
- Do we understand the root cause?
- Have we defined the right corrective actions to prevent it from happening again at this site?
- What do we need to do for other sites with a similar situation, equipment, process, product or procedure?

Any resulting actions are tracked to completion by our Global Incident Investigation Process Manager. During 2019, the IRB considered six PSEs. Examples include the collapse of a water reservoir tank, a potentially explosive dust cloud and the cutting of a live wire by a contractor. None of these incidents resulted in any harm to either our people or the environment, but action was taken in all cases to prevent such events from happening again.

2019 – improvements in key indicators

We report safety performance by calendar year. For EHS reporting purposes, employees include all those at Tate & Lyle-owned operations and joint ventures, and we also include contractors.

We said last year that we believed our decline in performance during the 2018 calendar year was the result of much more rigorous and thorough reporting, and we're pleased that this has been borne out this year, with improvements in our lagging and our leading indicators. Our recordable incident rate improved by 17%, with the number of incidents down from 60 in the 2018 calendar year to 52 this year, while our lost-time rate[1] was down by 11%. In terms of leading indicators, we had six potentially severe events, down from 11 in 2018. Learning from these events is really important if we are to reduce both PSEs and actual incidents, so we made some of our PSEs into animated videos to share the lessons with employees across our sites.

A new safety-focused engineering role at our major plants

We've invested considerably in resources this year, with the recruitment of full-time safety engineers at all our major plants. They work closely with the Global EHS team and their sole focus is to lead their site's efforts around process safety, particularly combustible dust. These include ensuring global safety expectations are met, identifying high risks, performing risk assessments, and training.

We've also made some important investments in equipment at our Loudon and Lafayette plants in the US, replacing the more hazardous anhydrous sulphur dioxide systems with sulphur burners, which are better for people and the environment.

The importance of culture

As with our environmental efforts, though, real change comes through individuals' behaviour. This is where our relentless focus on safety through our site-by-site tollgate programme, our managers leading by example, and our ongoing communications, make such a difference. And relentlessness is important, because safety is an ongoing, day-by-day, moment-by-moment activity. Even though our indicators are going in the right direction, accidents still occur, which means we still have work to do to improve our culture and our performance.

1 We are now reporting our lost-time rate in place of our lost-work case rate, because it includes lost-work incidents as well as restricted work incidents, and so is a more comprehensive measure of safety performance.

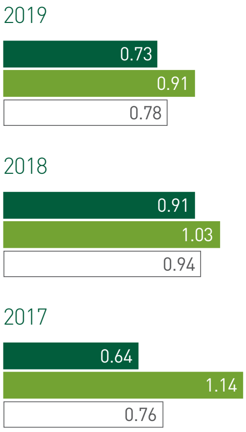
PERFORMANCE IN 2019

Leading indicator – PSEs

6
(2018: 11)

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 (GROUP KPI)

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 days per 200,000 hours.

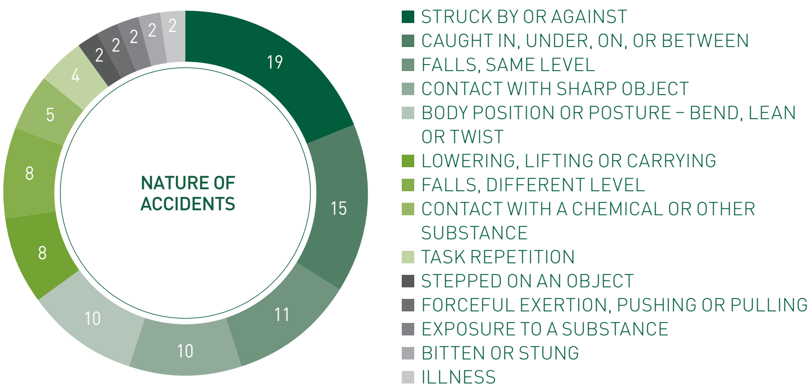
Number of incidents combined

52
(2018: 60)

Number of lost-work and restricted work cases combined

28
(2018: 30)

Nature of accidents (%)



NO HIDING PLACE FOR DUST

One of our new US-based safety engineers, Brenda Seggerman (pictured left), talks about the work we're doing on combustible dust.

Corn dust, starch, gluten, other dry ingredients... in certain conditions, these innocuous-seeming powders could cause devastating explosions, which is why combustible dust is one of our 10 life-saving principles. Even a small amount of dust can cause serious damage.

'This year we analysed the risk of dust across our processes, then ensured our equipment is engineered appropriately, with the correct explosion protection installed. But what's more important is everyday behaviour. Just like at home, dust can build up in hidden areas, which is why being scrupulous about housekeeping is so critical – cleaning dust from the tops of pipes and beams for example. So we held training programmes for employees and contractors, and encourage them to report even the smallest concern, which is already having a positive impact.

'People always ask, "what is your why?" Mine is the memory of an incident from before I joined Tate & Lyle. Thankfully no one was injured, but I'll never forget it. People should be able to work safely, and that's what keeps me focused.'

IMPROVING LIVES IN OUR COMMUNITIES

What makes our community programme special is that every project we do around the world involves our employees.

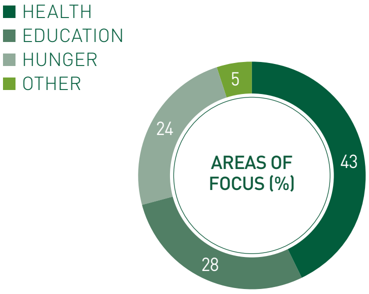
Rowan Adams
Executive Vice President, Corporate Affairs

INVESTING IN COMMUNITIES

In the year ended 31 March 2020, cash community spend and charitable donations amounted to

£443,000

(2019 - £490,000)



OUR PROGRAMME

Our community involvement programme is a key part of how we live our purpose, brought to life through our pillar of building thriving communities. At Tate & Lyle, we've always found ways to give back to our communities and, for our employees, community involvement is fundamental to who we are. The overall aim of our programme is to build stronger, healthier communities around our sites, and to focus on those areas where we know we can make most difference. That's why our community involvement programme is centred around 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 people in need in our communities, and beyond, access to nutritious meals.
- **Education**: we work with local schools, education foundations and other community partners to help prepare students for healthier, brighter futures.

We know that engaging with communities is not a one-size-fits-all activity. So, we give employees at each site permission to go out and champion a project or organisation, to explore what's needed in their community and make a difference, all under the Tate & Lyle banner.

Our partners include registered charities, educational institutions and non-governmental agencies that meet our high standards for delivering services and results. We plan and budget for our community programme annually.

OUR YEAR

We've had another successful year. We continued to develop existing programmes like our Healthy Eating, Happy Learning child health education programme in Shanghai, and launched new ones like our school support programme in Dayton, Ohio and our Breakfast Factory partnership with Fondo Unido in Mexico City.

HIGHLIGHTS OF THE YEAR

HEALTH

We supported health, nutrition and wellbeing programmes for more than

30,000

people across the world

> We each have the ability to contribute in different ways, and being an active member in our community is a very rewarding and positive experience.

Jason Doyle
Operations Manager, Decatur, Illinois, USA

Examples

- **Healthy Eating, Happy Learning** child health education programme in Shanghai, China
- **Food 4 Thought** partnership to provide nutritional support and mentorship to children and their families in Hoffman Estates, Illinois, USA
- Volunteering at **London Youth Games**, Europe's largest youth sports festival

HUNGER

We helped provide nutritious meals for more than

450,000

people in need in our local communities

> It's heartwarming to make a difference, and this was especially true when we helped the Dayton Food Bank give food to the families affected by tornados last year.

Renato Guerra
Plant Manager, Dayton, Ohio, USA

Examples

- Sponsoring and helping pack more than 30,000 **Holiday Meal Boxes** for families in need in Northern Illinois, USA
- Supporting the local food bank to provide nutritious meals on **National Food Collection Day** in Ossona and Noto, Italy
- Helping the **food bank in Dayton, Ohio, USA**, provide food for people devastated by tornados

EDUCATION

We gave educational support and mentorship opportunities to more than

10,000

students of diverse ages and backgrounds

> Volunteering is a chance to make a positive impact for our community and our planet. It's a beautiful opportunity to express human kindness in its purest form.

Gabriela Baptista
Customer Advocacy, São Paulo, Brazil

Examples

- **STEM-based teaching grants** provided to schools in our local communities across the USA
- **University scholarships and bursaries** provided to students in the USA, Vietnam and South Africa
- **Schools partnership programme** with Vaquitas Lecheras, Buenos Aires, Argentina
- **Supporting schoolchildren** through the Junior Achievement programme in São Paulo, Brazil

During the year, we saw an increase in the number of our employees getting involved across all our regions. In the Americas, for example, we've seen more employees than ever supporting the United Way, which provides a range of charitable services and donations to local causes. And it's not unusual for a whole team or site to be involved in a programme – for example in the UK the whole finance team took a day out to repaint a community hall in North London. In Argentina, our team has been supporting 80 children in need with school supplies and study skills for six years now, including feeding them and their families weekly.

At the end of the year, the Covid-19 pandemic had a significant impact on many of our local communities. In particular, the level of food insecurity among some of the most vulnerable people in these communities increased significantly, with many families no longer having access to nutritious food. So, in April 2020, we donated a total of US$100,000 to more than 20 food bank partners across the world. With this donation, they are providing around 500,000 nutritious meals for the elderly, families and children in our local communities.

LIVING OUR PURPOSE
SUPPORTING HEALTHY LIVING

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

LIVING OUR PURPOSE
BUILDING THRIVING COMMUNITIES

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.

Hunger
By 2025, we'll have provided over 3 million nutritious meals for people in need.

TAKING OWNERSHIP OF RISK

We're seeing a real cultural shift, with people thinking about risk in a different way – less as a box to tick, more as an opportunity to understand and manage the business better.

Lindsay Beardsell
Executive Vice President, General Counsel

A BROAD STRATEGY FOR RISK

Effective risk management is like an insurance policy – we identify what might stop us from achieving our objectives and decide how to minimise the effects on the business. To get it right, therefore, we have to think strategically and be imaginative about scenarios that might occur.

We must of course be on top of our short- and medium-term risks. This has been shown by the outbreak of the Covid-19 pandemic at the end of this financial year. But we must also consider the longer-term challenges facing the world today. That's why it's important we not only manage risk in the near term, but also put in place plans and risk management strategies now to ensure the Group will flourish over the next 10 or even 20 years.

OUR YEAR

One of the challenges for a global company is ensuring a consistent understanding of the end-to-end impacts of risk across the business. So this year we set up an executive Risk Committee to ensure that, at the highest level, we are thinking in a truly cross-functional way. It meets quarterly and includes most of the members of the Executive Committee, the Company Secretary, the Head of Group Audit and Assurance, and the Group Financial Controller. It's already helping us have an even better understanding of the Group-wide impact of today's risks, emerging risks, and ensure we are managing risk effectively.

We've also worked hard to get real engagement on risk at every level within Tate & Lyle. The risk team has been spending more time engaging with the business, and it's paying off. We're seeing a real cultural shift, with people thinking about risk in a different way – less as a box to tick, more as an opportunity to understand and manage the business better, something to take ownership of.

This is also true of our Compliance and Ethics programme and Code of Ethics training, which are really gaining traction, as discussed on page 47 in the Our people section. Our Code also applies to our business partners, and we're continuing to focus on third-party due diligence which is increasingly important as our business grows, particularly in emerging markets where we use third-party distributors. So this year we launched a strengthened process for emerging markets, and trained all our Chinese distributors and agents, along with most in Turkey, the Middle East and Africa. The feedback was really positive, and we'll be taking the programme to Latin America in the coming year.

We're also making the process of managing risk easier for our people, by investing in a new enterprise risk management system – a single, central repository for all risk information. This tool allows people who manage risks at a local level to input their information, and for the risk, audit and internal controls team to review it in real time. This gives us a much more complete picture of how we're managing risk everywhere, which in turn allows us to identify blind spots.

LOOKING AHEAD

With the new tools in place, our focus in the next 12 months, along with navigating the challenges of Covid-19, will be on embedding our risk culture even further within our teams and continuing to develop a mindset of risk assessment in everything we do, every day. And, we'll be building our strategic understanding of risk as part of our longer-term plans for the business to ensure that Tate & Lyle is well-placed to take advantage of the opportunities the future brings.

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.
AUDIT COMMITTEE	Our internal audit plan, reviewed and approved by the Audit Committee, is based on where our operational and Group risks lie. The audit plan is part of our wider assurance plan which involves our enterprise risk management, quality, and ethics and compliance teams.
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 approves the annual risk assessment plan, reviews and challenges how the business assesses risk, looking at both single risks and combinations of risk. Each quarter, they review principal and emerging risks and progress against actions, and do a deep dive into agreed risk areas.

Identifying risks

Each year, we hold 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 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 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. This year, the Board decided to add a new principal risk in relation to external disruptive forces that might materially impact our business. These could include the impact of climate change and of diseases such as the current Covid-19 pandemic.

Our Executive Committee reviews our principal risks regularly – at least three times a year – and reports to the 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.

Covid-19

The onset of the Covid-19 pandemic in the final quarter of the financial year presented significant challenges for the business, its operations and employees. As explained in the Chief Executive's review on page 13, a number of actions were taken to keep our employees safe, our operations running and our customers served. A Global Pandemic Response Team was established together with local response teams at every site to manage our overall response and to ensure business continuity, and mitigate the risks identified. The Board reviewed the progress of our response regularly. The fact that all our production facilities have remained fully operational during the pandemic, and customer orders fulfilled, is a testament to the commitment and skill of our people as well as the effectiveness of the actions taken. In light of our learnings from the pandemic, as stated above, we are introducing a new principal risk in relation to disruptive forces, of which Covid-19 is a clear example.

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 to 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 certain risks and their mitigating controls. Senior management formally confirms to the Audit Committee once a year that risks are being managed appropriately in their area of responsibility, and that controls are in place and effective.

Brexit
The Board reviewed the impact of Brexit and the contingency plans we put in place in the event the UK left the EU without a deal. As last year, the Board concluded that Brexit is not a material risk for us.

Task Force on Climate-related Financial Disclosures
The Board recognises the significant risks posed by climate change and consideration of these risks is part of our enterprise risk framework. The increasing importance of climate change risk is reflected in the Board's decision to introduce a new principal risk this year in relation to disruptive forces, external events which could materially impact our business and operations, including climate change, in addition to climate change being a core element of a number of our principal risks.

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 2023.

To assess our viability, we stress-tested our strategic plan under three 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 three downside scenarios modelled were:

- A major operational failure causing an extended shutdown of our largest manufacturing facility;
- The loss of two of our largest Food & Beverage Solutions customers; and
- A severe extended impact from lower out-of-home consumption across our Primary Products and Food & Beverage Solutions businesses due to Covid-19 (new).

Given the available cash and liquidity position of the Group at 31 March 2020, including a committed and undrawn revolving credit facility of US$800 million, which is available for the entire three-year period, the Directors' assessment of viability is not contingent on needing to secure additional financing or any refinancing of existing facilities.

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.

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 2023.

The Board considers all the Group's principal risks, including climate change, at least twice a year. Our Chief Executive is ultimately responsible for oversight of our climate change agenda, and is supported by our EHS Advisory Board, which meets four times a year. The delivery of our purpose, including our sustainability and climate change objectives, is part of our strategic decision-making process, including for capital investments. During the year, the Board approved a new sustainability programme including new targets to deliver a 30% reduction in Scope 1 and 2 CO_2e emissions, and a 15% reduction in Scope 3 CO_2e emissions, by 2030. We are committed to these targets being science-based, enabling us to play our part in supporting the goals of the Paris Agreement on Climate Change. More information on our environmental metrics can be found on pages 52 to 54.

We recognise the importance of disclosing climate-related risks and opportunities in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). During the year, we brought together a cross-functional team from around Tate & Lyle and engaged an external expert to help us analyse the requirements of the TCFD, and determine how we can meaningfully report against them. This work is ongoing and we expect to report more fully against the TCFD in next year's Annual Report.

OUR PRINCIPAL RISKS

Link to our priorities
- SHARPEN
- ACCELERATE
- SIMPLIFY

Trend compared with 2019
- INCREASING
- UNCHANGED
- DECREASING

STRATEGIC RISKS

RISKS	HOW WE MITIGATE THE RISK	KEY	WHAT WE'VE DONE THIS YEAR	TREND
1. Lack of growth in Food & Beverage Solutions				
Failing to grow Food & Beverage Solutions would prevent us from delivering against our targets. This could reduce our profitability over both the shorter and longer term and damage investors' view of us.	• Our organic and acquisitive growth plan supports our strategy. • We have global and regional five-year plans focused on key categories. • Our M&A team works closely with Innovation and Commercial Development (ICD) and with our divisions to find acquisitions and partnerships that will help us grow. • We have incentive schemes and bonus programmes for customer-facing teams tied to strategic as well as operational targets.	SHARPEN ACCELERATE SIMPLIFY	• We simplified the structure of our customer-facing teams within our two business divisions and ICD to get closer to our customers and help commercialise new products more quickly. • We continued to strengthen our business and presence in emerging markets with investments in new applications labs in Asia Pacific and Latin America. • We strengthened our M&A team by appointing a new, experienced head to lead this function.	UNCHANGED
2. Failure to develop and commercialise new ingredients				
New products are essential to our ability to lead the industry in our chosen categories, and thus 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 internal development and open innovation, delivers a strong pipeline of products. • Our ICD team tracks emerging consumer trends and works closely with commercial partners to create new ingredients that will deliver growth. • Our customer-facing teams' incentive and bonus schemes include targets for new product sales. • We have an open innovation team that scouts for breakthrough technologies. • We prioritise partnership opportunities with customers to accelerate development cycles and bring new products to market more quickly.	SHARPEN ACCELERATE	• We launched 11 New Products from our innovation pipeline. • We created a marketing centre of excellence to ensure we are monitoring global trends consistently and sharing information across the regions. • We expanded our ICD team into Asia Pacific. • We increased our focus on open innovation through our involvement in the Terra Food and Agricultural Incubator and entered into a new partnership with an enzyme technology start-up, Zymtronix.	UNCHANGED
3. Inability to attract, develop, engage and retain key people				
To be successful, we must have great people in the right roles. Without them, we may be unable to deliver our strategy.	• Our remuneration policies are designed to attract, retain and reward the best people. • Our talent development plans give employees opportunities and training to close gaps in their skills. • We have initiatives to help us keep diversity front of mind everywhere. • 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 to tell us what employees really think about working at Tate & Lyle. • Our Executive Committee and the Board plan succession for business-critical roles.	SHARPEN SIMPLIFY	• We focused on increasing engagement with our employees and invested in internal communications with regular formal and informal pulse surveys. • We simplified our performance management and reward processes to ensure everyone understands how what they do links to reward and recognition. • We revamped our programme to promote diversity and inclusion.	UNCHANGED

STRATEGIC RISKS (continued)

RISKS	HOW WE MITIGATE THE RISK	KEY	WHAT WE'VE DONE THIS YEAR	TREND
4. Failure to adequately anticipate and minimise adverse impacts from global disruptive forces such as disease, climate change, natural disaster, trade disruption or civil unrest				
Global disruptive events could have a significant impact on our business and our ability to conduct manufacturing operations. This could materialise at any point along the supply chain as well as affecting global demand, capacity or our customers' needs.	• We have a global business continuity management (BCM) framework to enable effective recovery from a major disruption. • Caring for the planet is one of the three pillars of our purpose, and is central to how we make strategic decisions. • Having plants in different regions and countries means we can serve customers from elsewhere if a particular area is disrupted. • Our Risk Committee oversees emerging risks to ensure we are prepared for customers' needs.		• We set up a Global Pandemic Response Team to manage our response to and minimise disruption from Covid-19. • We developed a comprehensive sustainability strategy including environmental targets for 2030 which will be science-based; we will be publishing progress, including our response to TCFD requirements, in next year's Annual Report. • We began a project to strengthen further both our business continuity capabilities and our crisis management plans.	NEW

OPERATIONAL RISKS

RISKS	HOW WE MITIGATE THE RISK	KEY	WHAT WE'VE DONE THIS YEAR	TREND
5. Failure to act safely and operate our facilities safely and responsibly				
Safety is not just a priority, it's foundational at Tate & Lyle. 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 and safety (EHS) in place at all our sites (Journey to EHS Excellence, or J2EE). It is visibly sponsored by the Chief Executive and Executive Committee. • Our EHS Advisory Board, which includes an external EHS expert, receives EHS updates and reviews performance quarterly. The Chief Executive attends the meeting. • Our Executive Committee and Board regularly review EHS performance and progress against J2EE.		• Nearly all our sites passed tollgate 2 (of seven) as part of our J2EE programme. • We put in place strict protocols at all our sites to ensure we protected our people during the Covid-19 pandemic including sanitation, social distancing, hand washing and wearing face masks. • We increased investment in our EHS team, recruiting new safety engineers at our major plants. • We carried out in-depth EHS reviews at all our plants to identify areas for improvement to be built into each site's continuous improvement plan. • We introduced virtual safety assessments in light of Covid-19 to ensure we continued to make progress with our safety programme.	
6. Failure to operate our plants continuously, manage our supply chain, and meet high standards of customer service				
There are many risks in operating plants which could cause breaks in production leading to disruption and a deterioration in customer service. This, in turn, could damage our ability to grow and perform as a business.	• Our plant network has a preventative maintenance programme. • We have an ongoing programme to improve our global supply chain processes. • Business continuity capabilities enable us to supply products to customers from alternative sources quickly if there's a natural disaster or major equipment or plant failure. • 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 such as extreme winter weather.		• We continued to implement our maintenance improvement programme at our major plants. • We implemented new technology to manage production schedules and inventory, and improve customer service. • We continued to undertake de-bottlenecking and cost-reduction projects to improve the reliability and efficiency of our plants.	

OPERATIONAL RISKS (continued)

RISKS	HOW WE MITIGATE THE RISK	KEY	WHAT WE'VE DONE THIS YEAR	TREND
7. Failure to maintain the quality and safety of our products				
Poor quality products could affect safety 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. • We test our recall process frequently. • 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/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.		• We centralised our recipe management system to streamline how we manage products and ingredients. • We enhanced how we manage cross-contamination risk by using the US Food and Drug Administration (FDA) food defence plan builder. • We brought quality into the remit of the EHS function so it could benefit from being part of our Journey to EHS Excellence (J2EE) programme.	
8. Inability to manage fluctuations in the price and availability of raw materials, energy, freight and other operating inputs				
Fluctuations in crop prices could affect our margins. These changes could stem from things like alternative crops, co-product values and varying local or regional harvests because of, for example, weather conditions, crop disease, climate change or crop yields. In some cases, due to the basis for pricing in sales contracts or due to competitive markets, 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 might also be affected by customers not taking expected volumes.	• We have strategic relationships and multi-year agreements with suppliers and trading companies. • Our supply and tolling contracts with customers help us reduce raw material risk. • Our raw material and energy purchasing policies increase the security of our supply. • Our network of corn silos (elevators) enhances the security of our supply. • We manage our US corn position on a net basis, which includes operating within certain pre-approved limits on inventories of corn and co-products as well as executory contracts for the purchase of corn and sale of corn-based products. • As part of this risk management strategy, the risk of fluctuations in prices of certain commodities (mainly corn) is also partially managed through the use of certain derivatives (mainly corn futures sold and purchased on the Chicago Mercantile Exchange).		• We strengthened our regional procurement teams to better serve our needs in local markets. • We implemented a new system to manage freight more efficiently and cost-effectively.	
9. Failure to maintain the 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 enhancement programme focuses on strengthening our defences in terms of people, processes and technology. • We run compulsory cyber security training and breach scenario exercises. • We have robust cyber security defences including a continuous programme to detect any vulnerabilities. • 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 strengthened our firewall protection. • To help people working from home during the Covid-19 pandemic, we rolled out Microsoft Teams and ensured people had company equipment to use. • We stopped the use of USB sticks to add another layer of cyber protection.	

LEGAL, REGULATORY AND GOVERNANCE

RISKS	HOW WE MITIGATE THE RISK	KEY	WHAT WE'VE DONE THIS YEAR	TREND
10. Breach of legal or regulatory requirements including our Code of Ethics				
If we don't meet our legal and/or regulatory obligations, our relationships with customers 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 our commercial teams to identify legal and regulatory risk and provide advice and solutions. • We monitor legal and regulatory developments regularly to make sure we know what could affect Tate & Lyle. • We review our key legal policies regularly. • We run a 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 now have lawyers in each region to work with commercial colleagues to identify and mitigate legal risk from the bottom up. • We launched a new legal policy and further strengthened our compliance policies. • We reviewed and updated key commercial contractual processes and terms and conditions, resulting in more consistent management of legal risks and more balanced contract terms. • We have implemented a new document management system to facilitate better ways of working that are easier to audit. • We continued to roll out legal and ethics and compliance training as part of our annual training plan.	
11. Failure to maintain an effective system of internal financial controls				
Without effective internal financial controls, we could be exposed to financial irregularities and losses from events that may affect our performance and ability to operate.	• We have financial policies and standards supported by procedures for key financial processes, for example, capital expenditure. • We have a number of forums to monitor and manage our financial risks, for example our monthly working capital review and our regional Control Environment Councils. • Our Chief Executive and Chief Financial Officer review the business and financials at least quarterly. • At both the half year and the end of the financial year we confirm to the Executive Committee, the Audit Committee and the Board that our minimum control standards are being met. • We have built automated controls into our systems wherever possible. • 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, expanding the team as well as continuing to invest in training and developing all our finance people. • We continued to strengthen our controls framework and to focus on the segregation of duties and balance sheet reconciliations. • We established a project to look at how we can improve and better use automation in our key finance processes over the medium term.	

LEGAL, REGULATORY AND GOVERNANCE (continued)

RISKS	HOW WE MITIGATE THE RISK	KEY	WHAT WE'VE DONE THIS YEAR	TREND
12. Changes in consumer, customer or government attitudes to our products				
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.	• 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. • Membership of trade organisations gives us access to broader sources of information and provides, where necessary, a single voice for our industry on issues (both regulatory and public interest) affecting our ingredients. • We have strong relationships with regulatory authorities. • We provide clear information on our ingredients' provenance and traceability. • Our Research Advisory Group, chaired by a non-executive director and comprising leading scientific experts, reviews key aspects of our innovation activities and provides guidance to our team.		• We expanded our regulatory team in Asia and Latin America to develop better relationships with regulators in these growth markets. • We invested in our global nutrition team with additional funding for studies supporting the safety and efficacy of our ingredients. • We evolved how the Research Advisory Group works to align it even more closely with our strategy.	
13. Failure to manage effectively changes in government regulations and/or trade policies				
Government actions or policies could cause changes in tariffs or customs duties. Governments 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.	• We engage with political parties, influencers and regulatory authorities in the main countries in which we operate. • We are an active member of relevant industry trade associations, such as the Corn Refiners Association in the USA. • Having plants in different countries means we can serve customers from elsewhere where practical if products from certain markets are restricted or become less economically attractive. • We make sure our business is diversified by continuing to invest in resources and infrastructure in different markets and geographies.		• We created a contingency plan in the event the UK left the EU without a deal. • We lobbied members of the US Congress to support the ratification of the new trade deal between the US, Mexico and Canada.	

NON-FINANCIAL INFORMATION REGULATION

Under sections 414CA and 414CB of the Companies Act 2006, as amended by The Companies, Partnerships and Groups (Accounts and Non-Financial Reporting) Regulations 2016, we must include in our strategic report a non-financial information statement. Information required by these Regulations is included in Our business model (pages 20 and 21), Our people, Environment, health and safety, Community involvement and Risk Report from pages 46 to 67.

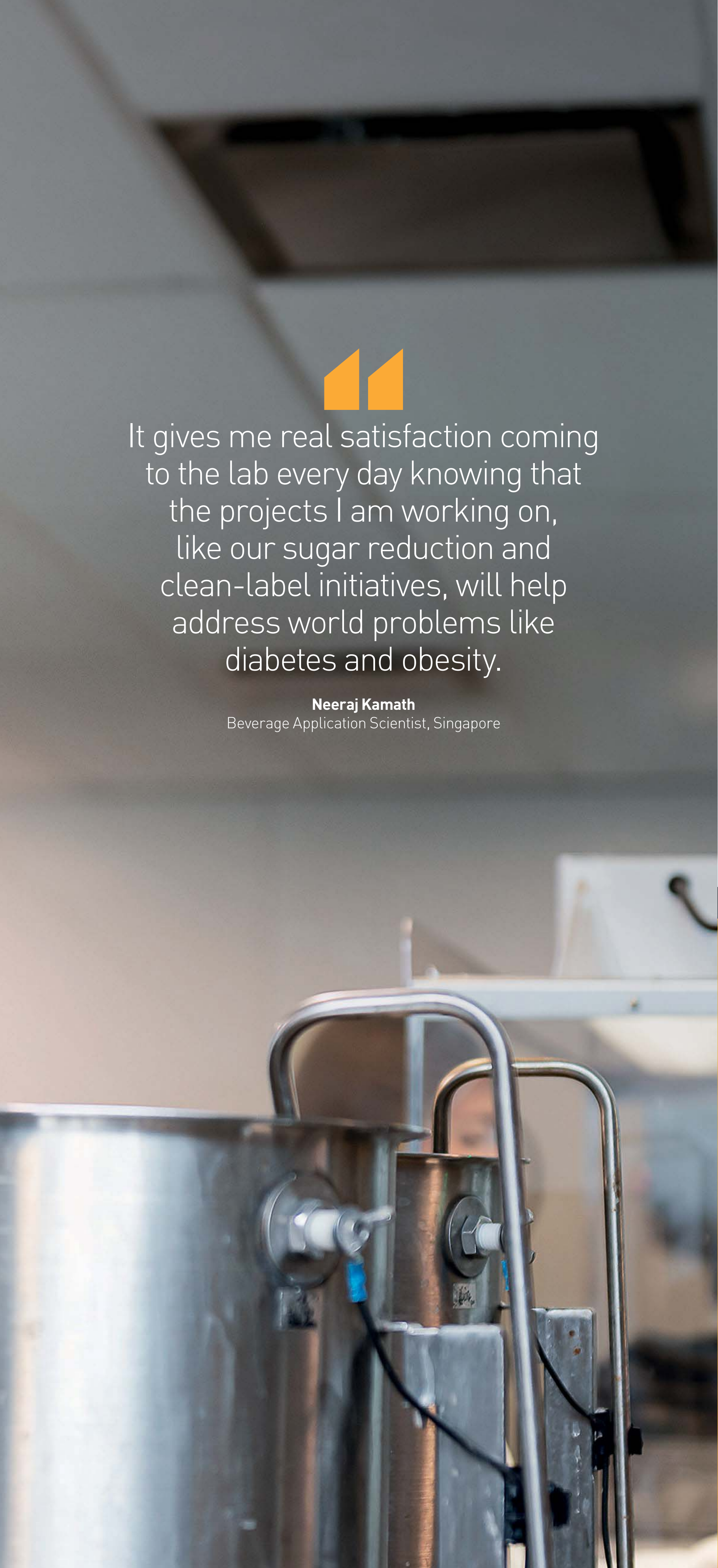
SECTION 172(1) STATEMENT AND STAKEHOLDER ENGAGEMENT

See page 87 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 pages 82 to 86.

The Board approved the strategic report on pages 1 to 67 of this Annual Report on 20 May 2020.

By order of the Board

Claire-Marie O'Grady
Company Secretary



> It gives me real satisfaction coming to the lab every day knowing that the projects I am working on, like our sugar reduction and clean-label initiatives, will help address world problems like diabetes and obesity.

Neeraj Kamath
Beverage Application Scientist, Singapore

CONTENTS

GOVERNANCE

IN THIS SECTION

OUR BOARD

DR GERRY MURPHY
Chairman and Chair of the Nominations Committee

Date appointed to Board: January 2017

Independent: Yes on appointment

Aged: 64

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:
- Chairman 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: 53

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:
- Non-executive director and Chairman of the Audit Committee of 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.

IMRAN NAWAZ
Chief Financial Officer

Date appointed to Board: August 2018

Independent: No

Aged: 46

Nationality: Luxembourger

Skills and expertise:
Imran brings deep experience of the global food industry and a proven track record of financial leadership. His broad financial, business and international experience with large multinational organisations makes him a versatile and operational Chief Financial Officer.

Current external commitments:
None

Previous roles:
Senior Vice President Finance, Europe at Mondelēz International. Prior to that he held a number of senior financial roles across Europe, the Middle East and Africa over a 16-year career at Mondelēz and Kraft Foods. In his earlier career, Imran worked for Deloitte and Philip Morris in corporate audit.

Board Committees
Certain responsibilities are delegated to three Board Committees, details of which are provided on pages 92, 95 and 104.

- A AUDIT COMMITTEE
- R REMUNERATION COMMITTEE
- N NOMINATIONS COMMITTEE

PAUL FORMAN
Senior Independent Director

Date appointed to Board: January 2015

Independent: Yes

Aged: 55

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:
- Chief Executive of Essentra plc

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

LARS FREDERIKSEN
Non-executive director

Date appointed to Board: April 2016

Independent: Yes

Aged: 61

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
- Chairman of Atos Medical AB
- Non-executive director of Falck A/S
- Chairman of the Danish Committee for Good Corporate Governance
- Chairman of the Hedorf Foundation

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

ANNE MINTO OBE
Non-executive director and Chair of the Remuneration Committee

Date appointed to Board: December 2012

Independent: Yes

Aged: 66

Nationality: British

Skills and expertise:
Anne's extensive career in general management and human resources is particularly useful to the Board when considering succession planning, talent management, executive remuneration and other employee-related activities. She has a detailed understanding of how to attract and retain global talent, and her experience on the boards of companies listed in both London and New York provide her with a deep knowledge of global executive remuneration practices and UK and US remuneration governance requirements.

Current external commitments:
- Non-executive director of ExlService Holdings, Inc.
- Chairman of the University of Aberdeen Development Trust
- Non-executive director of the Court of the University of Aberdeen

Previous roles:
Non-executive director and chairman of the Remuneration Committee of Shire PLC (until April 2018). Group Director of Human Resources at Centrica plc from 2002 until retirement in 2011. Prior to that, she held senior management roles at Shell UK and Smiths Group plc and was Deputy Director-General of the Engineering Employers' Federation.

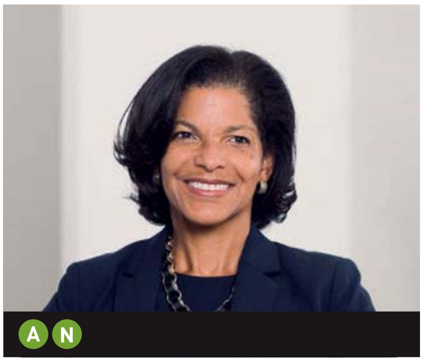
Board Committees

Certain responsibilities are delegated to three Board Committees, details of which are provided on pages 92, 95 and 104.

A AUDIT COMMITTEE

R REMUNERATION COMMITTEE

N NOMINATIONS COMMITTEE



KIMBERLY (KIM) NELSON

Non-executive director

Date appointed to Board: July 2019

Independent: Yes

Aged: 57

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 US$1 billion 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:
- None

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

DR AJAI PURI

Non-executive director and Chair of the Research Advisory Group

Date appointed to Board: April 2012

Independent: Yes

Aged: 66

Nationality: Indian/American

Skills and expertise:
Ajai's food science background and career in research and development in global food and beverage companies provides the Board with detailed technical knowledge and insights into market perceptions, nutrition and food and regulatory trends. His experience in the Asia Pacific region is of particular benefit as Tate & Lyle continues to focus on growth in emerging markets. His work with regulatory bodies and knowledge of nutrition, science and food regulation provides him with the skillset required to chair the Research Advisory Group and to support the Board and Tate & Lyle with valuable insights into how leading-edge science and technology can be successfully deployed as part of the Food & Beverage Solutions portfolio.

Current external commitments:
- Non-executive director of Britannia Industries Limited
- Non-executive director of Firmenich SA
- Non-executive director of the Global Alliance for Improved Nutrition (GAIN)
- Non-executive director of Olam International

Previous roles:
President – Research, Development and Product Integrity and a member of the Executive Board of Koninklijke Numico N.V. from 2003 to 2007. Prior to this, he held various management positions with The Coca-Cola Company, culminating in Senior Vice President Technical, The Minute Maid Company.

SYBELLA STANLEY

Non-executive director

Date appointed to Board: April 2016

Independent: Yes

Aged: 58

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
- Member of the Industrial Development Advisory Board of the Department of Business, Energy and Industrial Strategy
- 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

Date appointed to Board: November 2018

Independent: Yes

Aged: 57

Nationality: British

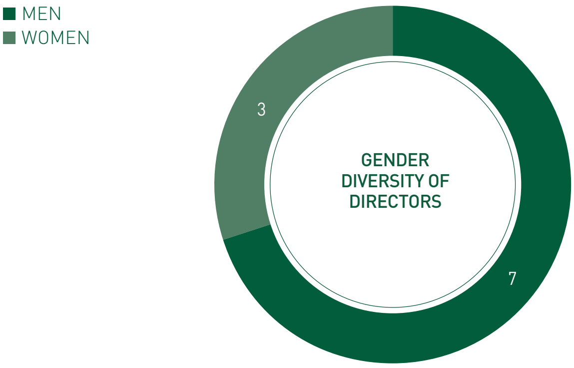
Skills and expertise:
Warren is a chartered accountant and has extensive experience as a former Chief Financial Officer of a large global manufacturing group, where he also co-led the company's organic and strategic growth. His experience in large multinational and business-to-business organisations 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 UK shareholder institutions.

Current external commitments:
- Chairman of TT Electronics plc

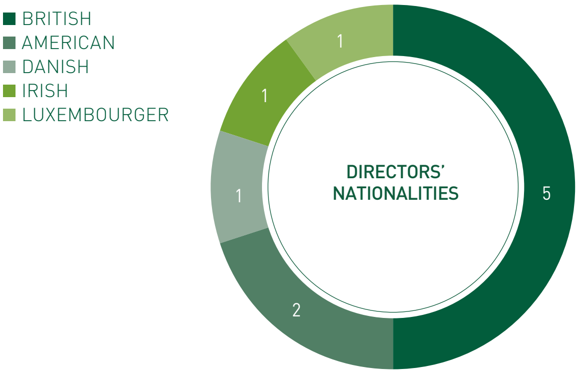
Previous roles:
Executive director and Chief Financial Officer on the board of Cobham Plc for 10 years until 2013. Most recently non-executive director of Reckitt Benckiser Group plc for a decade until 2020 and non-executive director and chair of the Audit Committee of Survitec Topco Ltd. He also held 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

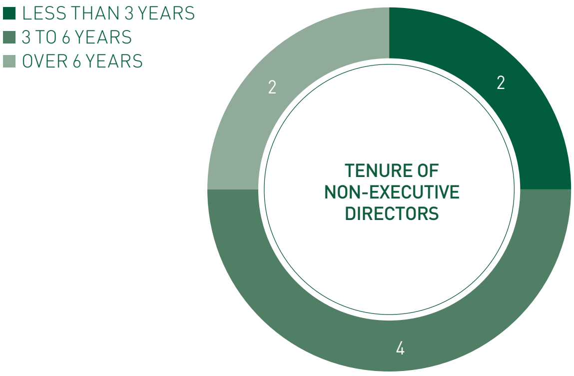
Gender diversity of directors
At 20 May 2020



Directors' nationalities
At 20 May 2020



Tenure of non-executive directors
At 20 May 2020



OUR EXECUTIVE TEAM

Responsible for delivering our strategy and achieving business results.

NICK HAMPTON
Chief Executive

Nationality: British

Nick became Chief Executive 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.

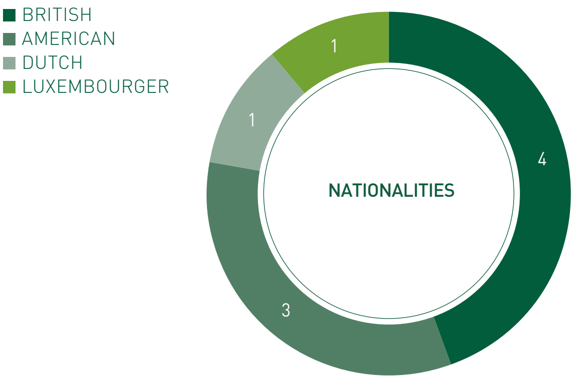
IMRAN NAWAZ
Chief Financial Officer

Nationality: Luxembourger

Imran joined Tate & Lyle in August 2018, bringing with him deep experience of the global food industry and a proven track record in financial leadership from his time at Mondelēz International and Kraft Foods. His experience at these and other large multinational organisations, along with his commercial acumen, makes him a key member of our leadership team.

NATIONALITIES OF THE EXECUTIVE COMMITTEE

At 20 May 2020



HARRY BOOT
President, Asia Pacific,
Food & Beverage Solutions

Nationality: Dutch

Harry joined Tate & Lyle in 2014 to lead our Food & Beverage Solutions business in Asia. In September 2019, he joined the Executive Committee as President, Asia Pacific, Food & Beverage Solutions. Prior to joining Tate & Lyle, he was Chief Executive of Aqualyng in Singapore, and before that, Chief Operations Officer of Lonza based in Beijing. Harry has a wealth of expertise growing businesses in different parts of the world and this experience, particularly in Asia, gives him the ideal background to build our business in this growing market.

JIM STUTELBERG
President, Primary Products

Nationality: American

Jim joined Tate & Lyle in 2014 from Pennsylvania-based PPG Industries Inc., where he led its Automotive Coatings business. Before that, he spent 17 years with Dow Corning Corporation in a variety of senior roles including five years working in Shanghai, China. His wide global and commercial experience makes him well-placed to lead our Primary Products business.

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.

ANDREW TAYLOR
President, Innovation and Commercial Development

Nationality: American

Andrew joined Tate & Lyle in 2017 having spent 20 years at management consultancy firm Boston Consulting Group (BCG), where he was a Senior Partner and Managing Director, working for clients all over the world. From 2008 he led BCG's global innovation practice. His wide experience of the food industry, and deep understanding of driving innovation in a global marketplace, is key to delivering our growth strategy.

LINDSAY BEARDSELL
Executive Vice President, General Counsel

Nationality: British

Lindsay joined 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.

LAURA HAGAN
Chief Human Resources Officer

Nationality: British

Laura joined Tate & Lyle in September 2018 from Dyson Ltd, where she helped the business grow its global employee base more than tenfold, influencing the hiring and promotion of the top team. Her entrepreneurial spirit and understanding of how to get the best out of people, sharpened by previously setting up and running her own talent business, are crucial for the development of Tate & Lyle's people strategy.

ROWAN ADAMS
Executive Vice President, Corporate Affairs

Nationality: British

Rowan is the longest serving employee on our Executive Committee. He joined 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 simplification and sustainability programmes. He has deep knowledge and understanding of the Company and our industry.

CHAIRMAN'S INTRODUCTION

> A crisis shows a company's true colours, as it reinforces the need for, and the benefits of, good governance.
>
> **Gerry Murphy**
> Chairman

INTRODUCTION

Like every company in the world today, we've been tested by the Covid-19 pandemic in ways that were unthinkable before. But, as I said in my statement on page 10, I am immensely proud of the outstanding way our people have risen to the challenge, keeping our operations running safely and continuing to deliver to customers, so that the food we all rely on remains available.

A crisis shows a company's true colours, as it reinforces the need for, and the benefits of, good governance. In our response to the pandemic, I am reassured that our governance system is strong in process, in implementation and, most significantly, in spirit. As a Board, in March we had the novel experience of holding our first Board and Committee meetings remotely via video conference. We will continue to hold our meetings in this way, for the foreseeable future, including any additional meetings which we feel are necessary to ensure that we are on top of our response to the Covid-19 pandemic and its impact on our business.

As we deal with these challenges and new ways of working and reflect on the achievements of the past year, the Board's primary focus has been, and continues to be, on developing the right strategy for our Group and implementing it in a coherent and responsible way.

OUR PRIORITIES DURING THE YEAR

We have a well-developed Board calendar which ensures that, over the course of the year, the Board regularly reviews a range of topics including financial performance, risk management and productivity initiatives; environmental, health and safety matters; innovation initiatives and the performance and strategic progress of our two business divisions, Primary Products and Food & Beverage Solutions. As well as the Covid-19 pandemic, our priorities during the year were strategy; building our business in China; developing relationships with stakeholders; long-term sustainability; and, as we do every year, a review of our own effectiveness.

Developing our long-term strategy

Every year, we hold a strategy seminar with senior management to consider our risks and opportunities. We've typically looked at a medium-term (circa five-year) horizon, but this year we also took a much longer-term view, looking at what our business might be like in 10 or even 20 years. We considered how a number of extreme but quite plausible scenarios could provide risks and opportunities for Tate & Lyle. These scenarios were developed around key mega-trends including climate change; increasing focus on health and wellbeing; reduction in international trade and the increase of artificial intelligence. This exercise has kicked off a rich and important discussion with management, which will continue over the course of this year, about how we might respond to these mega-trends in a way which will benefit our stakeholders. This long-term perspective informed the development of our 2030 commitments and targets for the three pillars of our purpose, as Nick discusses in his review from page 12.

Understanding our business in China

In September, the Board visited our offices and laboratories in Shanghai and our fibre plant in Nantong to gain a deeper understanding of our capabilities in China, the dynamics of the Chinese market and the particular opportunities and challenges for our growth in this key market. We enjoyed meeting many of our employees at both sites and Nick and I held a Town Hall meeting for staff in Shanghai. We also met a major customer and a representative of the National Institute for Nutrition and Health in China. While we were there, we visited various food retailers in Shanghai to get a sense of the retail environment and what people eat and drink, particularly in the categories served by our ingredients.

But the real highlight for me was meeting children from one of the schools which we sponsor as part of our Healthy Eating, Happy Learning programme, which really brought home to me the value of what we're doing in China to support healthier lives, and the power of our purpose in inspiring people.

Developing our relationships with stakeholders

Tate & Lyle has many stakeholders, all of whom are important to our business. Although the Board is mindful of all the Group's stakeholders in its deliberations and decision-making, it is not able to engage directly with all of them. However, during this last year we did engage significantly with our people, our customers and our shareholders as follows:

- **Our people**: this year, as planned, we stepped up our already considerable engagement programme with our people, in particular arranging for individual directors to meet a broader cross-section of employees (see page 84 for details). I know I speak for my fellow directors when I say that meeting staff at our sites is the best part of any site visit, and makes all the difference to our understanding of the business. At every Board meeting, directors share feedback on their recent site visits, on the capabilities and future potential of the people they have met, and on the culture they have observed, particularly around health and safety and the impact of our purpose. In these uncertain times, it's more important than ever that we stay connected with our people, so we're looking at how we can do this in a different way if Covid-19 continues to restrict our ability to travel.
- **Customers**: as I mentioned above, it was great to hear directly from one of our major customers in China when we visited Shanghai in September. I also met customers in Mexico, which was very informative. As well as these personal interactions, 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. These reports have helped us appreciate the positive impact that his 'Sharpen, Accelerate, Simplify' priorities are having on how Tate & Lyle is serving customers and building ever closer relationships with them.
- **Shareholders**: as in previous years, I spent time with representatives of some of our major shareholders this year. Climate change and the impact of business on the environment were high on their agendas, as they were for the Board this year, as I describe below. We also heard shareholders' views on executive remuneration, including the renewal of our Remuneration Policy and in particular on pension contributions for executive directors. Our Remuneration Committee took these views into account in its decision-making this year, as set out in more detail on page 115. I always enjoy meeting and talking to those retail shareholders who attend our AGM, and I shall be sorry if I am unable to meet them in person this year. At the time of writing it is uncertain whether we will be able to hold our AGM this year in the traditional manner, but we will do what we can to engage with all our shareholders and will keep them informed as our AGM plans develop.

Monitoring culture

As a Board, we take a keen interest in the culture at Tate & Lyle. During the year we had many opportunities, both individually and as a Board, to experience that culture for ourselves during our visits. Key to our culture is health and safety. Nick updates us on performance in this area at every Board meeting, and we have an in-depth session on the progress of our Journey to Environment, Health and Safety Excellence programme twice a year. We've been very pleased with the progress we are making in this critical area.

Acting with integrity is at the heart of Tate & Lyle, which is why our compliance and ethics programme is so important. 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 receives reports from the Head of Ethics and Compliance twice a year. We also receive regular updates from Laura Hagan, our Chief Human Resources Officer. These focus on her team's projects to understand the culture of the Group, to unlock any barriers to effective working among our people, and to empower employees to deliver Nick's 'Sharpen, Accelerate, Simplify' priorities. While there is always more work to do, we are pleased with the progress we've seen in these areas.

My fellow directors and I also take a strong interest in the development of future generations of management at Tate & Lyle. We want to understand the strength, breadth and diversity of the people within our talent pipeline and the readiness of those individuals, many of whom we meet on our site visits, to step into more senior management roles over time. More broadly, we also pay attention to the diversity of our workforce (particularly, in terms of both gender and ethnicity) and the extent to which that diversity reflects the communities in which we operate. To further our understanding and respond to our challenges to management, Laura also reports to the Board on talent management programmes, succession planning, the results of employee surveys, and inclusion and diversity initiatives.

Focusing on long-term sustainability

Our stakeholders, whether they be close to the business or wider society, are increasingly demanding that companies do more to address the climate emergency and other sustainability issues. As Nick describes in his review from page 12, we have taken significant measures this year to address the sustainability of our business. These included the approval of our sustainable agriculture programme with Truterra™ (formerly Land O'Lakes SUSTAIN™); a co-generation project at our plant in Lafayette, Indiana; and a revised sustainability strategy with new, ambitious long-term commitments and targets for each pillar of our purpose. The Board was pleased to approve these initiatives which represent a significant step up in our sustainability journey and which provide a foundation for further initiatives in the coming years.

Our effectiveness as a Board

This year we again carried out the Board effectiveness review internally. The Board invites members of management, who are regular attendees at our meetings, as well as external advisors Deloitte (for the Remuneration Committee) and our auditors EY (for the Audit Committee) to share their views, too. The findings show that the work we do as a Board and in our Committees continues to be effective and that we successfully addressed the areas we identified for greater focus in last year's effectiveness review. Our review also confirmed that our focus in the coming year should continue to be on strategy, people and culture, and succession and development.

OUR FOCUS FOR THE 2021 FINANCIAL YEAR

Aside from those areas I've mentioned, our immediate focus as we move into the new financial year is, of course, to support Nick and his team in managing the implications of the Covid-19 pandemic. Keeping our people safe has always been a key concern of the Board, and it continues to be so as we try to balance our role as an essential industry with the duty of care we owe them.

Gerry Murphy
Chairman

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 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 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 auditors

Read more on page 94

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 91

REMUNERATION COMMITTEE

CHAIR: ANNE MINTO

- 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 Chairman's fee

Read more on page 100

EXECUTIVE COMMITTEE

CHAIR: NICK HAMPTON

- 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 two business divisions and global support functions
- Identifies, evaluates, manages and monitors risks facing the Group

RESEARCH ADVISORY GROUP

CHAIR: DR AJAI PURI

- Comprises external experts and senior Tate & Lyle managers
- Reviews the innovation pipeline
- Provides insights into how leading-edge science and technology could enhance the portfolio of the Food & Beverage Solutions division

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 Capital Approval Committee and the Cyber Security Committee. Committees may also be established for a finite period to oversee key strategic or operational priorities.

KEY RESPONSIBILITIES OF THE BOARD

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

CHAIRMAN

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 expectations 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 CHAIRMAN'S PERFORMANCE IS EVALUATED

- Acts as a sounding board for the Chairman and supports him in the delivery of his objectives
- Serves as an intermediary with the Chairman for other Directors if necessary
- Maintains a comprehensive understanding of the major issues 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 Chairman, 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 Chairman 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 2020

The Board holds six scheduled meetings each year at Group locations and an off-site meeting to discuss strategy. This year's scheduled meetings were held in London at the Group's headquarters, with one meeting held at our offices and laboratories in Shanghai, China, and our March 2020 meeting via video conference.

STRATEGY

- Undertook deep dives into each of our Primary Products and Food & Beverage Solutions divisions, considering the key growth drivers, markets and customers in each
- Focused in particular on the market, our capabilities and growth strategy in China with a Board visit to our Shanghai office and our plant in Nantong
- Reviewed the priorities identified for Innovation and Commercial Development (ICD) and Food & Beverage Solutions for the 2021 financial year and considered the Group's intellectual property strategy
- Considered the longer-term mega-trends which could impact the Group and its customers over the next 10 to 20 years and its impact on our strategy
- Reviewed the Group's five-year strategic plan
- Reviewed and approved the Group's sustainability strategy

FINANCIAL

- Approved the full-year results and financial statements and the Annual Report and financial statements for the 2019 financial year
- Approved the half-year results
- Approved the payment of the interim dividend for financial year 2020 and recommended payment of the final dividend for financial year 2019
- Approved the bulk annuity insurance buy-in to de-risk the Group's UK pension scheme
- Considered and agreed treasury and tax matters
- Approved the Group's tax strategy (available on the Company's website)
- Approved the Annual Operating Plan for the year ending 31 March 2021
- Regularly reviewed the Group's financial performance and forecasts
- Considered the financial position and liquidity headroom in light of the Covid-19 pandemic

OPERATIONAL/COMMERCIAL

- Received regular progress updates on the Group's Environment, Health and Safety (EHS) and Quality strategy including from the independent safety expert appointed to the EHS Advisory Board
- Approved a number of capital expenditure projects
- Received a review of the work and priorities of the global procurement function
- Reviewed the Simplification and Productivity agenda and its progress throughout the year
- Considered the potential impact of the Covid-19 pandemic on the safety of our people, the Group's operations and financial performance and reviewed management's plans for mitigating its impact on the Group's operations and customers

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 2019
- 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
- Approved a revised Board Diversity Policy
- Reviewed and approved the Directors' register of interests

LEADERSHIP AND EMPLOYEES

- Approved the appointment of Kimberly (Kim) Nelson as a non-executive director
- Approved the appointment of Warren Tucker as Chair of the Audit Committee and of Paul Forman as Senior Independent Director
- Endorsed the Chief Executive's appointment of Harry Boot to the Executive Committee
- Held a Chief Executive and Chairman-led Town Hall at our offices in Shanghai, China, and in London, UK
- Reviewed the Group's people agenda including diversity, talent management and bench strength within the organisation

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS DURING THE YEAR

NAME	BOARD	AUDIT COMMITTEE	NOMINATION COMMITTEE	REMUNERATION COMMITTEE
Dr Gerry Murphy	7/7	5/5[1]	2/2	5/5[1]
Nick Hampton	7/7	5/5[1]	2/2[1]	n/a
Imran Nawaz	7/7	5/5[1]	n/a	n/a
Paul Forman[2]	7/7	5/5	2/2	2/2
Lars Frederiksen	7/7	n/a	2/2	5/5
Douglas Hurt[3]	2/2	2/2	2/2	n/a
Anne Minto	7/7	5/5	2/2	5/5
Kim Nelson[4]	6/6	4/4	2/2	n/a
Dr Ajai Puri[2]	7/7	4/4	2/2	2/2
Sybella Stanley[2]	7/7	2/2	2/2	3/3
Warren Tucker[5]	7/7	5/5	2/2	3/5

1 Although not a Committee member, attended the Committee meetings by invitation.
2 Following the changes to the composition of the Audit and Remuneration Committees that took place on 25 July 2019, the attendance represented the number of meetings the Directors were expected to attend.
3 Resigned from the Board with effect from 25 July 2019.
4 Appointed a Director with effect from 1 July 2019.
5 Warren Tucker could not attend two Remuneration Committee meetings due to commitments made prior to him joining Tate & Lyle. He submitted comments to the Chair of the Committee in advance.

BOARD EFFECTIVENESS REVIEW

This year's internally facilitated evaluation of the Board and its Committees took the form of a questionnaire circulated to the relevant Board members as well as to regular attendees from management and external advisors. The questionnaires 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. Please see page 93 for information about the effectiveness evaluations of each of the Committees and of individual Directors conducted this year.

2020 BOARD EFFECTIVENESS REVIEW

ISSUE/RECOMMENDATION	ACTION
Board succession planning	The Board will continue the composition and succession planning exercise which started in 2018 with completion of the search to appoint a non-executive director with Asia markets experience.
Executive Committee succession planning	The Nominations Committee will review management succession and development plans. The non-executive directors will meet with the Chief Executive during the year to discuss the performance of members of the Executive Committee and senior management.
Bringing a wider group of people to the Board	The Board will seek opportunities to invite third-party specialists to speak to the Board about matters which could be relevant to Tate & Lyle's strategy, markets and customers. The Board will also look for opportunities to hear from a wider range of senior executives below the Executive Committee.
Long-term strategy	The Board will build on the insights gained from the analysis of mega-trends at the 2019 Board strategy day and continue to develop a long-term strategy for the business at the 2020 Board strategy day.
Emerging markets expansion and M&A execution	The Board will continue the focus on our strategy and capabilities in emerging markets and on M&A opportunities and execution.
Customer needs and trends	The Board will continue to focus on understanding customer needs and trends through deep dives into/by Food & Beverage Solutions, Primary Products and Innovation and Commercial Development. It will also continue to receive feedback and insights from customers via the Chief Executive's regular updates and, where possible, directly from customers at Board meetings.
Well-structured Board papers	While papers and presentations are generally of a high quality, management will work to improve executive summaries and coach presenters in more effective and succinct delivery.

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 84. 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 87.

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 members of management; our Chairman; and our Investor Relations team. For more information, see page 86. The Chair of the Remuneration Committee engaged with our top shareholders on the proposed changes to the Remuneration Policy, for which we are seeking approval at the 2020 AGM.	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 Board and management team are aware that our shareholders, together with wider society, are increasingly interested in environmental, social and governance issues. The Board approved a refreshed sustainability programme during the year, and new ambitious long-term commitments and targets for each pillar of our purpose, including for the environment. See page 17 for more information.
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.	Our aim is to move from being an ingredient supplier to a growth partner for our customers. To do this, we maintain close relationships with our customers at all levels of their organisation, from the Chief Executive to R&D, to Sales and Marketing. In 2019, Board members had the opportunity to meet with a major customer of our China business during the Board visit to Shanghai and to learn how Tate & Lyle supports its growth ambitions.	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 which also taste great. Our industrial starches enhance the performance of our customers' products, from paper production to adhesives, to applications in building supplies. 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. Despite some significant supply chain challenges posed by the Covid-19 pandemic, our teams worked hard to ensure that our products continued to be delivered to our customers, in some cases providing additional products at very short notice to meet increased demand.
Employees	Everyone at Tate & Lyle plays a key 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, town halls 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 84.	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. This has never been more important than during the Covid-19 pandemic, when we put in place a number of initiatives to support our people and keep them safe, well, connected and productive. See from page 46 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 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. During the year, the Board received a presentation from the Chief Procurement Officer about how this function supports the Company's strategy and how we work with suppliers.
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. Board members met with the children and teachers of one of the schools participating in our health education programme in Shanghai during their visit in 2019, and saw for themselves the impact which our local staff are having on the lives of those children.	Through a range of wellbeing programmes, STEM grant programmes, and partnerships with local food banks, we have helped to improve the lives of thousands of people in our local communities. See page 59 for more details. The Board approved a refreshed sustainability programme during the year, and new long-term commitments and targets for each pillar of our purpose, including for our communities. See page 17 for more information.
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. For example, in March our PROMITOR® fibre was given a gut health claim by Food Standards Australia New Zealand (FSANZ). Then, more recently, the Brazilian Health Regulatory Agency (Anvisa) approved a claim for PROMITOR® fibre to assist the absorption of calcium in food and its retention in bones. This is the only fibre to have such a claim approved in Brazil.
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. During the year, together with our trade associations, we worked to support the ratification of a new trade agreement between the US, Mexico and Canada, as well as a resolution of the trade dispute between the US and China.

PEOPLE AND CULTURE

Engaging with our people

Last year, 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.

At each Board meeting, the Chairman and the non-executive directors 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 'Sharpen, Accelerate, Simplify' priorities are being received, understood and applied across Tate & Lyle. However, the Board is open to implementing other mechanisms for engaging with the workforce and will keep this under consideration, particularly in light of the Covid-19 pandemic, which may impact travel to overseas sites for some time.

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.

VISIT TO OUR GLOBAL SHARED SERVICE CENTRE

Warren Tucker, Chair of the Audit Committee conducting a town hall meeting with 300 of our people at our Global Shared Service Centre in Łódź, Poland, as part of their site visit. He was joined by members of the Audit Committee: Kim Nelson, Dr Ajai Puri and Anne Minto.

ENGAGEMENT ACTIVITIES

Site visits	Non-executive directors made individual site visits to over 16 sites across all our regions. Each of those visits included an opportunity to engage with members of the workforce working 'on the ground', so to speak, at our plants, in our laboratories and in our offices, as well as with members of the local management teams. At some of our smaller sites, Directors will have met with every member of the team. The Board visited our offices and laboratories in Shanghai and our fibre plant in Nantong, both in China. For more about this visit, see the Chairman's introduction to corporate governance on page 76. Members of the Audit Committee visited our Global Shared Service Centre in Łódź, Poland. For more about this visit, see the Audit Committee report from page 94.
Town Halls	During the year the Chief Executive held 16 Town Hall meetings at 12 sites across the globe. The Chairman and other non-executive directors held or participated in seven Town Hall meetings at seven sites.
Meetings with local management and high-potential employees	During site visits, Directors held meetings with members of local management teams and round tables or receptions with high-potential employees.
Nick's Blog	The Chief Executive publishes a monthly blog to all the workforce which includes updates on business performance, new initiatives and his impressions from his site visits. Staff are invited to submit their questions and comments directly to Nick.
Research Advisory Group	Dr Ajai Puri chairs the Research Advisory Group (RAG) which meets with members of the Innovation and Commercial Development function, in person, twice a year at our Commercial and Food Innovation Centre in Hoffman Estates, Illinois, USA. A feature of these visits is the 'lunch and learn' session with an external expert speaker, hosted by Dr Ajai Puri and Andrew Taylor. This event is open to all staff at Hoffman Estates. The Chairman also attended one of these meetings in 2020.

ENGAGEMENT ACTIVITIES (continued)

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 our gender diversity throughout the workforce.
Reaching the wider workforce	The Spring edition of our Worldwide global employee magazine included a feature on the Board and the visits they had made during the year. Our employee intranet carried 'Get to Know' videos with the Chairman and the Chairs of the Audit and Remuneration Committees. Site leaders frequently share photos and information about Directors' visits with the wider workforce on Yammer.
Engaging in the era of Covid-19	While the Covid-19 pandemic impacted a number of site visits and engagement opportunities planned for the end of the 2020 financial year, engagement with the workforce has continued in new ways. Nick Hampton shares a weekly Covid-19 and business update with the workforce via email and video, the first of which was issued at the end of February 2020. He has also held 'virtual cafés', sometimes with other members of the Executive Committee, with over 1,650 of our people at 20 sites since April 2020. As the long-term impact of the measures taken to contain the pandemic becomes clearer, including the impact on travel, the Board will consider alternative ways of remaining connected with the workforce.

> The teams did a terrific job of welcoming me and sharing their energy, commitment and passion for what they do. I was pleased to have had the opportunity to meet a wide range of employees by function, tenure and level.

Kim Nelson, a non-executive director, commenting on her visit to a number of sites in the US

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 in which we operate, so that we can deliver consistently strong operational performance and financial results. For more information, see our Directors' Remuneration Report from page 100.

Assessing and monitoring culture

As described in the Chairman's introduction to corporate governance on page 76, 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; 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 learned 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 47.

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.

SHAREHOLDER ENGAGEMENT

We are committed to maintaining an open dialogue with shareholders, debt investors and potential investors and recognise the importance of these relationships in the governance process.

We have an investor relations programme that aims to help existing and potential investors understand the Group. We provide feedback from the investment community to all Directors regularly to ensure they understand the views expressed by major investors.

Institutional investors

The Chief Executive, Chief Financial Officer and VP, Investor Relations, maintain a programme of meetings with institutional shareholders from the UK, Europe, North America and Asia. In addition to roadshows with investors following our full-year and half-year results, we also meet with investors outside of the results cycle. Whilst we organise many of these meetings directly with investors, we also participate in investor conferences which are arranged by sell-side institutions. This year, to build deeper relationships with investors, we held dinners with investors in small groups to deepen their understanding of the Group and have conversations more focused on our longer-term strategic direction.

During the Covid-19 pandemic, investors and potential investors have been keen to understand its impact on the Group's operations and the strength of our balance sheet. The Chief Executive, Chief Financial Officer and VP, Investor Relations, were keen to remain available to investors at this time, which included reaching out to our largest shareholders.

Prior to the 2019 AGM, Dr Gerry Murphy held meetings with a number of the Company's larger institutional shareholders.

All Directors receive periodic updates on investor communication activities, including at every Board meeting.

Analysts

As well as the full-year and half-year results presentations to investors and analysts, we host conference calls after trading updates are issued. We publish presentations, together with the associated announcements, on the Company's website and we also make audio recordings available for a short period after each event. The Chief Financial Officer and VP, Investor Relations, also meet regularly with analysts.

Feedback on our investor relations programme

Our corporate brokers regularly seek investor feedback following key announcements and investor meetings. A summary of feedback is communicated to all Directors.

Our advisers also provide us with updates on investor relations best practice, which we seek to reflect in our programme. Recent recommendations include continuing to build a broader shareholder base in the UK and US, and placing increasing focus on the Group's Environmental, Social and Governance (ESG) credentials, as these are becoming increasingly important to investors.

Other capital providers

The Chief Financial Officer and Group Treasurer regularly meet with our committed lending banks and bond holders and ratings agencies (Standard & Poor's and Moody's).

In November 2019, we issued notes as part of a US$200 million debt private placement. To secure this funding the Chief Financial Officer, the Assistant Group Treasurer and VP, Investor Relations, met with, and answered questions from, investors. This exercise was repeated for a second US$200 million debt private placement in May 2020.

Private (retail) shareholders

We encourage private shareholders to provide feedback to the Board via the Company Secretary. We also include a questions card with the AGM documentation sent to shareholders so that those who cannot attend the meeting have the opportunity to ask questions.

Annual General Meeting

The AGM provides all shareholders with the opportunity to question the Board on matters put to the meeting, including this Annual Report. Shareholders who attended last year's AGM received a presentation from the Chief Executive on the Group's activities and performance.

The details of the 2020 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:

May 2019	June 2019	July 2019	Sept 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	March 2020
Full-year results issued Investor roadshow meetings in the UK	Investor roadshow meetings in the US Investor conference in France Annual Report published	Annual General Meeting in the UK	Investor meetings in the UK Investor conferences in the UK	Half-year results issued Investor roadshow meetings in the UK Investor conference in the US	Investor conference in the UK	Investor roadshow in the US	Trading statement issued Investor meetings in the UK	Investor conferences in the UK

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 Chairman's introduction to corporate governance from page 76, our corporate governance structure from page 78, Board activities on page 80 and stakeholder engagement from page 82.

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 2019, the Board considered how a number of extreme but plausible scenarios could impact a range of our stakeholders, including our people, our customers and our suppliers and how those scenarios could present risks and opportunities for Tate & Lyle. These scenarios were developed around key mega-trends including climate change; health and wellbeing; reduction in international trade; and the increase of artificial intelligence. This exercise started a discussion between the Board and management, which will continue in the 2021 financial year, about how Tate & Lyle might respond to those mega-trends in a way which will benefit all our stakeholders. This long-term perspective informed the development of our 2030 commitments and targets for the three pillars of our purpose, as discussed in the Chief Executive's review from page 12.

PENSIONS

During the year the Board and the trustee of the Group's UK pension scheme approved an agreement with Legal & General Assurance Society Limited for a £930 million bulk annuity insurance 'buy-in'. In approving this agreement the Board considered that it would provide certainty and security for those current and future pensioners in the Tate & Lyle Group Pension Scheme, while also removing future risk for Tate & Lyle and saving £20 million of annual contributions.

CAPITAL EXPENDITURE

In July 2019, the Board approved a US$75 million capital investment in a new co-generation system at our plant in Lafayette, Indiana, USA. This project is part of a multi-year capital investment programme totalling more than US$150 million to eliminate coal in our plants by 2025. The Board considered the positive impact this investment will have on the local community and the environment by reducing our CO_2e emissions while also generating efficiency savings.

SUSTAINABILITY

During the course of this year, the Board approved another initiative, in addition to the capital investment mentioned above, which will have a significant positive impact on our communities and the environment.

Partnership with Truterra™: In May 2019, the Board approved an agreement with Truterra™ (formerly Land O'Lakes SUSTAIN™) to bolster the sustainability of 1.5 million acres of US-grown corn, an acreage equivalent to Tate & Lyle's entire global annual corn purchases.

The Board weighed the financial cost of this initiative with the benefits it brings to a number of the Group's key stakeholders, namely farmers, local communities, customers and the wider society. Through this initiative, Tate & Lyle aims to enable more sustainable farming practices, support its customers' environmental initiatives and impact reporting, and ultimately increase transparency throughout the food supply chain. For more information about this programme, see page 55.

Sustainability programme: In March 2020, the Board reviewed the progress of our sustainability programme and approved new environmental targets to reduce CO_2e emissions (including a commitment for these targets to be science-based), reduce water use, beneficially use 100% of the waste we generate, and to continue to support sustainable agriculture. See pages 51 to 55 for more information.

PURPOSE COMMITMENTS

In addition to the environmental targets described above, the Board also approved commitments under our two other purpose pillars of supporting healthy living and building thriving communities. To read more about these commitments, see page 17.

Furthermore, the Board agreed that Tate & Lyle should join the UN Global Compact, a major global corporate responsibility initiative. It also agreed which of the UN Sustainable Development Goals (five in total) most closely align with our purpose and where we could have most impact. See pages 16 and 17.

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 2020, 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 COMPANY PURPOSE

A. THE ROLE OF THE BOARD:

Our Board comprises a diverse group of skilled and experienced individuals as described in their biographies from page 70. Working within the governance structure set out on page 78 and through a programme of regular meetings with agendas which focus on financial performance, strategic initiatives, risk management, our people and Nick's 'Sharpen, Accelerate, Simplify' 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 'Improving Lives for Generations'. This purpose informs our strategy, our values and our culture and inspires our people. The Board reviews workforce culture and employee engagement through a range 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 2; workforce engagement see page 84; Board oversight of culture see page 85 and the work of the Audit Committee see page 94.

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.

For more information see the Risk Report from page 60 and the Audit Committee Report from page 94.

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 114.

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 Chairman's introduction to corporate governance from page 76, the shareholder engagement section on page 86 and the Remuneration Committee Chair's Introduction to the Directors' Remuneration Report on page 100.

For information on our approach to stakeholder engagement see from page 82. Our section 172(1) statement is set out on page 87.

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 pages 46 and 85.

2. DIVISION OF RESPONSIBILITIES

F. THE ROLE OF THE CHAIR:
Dr Gerry Murphy, our non-executive Chairman, 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 Chairman reviews the performance of individual non-executive directors and the Senior Independent Director leads a review of the Chairman. 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 81 and the Nominations Committee Report from page 91.

G. BOARD COMPOSITION AND DIVISION OF RESPONSIBILITIES:
The Board comprises nine directors in addition to the Chairman, two Executive Directors (Chief Executive, Nick Hampton and Chief Financial Officer, Imran Nawaz) and seven 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 Chairman was deemed independent on appointment.

Membership of the Board and information about individual directors is set out from page 70. The responsibilities of the executive and non-executive directors are described on page 79.

H. ROLE OF THE NON-EXECUTIVE DIRECTORS: The role of the non-executive directors is to provide constructive challenge, strategic guidance, offer specialist advice and hold management to account. Before every Board meeting the Chairman 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 Chairman holds another meeting without the Executive Directors present to consider and discuss any matters that have arisen during the meeting. The Chair of the Audit Committee also holds meetings without the Executive Directors present at the end of each Audit 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 and the Research Advisory Group spending the most time. The Chairman 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 70. For more information, see meeting attendance in the 2020 financial year on page 81.

I. ENSURING THE BOARD FUNCTIONS EFFECTIVELY AND EFFICIENTLY:
The Company Secretary works with the Chairman, 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 Chairman) 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 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 91.

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 70 and the Nominations Committee Report from page 91.

L. BOARD EVALUATION:
In the 2020 financial year, the Board undertook an internally-facilitated evaluation. The Board expects to commission an externally-facilitated review in the second half of the 2021 financial year, in line with the UK Corporate Governance Code guidance that the evaluation should be externally-facilitated every three years.

For more information, see the Board evaluation on page 81.

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 auditors, 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 94.

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 auditors 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 94 and the 'fair, balanced and understandable' statement on page 99.

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 Risk Report from page 60 and the Audit Committee Report from page 94.

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 100.

Q. EXECUTIVE REMUNERATION:

During the year, the Remuneration Committee reviewed the Directors' Remuneration Policy to ensure that it continues to: (i) align with corporate governance best practice; (ii) enable the attraction and retention of executive talent to deliver against the Group's strategy; and (iii) promote the delivery of the long-term strategy. As part of the process for developing the Directors' Remuneration Policy, the Chair of the Remuneration Committee consulted major institutional shareholders on the Committee's proposals.

Details of this engagement are set out in the Directors' Remuneration Report from page 100.

The Directors' Remuneration Policy, which is to be put to shareholders for approval at the 2020 AGM, can be found from page 115.

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 100.

Nominations Committee Report

CHAIR'S INTRODUCTION

> This year we focused on long-term succession planning for the Executive Directors.

SUCCESSION PLANNING

EXECUTIVE COMMITTEE MEMBERS AND TALENT MANAGEMENT

This year we focused, as we said we would, on long-term succession planning for the Executive Directors and other members of our senior management team. We considered the development needs of members of our Executive Committee (ExCo) and of those individuals who are potential internal succession candidates for ExCo roles.

In addition, the Board received a presentation from our Chief Human Resources Officer on the status of the Company's succession plans for key roles below ExCo. Using new data analytics, we learnt that our resilience in providing emergency cover for key roles, and our bench of executives who are developing their readiness for these roles, is strong. This analysis also identified some gaps and provided a baseline from which we can track, over the coming years, the success of our talent development initiatives.

NON-EXECUTIVE DIRECTORS

As discussed in last year's Nomination Committee Report, in 2018 we undertook an externally facilitated review of the Board's composition and its future compositional needs in order to ensure that our Board has the right combination of skills and experience to support management in delivering our strategy. That review produced two recommendations. The first recommendation was to appoint a non-executive director (NED) with relevant and recent senior management experience in the US food and beverage sector, which is so critical to our business. I'm pleased to say that in July 2019, Kim Nelson joined our Board to fulfil that mandate. The second recommendation was to appoint a NED with Asian market experience to support our expansion in that region. This search is currently ongoing and we hope to be able to announce an appointment in the coming months. We approach these appointments not just with a focus on expanding the skills and experience of the Board but also with a focus on broadening our diversity in all respects, and particularly with regard to gender and ethnicity.

With the changes to the Board composition which took effect around the time of our AGM last year (that is, the appointment of Kim Nelson and the retirement of Douglas Hurt), we took the opportunity to consider the combination of skills, experience and knowledge on our Board Committees and to refresh their membership. Paul Forman, who was already a member of the Audit Committee and recently appointed Senior Independent Director, stood down from the Remuneration Committee. Sybella Stanley moved from the Audit Committee to the Remuneration Committee and Dr Ajai Puri moved from the Remuneration Committee to the Audit Committee.

DIVERSITY AT AND BELOW THE BOARD

During the year, the Nominations Committee discussed and refreshed the Board Diversity Policy. We are pleased that our Board is 30% women and 30% BAME (black, Asian or non-white minority ethnic) because we believe that a diverse and inclusive culture supports and promotes better business performance, growth and innovation. We are mindful of the target set by the Hampton-Alexander Review that by 2020 at least 33% of board members in FTSE350 companies are women and we are making progress towards this target. In our refreshed diversity policy, the Board commits to maintain, as a minimum, the diversity in terms of gender and ethnicity that is represented on our Board today.

The Board was also pleased to support management's commitment to 50% gender diversity in leadership roles by 2025 and will track progress against this target.

PRIORITIES FOR THE YEAR AHEAD

Notwithstanding the challenges posed by Covid-19, we will continue our search for a NED with Asia markets experience. In addition, we will begin to think about succession planning for the Chair of the Remuneration Committee, as our current Chair, Anne Minto, has now served seven years on our Board and has chaired the Committee, with great distinction, for five years. We will also continue to focus on long-term succession planning for senior executives below the Board and to follow the progress of management's talent development initiatives.

Gerry Murphy
Chair of the Nominations Committee

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 financial year under review, the Committee comprised the Chairman 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 two scheduled meetings during the year. Attendance during the year is set out on page 81.

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 internally 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 continue to be on Board succession planning, as well as succession planning for other members of the executive management team and talent management in the wider organisation.

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 commenced a search for a non-executive director with knowledge and experience of the markets in Asia.

A detailed job specification was prepared and Heidrick & Struggles was appointed to assist with the search, which is ongoing, with a view to making an appointment before the end of the year. Heidrick & Struggles is a signatory to the Voluntary Code of Conduct for Executive Search Firms and has a good understanding of the Group's business.

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 appointment of Harry Boot to the Executive Committee as President, Asia Pacific, Food & Beverage Solutions.

Performance evaluation

The Committee evaluated the performance of each of the Executive Directors and 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. During this year the Board reviewed and updated its policy on diversity. In the new policy the Board commits to maintain, as a minimum, the balance of gender diversity and ethnic representation present on our Board at the date of the policy and to improve it over time.

The Committee uses search firms who are signatories to the Voluntary Code of Conduct for Executive Search Firms 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 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 Chairman, two Executive Directors and seven non-executive directors. Female representation (three Directors) equates to 30% of the Board and BAME (black, Asian, and minority ethnic) representation is also 30%.

Diversity below the Board

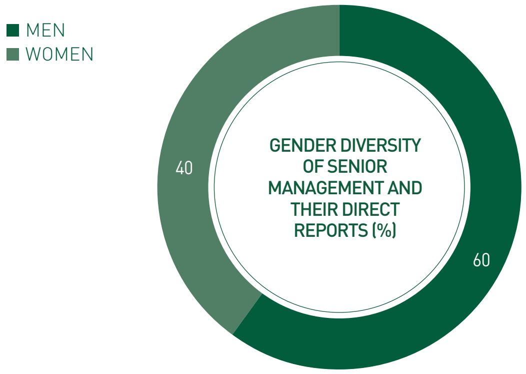
We recognise that to be a successful company, we must be both diverse and inclusive. We expect everyone, everywhere, to play a role in ensuring we become a truly diverse and inclusive organisation where differences are respected and everyone's contributions are valued.

Our Group human resources policy records 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 roles across the organisation by 2025 and will track progress against that target.

GENDER DIVERSITY OF SENIOR MANAGEMENT AND THEIR DIRECT REPORTS[1]

At 20 May 2020



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.

BOARD PERFORMANCE EVALUATION, INDUCTION AND SITE VISIT PROGRAMME

Board effectiveness

The Board regularly reviews the balance of experience, skills, gender and diversity of thinking styles around the boardroom table to ensure that the composition of the Board and its Committees is appropriate for the Group as it continues to evolve and implement the strategy. The Board and its Committees carry out a formal effectiveness review process once a year, which provides new insights into the operation of the Board and areas for development or particular focus. This year the Board and its Committees carried out an internally facilitated effectiveness questionnaire and reviewed the output and determined the priorities for the 2021 financial year. The recommendations of that review are set out on page 81.

Review of the Committees

In addition to the Board effectiveness review, the chairs of the Nominations, Audit and Remuneration Committees led the reviews of their Committees' effectiveness. These reviews confirmed that all Committees continue to provide effective support to the Board.

Review of individual Directors

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 and Anne Minto and Dr Ajai Puri, who have both served for over six years, were subject to particularly rigorous reviews.

The Nominations Committee reviewed the performance of the Chief Executive and the Chief Financial Officer. The Senior Independent Director, Paul Forman, led the review of the Chairman.

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.

Directors' induction programme

In those years in which new Directors join the Board, the Company Secretary works with each Director to tailor a comprehensive induction programme which includes visits to key sites, meetings with senior leaders to cover strategy, operations (including safety and environmental performance), risk management and internal controls, and UK corporate governance requirements.

Professional development and independent site visit programme

Directors receive ongoing training and updates on relevant issues as appropriate, taking into account their individual qualifications and experience. The Company Secretary helps the Directors undertake any other professional development they consider necessary to assist them in carrying out their duties.

During the year, in addition to the Board's visit to our offices and labs in Shanghai, the Chairman visited our sites in Dubai, Lille, Lübeck and Mexico City and other non-executive directors visited many of our sites around the globe. A summary of the number of sites visited by the non-executive directors is set out below:

North America	5
Europe, Middle East and Africa	7
Latin America	1
Asia Pacific	3

These visits provide non-executive directors with the opportunity to interact with local management and other members of the workforce and to gain in-depth knowledge about the opportunities and challenges for the Group's operations across the world.

CHAIR'S INTRODUCTION

We continued our practice of looking in depth at certain aspects of the control environment.

AUDIT, RISK AND INTERNAL CONTROL

I am pleased to present my first Audit Committee Report for Tate & Lyle. During the year, I engaged outside the formal meetings of the Committee with a significant number of stakeholders, including the Group Audit and Assurance (internal audit) function, senior management and the external auditor to understand their views of the risk and control framework within the Group and the work of the Audit Committee. These interactions have helped me gain a deeper understanding of Tate & Lyle's risk and control environment and I have shared my observations with my colleagues.

REVIEWS DURING THE YEAR

The responsibilities of the Committee have not changed during the year. We continued with our practice of looking in particular depth at certain aspects of the control environment on a rotation basis. This year these deep dives included a review of our Food & Beverage Solutions finance function, a review of our treasury and tax functions, an update on our ethics and compliance programme, our insurance programme, retirement benefits and our cyber security and IS/IT controls. Wherever possible, the Committee hears from members of senior management below the Executive Committee level, as this provides an opportunity for us to assess the culture, engagement and bench strength in the wider organisation. In addition, the Committee holds a private session with the Chief Financial Officer once a year to review, among other things, succession planning in the finance team.

VISIT TO OUR GLOBAL SHARED SERVICE CENTRE

Together with three other members of the Committee, I visited our Global Shared Service centre in Łódź, Poland. We received presentations and had discussions with the leadership group and each of their teams on performance, engagement with stakeholders in the business, the culture, and people management. We found this visit to be highly valuable as it enabled us to learn more of the finance and control operations which are managed in Łódź on behalf of the whole Group. My fellow directors and I also held an all-employee Town Hall meeting with more than 300 of our people.

EXTERNAL AUDITORS

During the year, the external auditors, EY, briefed the Committee on the data analytics tools which it uses to support its audit. For a number of areas EY was able to demonstrate the assurance that the data analytics provided. Accordingly, enhancements were made to the agreed audit strategy.

The Committee also received a detailed briefing from management and EY on our preparations for completing the year-end close process and audit in light of the challenges posed to our usual processes, and those of EY, by the Covid-19 pandemic. The Committee was reassured by the actions that management and EY had taken to ensure that there was minimal impact on the year-end audit timetable. The Committee and the Board would like to thank the teams for rising to the challenge and responding in such a positive manner.

CONCLUSION

Information on the following pages sets out in detail the composition of the Committee, its activities and our priorities looking forward.

I hope that you will find this report useful in understanding our work and I welcome any comments from shareholders on my report.

Warren Tucker
Chair of the Audit Committee

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), Anne Minto, Paul Forman, Dr Ajai Puri and Kim Nelson. The Committee welcomed Kim Nelson to the Committee upon her appointment to the Board on 1 July 2019 and Dr Ajai Puri on 23 July 2019. As part of Kim's induction programme, she met with the external auditors, VP Group Financial Controller, VP Group Audit and Assurance and other leaders of key functions to help her gain an understanding of Tate & Lyle's finance and controls framework. In addition, Sybella Stanley left the Committee and Douglas Hurt stepped down from the Board on 23 July 2019. On the same date Warren took over the chairmanship.

The Code stipulates that:

i. 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 ongoing development programmes and updates.
ii. 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 until 2013 and is a chartered accountant. He also served as an independent non-executive director on a FTSE100 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 81. 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, VP Group Audit and Assurance, VP Group Financial Controller, EVP General Counsel and representatives of the external auditor are invited to, and attend, part of each meeting. The Chairman 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 on an ad hoc basis, depending on the issues being discussed.

The Committee meets privately with: the Chief Financial Officer; the VP 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 Committee Chair carried out an internally facilitated review of its effectiveness and sought feedback from its 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 throughout the year and identified areas of focus for the 2021 financial 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 focused on four main areas: financial reporting; oversight of the external auditors; oversight of the internal audit function; and internal control and risk management.

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 auditors, the appropriateness of these. The significant issues considered by the Committee in relation to this year's financial statements are listed on page 96. Papers on the Group's existing and emerging litigation risks were also considered.

SIGNIFICANT MATTERS RELATING TO THE FINANCIAL STATEMENTS CONSIDERED BY THE COMMITTEE		
AREA	**BACKGROUND**	**COMMITTEE'S ACTIVITIES AND CONCLUSION**
Commodity accounting	We use commodity contracts to manage and hedge our corn positions in the US. The valuations of the corn book and the co-products produced as part of the corn wet-milling process, which are both underpinned by a number of judgements, can have a material impact on the reported results of the Group.	The Committee considered the work performed by management and the external auditors before concluding that the judgements made in determining the accounting treatment and valuations of the corn and co-products positions were appropriate. This continues to be a key area of focus for the Committee.
Exceptional items	We exclude from 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, and therefore merit separate disclosure in the financial statements.	The Committee constructively challenged the judgement of management regarding the measurement and 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. See page 43.
Impairment reviews	As required, we test all goodwill for impairment annually and, additionally, test all assets where there has been an indicator of potential impairment.	The Committee reviewed the annual goodwill impairment assessments and considered the appropriateness of management's assumptions, including consideration of the impact of Covid-19 on such assessments. Management concluded that there was significant headroom in its impairment reviews and, accordingly, no impairments were required. The Committee agreed with this conclusion. The disclosure is set out in Note 18.
Taxation	We operate and pay taxes in a number of jurisdictions, which requires the interpretation of complex tax law. As such, we make provision for potential tax exposures with local tax authorities and reassess this 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 43 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 the appropriateness of tax provisions at the balance sheet date, including amounts provided in respect of current and historical Group financing arrangements, specific US tax risks and global transfer pricing risks. The Committee concluded that the measurement and disclosure of these provisions were appropriate.
Retirement benefits	We have significant retirement benefit obligations in the UK and the US, including unfunded retirement medical plans in the US.	Prior to its execution during the first half of the year, the Committee reviewed the accounting treatment of the proposal for a bulk annuity insurance buy-in with Legal & General in relation to our main UK defined benefit pension scheme. The Committee challenged management on the risk, funding and accounting impact of the proposal and agreed with management's recommendation.
Going concern and Viability Statement	We have reviewed the going concern assumptions and, in particular, the downside scenarios modelled in the Viability Statement in light of the Covid-19 pandemic.	The Committee probed management on the assumptions and modelling to assess the Group's resources to continue to operate for a period of not less than 12 months and also the longer-term viability of the Group. The Committee was satisfied to recommend to the Board that the Directors continue to adopt the going concern basis of accounting. Further, the Committee was satisfied with work performed by management to support the Group's Viability Statement.

Engagement with regulators

During the year, we received a written request for information from the Corporate Reporting Review team of the Financial Reporting Council (FRC) in relation to the Group's 2019 Annual Report and financial statements. Management's response was reviewed by the Committee. Each of the questions raised by the FRC was resolved satisfactorily and the information request was closed without the FRC requiring any changes to our accounting or disclosure. We have made a small number of enhancements to the clarity of our disclosures as a result of the review. The FRC's review was not intended to provide assurance over the accuracy of the 2019 Annual Report and financial statements, but was designed to consider compliance with reporting requirements.

Focus areas for the Audit Committee in the 2021 financial year

In addition to the recurring matters on the Committee's rolling calendar, the Committee will focus on overseeing the completion of the SAP rollout to the relatively few remaining sites in the Group's network and on completion of the Group risk assurance map. The risk assurance map is a tool which describes the key sources of assurance and controls across the three lines of defence model against each of our principal risks. The Committee will continue to carry out deep dives into the two business divisions, both at Group functional level and at divisional business levels, on a rotational basis. Reviewing cyber risk and IS/IT controls will remain high on the Committee's agenda, in particular, in the context of the operational limitations imposed by the working from home arrangements introduced as a result of the Covid-19 pandemic.

External auditors

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. Warren Tucker meets with EY prior to each meeting and outside the meeting cycle on a regular basis, with a particular focus on audit quality, mindset and objectivity.

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 auditors 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.

The Committee considers quarterly reports which set out any non-audit services provided by the auditor and the fees incurred. Under our policy on non-audit services, the Chief Financial Officer has authority to approve the 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 Audit Committee at its next meeting.

The total amount payable in respect of the Group audit and audit of subsidiaries was £2.5 million, and £0.1 million was in respect of the review of the half-year results, being the only non-audit service and it being standard practice. Fees paid in respect of non-audit services therefore comprised 4% 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. 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 an 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 Committee specifically considered the findings of the Audit Quality Review Team's (AQRT) review of EY's 2019 audit on the Group. The Committee noted the scope of the review, areas of good practice identified, and the observations raised, alongside EY's proposed actions to address these. Overall, the Committee was satisfied with the rating assigned to the review, noted the findings did not raise any significant concerns in respect of audit quality and were satisfied with EY's proposals to address the recommendations raised by the AQRT.

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 auditors' performance for the 2019 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 2019 financial year was effective and that EY provided independent challenge to management. Areas of focus were identified and used to develop an audit improvement plan for the audit in the 2020 financial year.

Tenure

EY was appointed the Group's external auditor at the Company's AGM in 2018 for the financial year 31 March 2019 following a formal tender process. Subject to continuing satisfactory performance, we anticipate that the lead audit partner, Lloyd Brown, will rotate after his fifth year as lead audit partner, ie after the financial year ending on 31 March 2023.

The Committee recommended, and the Board intends to propose, the reappointment of EY as the Company's auditors for the 2021 financial year. It believes the independence and objectivity of the external auditors 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 auditors.

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.

GAA is staffed by professionally qualified and experienced individual members located in London and Chicago. They report to the VP, GAA, who is based in London, who in turn reports directly to the Chairman of the Audit Committee and the Chief Executive.

The Committee received, considered and approved the internal audit plan for the 2021 financial year, which was constructed using a risk-based approach. This will be kept under review in light of Covid-19 operational limitations. The plan was based on the premise that all businesses are audited at least once every three years, with the exception of our businesses based in emerging markets which are visited more frequently. In the 2020 financial year, 40 audit assignments were undertaken covering a broad range of areas including financial controls compliance and operational effectiveness. The Committee received a report from the VP, GAA, at each of its meetings detailing progress against the agreed plan, key trends and findings, and an update on the progress made towards resolving open issues.

The Committee also reviewed the effectiveness of GAA this year. It was undertaken by way of a questionnaire and feedback was sought from members of the Audit Committee, senior management and external auditors. 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. Further details including the description of principal risks are set out on pages 63 to 67.

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 Audit Committee continued to receive and consider regular reports from management and the VP, GAA, on the effectiveness of the Group's internal controls and risk management system as well as the external auditor on matters identified in the course of its statutory audit work. The Board believes that the Group maintains an effective, embedded system of internal controls.

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 units 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 division 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 system 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 2020 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 2020. The Board then discussed the output at its meeting in May 2020.

The 2020 review covered financial, operational and compliance controls, our values and behaviours, and the risk management process, and included questionnaires and representation letters completed by management. Group Audit and Assurance monitored and checked the results of the review, ensuring that the responses from management were consistent with the results of its work during the year. The Audit 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 45 and 62 respectively.

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; and
- 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.

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.

CHAIR'S INTRODUCTION

Our Policy renewal reflects the changes we made to simplify our arrangements last year, and the reductions to remuneration opportunity our Executive Directors have agreed.

Anne Minto
Chair of the Remuneration Committee

BUSINESS PERFORMANCE CONTEXT AND COVID-19

As you will have read in the introductory statements in this Annual Report, we are pleased to report a year of strong financial performance in spite of a challenging external environment. The Remuneration Committee is particularly mindful that the Covid-19 pandemic has presented significant challenges for the business and our customers, as well as for our workforce and the communities in which we operate. The Committee has reflected on these matters at length in our decision making, both in relation to the year we are concluding and the year ahead. Despite the near-term challenges of Covid-19, the fundamentals of the business remain sound. We are making good progress executing our strategy, the balance sheet remains strong and we are maintaining the final dividend. No employees have been furloughed and we have not sought government aid.

In terms of financial performance, highlights include:

- 4% increase[1] in adjusted profit before tax
- 8% increase[1] in adjusted diluted earnings per share
- Adjusted free cash flow £35 million higher at £247 million
- Productivity programme delivering ahead of expectations
- Final dividend maintained at 20.8p, making a full-year dividend of 29.6p, up 0.7%.

1 Percentage change figures are in constant currency for continuing operations.

Alongside these financial headlines, the Remuneration Committee recognises the significant actions that have been taken to create value for our customers, suppliers and stakeholders more broadly. The Chief Executive's review highlights a number of the actions and commitments the business has made to live our purpose of Improving Lives for Generations, including:

- Committing to science-based targets to reduce (Scope 1, 2 and 3) CO_2e emissions by 2030 including a commitment to eliminate the use of coal in our operations by 2025
- Committing to gender parity in leadership roles by 2025
- Supporting specific UN Sustainable Development Goals where we can have the greatest impact (see page 16)
- Leading the way with an industry-first agricultural programme through our partnership with Truterra™ to promote sustainable corn farming in the US, which was expanded during the year to cover 1.5 million acres, equivalent to the volume of corn we buy globally each year.

At the same time, we have made significant progress in our environment, health and safety agenda (see from page 50).

See page 21 for additional information regarding our community and stakeholder initiatives, and pages 46 to 49 for some key insights into the actions we are taking to engage and develop our own people within our organisation – all aligned with our purpose.

MODERATION IN EXECUTIVE PAY

With this broader focus for value creation from our business, the Committee is pleased to report a number of specific actions in relation to executive pay:

- The structural reduction in bonus opportunity which we described in last year's Annual Report is now adopted as a formal Policy
- Executive Directors agreed changes to the level of their own retirement benefits, to give up contractual entitlements and reduce these so that they will be brought into line with the broader workforce
- The 2020 Policy includes a commitment to a post-employment shareholding requirement to underline Executive Directors' commitment to the long-term success of the business
- Executive Directors have volunteered to forego a salary increase, for a second year running
- Executive Directors have indicated that, as we start a new financial year, they do not expect to receive a bonus payment in relation to the year ahead, recognising the exceptional circumstances we face as a global community, and the Committee will take this into account at the end of the financial year.

On behalf of the Board, I am grateful to Nick and Imran for their willingness to show leadership on these issues. We would also like to recognise the Executive Committee, the wider leadership team, and all our employees for their unstinting efforts to manage the business during the Covid-19 pandemic.

INCENTIVE OUTCOMES FOR THE YEAR

Headline incentive outcomes for the year reflect the strong operational and financial performance of the business:

- **Annual bonus plan:** awards for the year are at around three-quarters of the maximum, reflecting strong profit and cash performance relative to stretching targets set at the start of the year; as well as key achievements against strategic non-financial metrics.
- **Performance Share Plan (PSP):** awards made in 2017 will vest at 62.5% of maximum, having reached the end of their three-year performance period. Adjusted return on capital employed in the year to 31 March 2020 of 17.5% results in full vesting for that element; adjusted profit before tax compound annual growth of 7.1% was within the target range; and although profit growth in the Food & Beverage Solutions division was double digit this year, it was not sufficient to meet the stretching three-year profit growth target we set at the start of the period.
- **Total remuneration outcomes:** these are above 'target' but below 'maximum' policy levels. The CEO figure is lower than the prior year; the CFO figure reflects a full year in role.

The Committee has reviewed performance and the associated incentive plan outcomes carefully, and considers them to be an appropriate reflection of the financial performance and strategic progress of the business, in the context of stretching performance targets set at the start of the period.

Payment of the cash part of the bonus will be deferred, conditional on the approval of the dividend at the AGM, to demonstrate greater alignment with shareholders. Part of the annual bonus will be awarded as deferred shares, in the normal way; and the Performance Share Plan award is subject to a two-year post-vesting holding period.

RECOGNISING THE COMMITMENT OF ALL OUR COLLEAGUES

Alongside these outcomes, we are pleased to report some important actions that have been taken to enable a broader set of colleagues across the global workforce to share in the success of the business this year:

- At the start of the year, we took the decision to broaden the participation in our Group incentive arrangements, more than doubling the overall population in our annual bonus plan. The payments under this plan we are making this year enable a much broader population to share in the overall success of the business.
- Recognising the exceptional circumstances that we face as we sign off this report, we have made a special cash payment to nearly 2,000 of our 'front line' employees who we want to recognise specifically for their commitment in keeping our operations running and customers served through this unprecedented period.

CONTINUING ENGAGEMENT WITH SHAREHOLDERS AND POLICY RENEWAL

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 (most recent policy and report resolutions both enjoying support of c.97%).

Following a careful review, and recent consultation with a significant number of our largest institutional shareholders, we believe that our current Policy and approach – incorporating the changes on which we consulted with shareholders in detail ahead of our 2019 AGM – remains appropriate in the context of our business strategy and shareholder expectations. Accordingly, we are not proposing to make any material changes to our Remuneration Policy.

The Policy reflects the following key updates:

- **Reduction in bonus maximum:** the reduction in maximum bonus award from 175% to 150%, which we adopted last year, is now reflected in our formal Policy.
- **Executive Director benefits:** all employment benefits – including retirement benefits – provided to new appointments to Executive Director roles in the UK will be aligned with the benefits applicable to the majority of the UK workforce.
- **Existing director retirement benefits will reduce:** Executive Directors have agreed changes to the level of their own retirement benefits to give up contractual entitlements and reduce these so that they will be brought into line with the broader workforce within a two-year period. This results in an immediate reduction in benefit for the CEO from 25% to 20% of salary with effect from 1 April 2020; with further steps to reduce Executive Directors' benefits as necessary, to align with the employee benefit level over the next two years.
- **Post-employment shareholding requirements:** We are adopting a formal post-employment shareholding policy that requires a departing executive director to retain shares in line with the normal shareholding policy (currently 4x salary for the CEO and 3x salary for the CFO) or their actual shareholding on departure, if lower, for a period of 24 months following cessation, to ensure that departing Executive Directors have a continuing alignment with the interests of long-term shareholders.

We consulted ahead of the publication of this report with a broad group including many of our largest 30 shareholders, to explain our intended approach in reviewing the Policy and the associated renewal of our Performance Share Plan rules, and to capture any feedback. I am grateful to the shareholders who spent time in consultation on these changes, and we greatly value your continued support.

The Committee is satisfied that this Policy will continue to provide for a strong alignment between Group performance and the remuneration of the Executive Directors.

REMUNERATION REPORT AND REMUNERATION POLICY FOR SHAREHOLDER APPROVAL

The information regarding Directors' remuneration is presented in two Reports: the first relates to the way in which our current Policy has been implemented during the year and the second part describes our Remuneration Policy which will apply from the 2020 AGM. Resolutions to approve each of these Reports will be proposed at the AGM on 23 July 2020. Our intention is that the Policy approved by shareholders will apply for a period of three years from the date of the AGM and will not be put to an annual shareholder vote.

In closing, I would like to thank my fellow members of the Committee for their diligence and engagement throughout the year. Additionally, I would like to personally thank our advisors, Deloitte, and the members of the internal team for the excellent support they have provided to the Committee.

KEY SECTIONS OF THIS REPORT

AT A GLANCE

REMUNERATION STRATEGY AND KEY PRINCIPLES

The Group's remuneration strategy and principles apply consistently to employees, managers and executives.

The Group's remuneration strategy is to provide competitive packages that enable the Group to recruit, develop, and motivate high-calibre individuals in the markets in which we operate – to serve our customers, and to deliver consistent performance and sustainable long-term profitable growth, in a way that is consistent with our purpose.

- 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 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.

OVERVIEW OF OUR EXECUTIVE DIRECTOR REMUNERATION FRAMEWORK FOR THE YEAR ENDED 31 MARCH 2020

The table below summarises the operation of our current remuneration arrangements. We received strong shareholder support for our Directors' Remuneration Policy at the 2017 AGM and, following consultation with shareholders, a number of changes to our incentive programmes were adopted in 2019. These changes, along with updates to our executive director pension benefits and post-employment shareholding requirements, are being adopted into the Remuneration Policy for approval at the 2020 AGM.

BASE SALARY AND EMPLOYMENT BENEFITS ●

- **Fixed compensation**

Market competitive salary and benefits to attract the right calibre of executives:
- Benefits include health insurance, car benefit and defined contribution retirement benefits
- Executive Directors' retirement benefit levels are reducing so that these will be in line with the levels of benefits available to the majority of the UK workforce. This is effective immediately for any new appointments

Existing directors' retirement benefits will reduce to 20% from 1 April 2020, and further reductions will be made to align benefits with the workforce within a two-year period.

ANNUAL BONUS[1] 2019-2020 METRICS: ●○○

- **40% Group adjusted operating profit**
- **20% Food & Beverage Solutions net sales**
- **20% Group adjusted operating cash flow**
- **20% Strategic objectives**

Rewards achievement against annual performance objectives:
- Target bonus is 75% of salary; maximum cash bonus is 100% of salary
- Maximum opportunity reduced (from 175%) to 150% of salary from 1 April 2019
- 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 strategic objectives to create additional value over time

No changes are proposed for 2020

PERFORMANCE SHARE PLAN[1] AWARDS FROM 2019: ●●●○○

- **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, growing the Food & Beverage Solutions division, 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 years in total.

No changes are proposed for 2020

SHAREHOLDING REQUIREMENTS ▶▶▶▶▶

- **Chief Executive – 4 times salary**
- **Chief Financial Officer – 3 times salary**

With the 2020 Policy renewal, a post-employment shareholding requirement is being introduced: 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

Apply for two years after a bonus award or vesting of PSP awards.

With the 2020 Policy renewal, claw back provisions are being strengthened to include circumstances leading to 'corporate failure'

KEY: NUMBER OF YEARS: ● PERFORMANCE PERIOD ○ DEFERRAL/HOLDING PERIOD ▶ ONGOING REQUIREMENTS

1 Food & Beverage Solutions metrics relate to the reportable segment.

Incentive pay outcomes reflect good financial and operational performance despite a challenging external environment – leading to total executive director remuneration outcomes for the year at above 'target' but below 'maximum' levels.

KEY PERFORMANCE INDICATORS FOR FINANCIAL YEAR 2020

Our remuneration arrangements have a clear link to key performance indicators (KPIs) which are aligned with our strategy.

Food & Beverage Solutions volume	Adjusted profit before tax[1]	Return on capital employed[1]	Adjusted free cash flow[1]
+1%	+4% in constant currency	+40bps	£247m

1 Adjusted results and a number of other terms and performance measures used in this Annual Report are not defined within accounting standards. For clarity, we have provided descriptions of the various metrics and their reconciliations to the most directly comparable measures reported in IFRS, and the calculations, where relevant, of any ratios, in Notes 1 and 4.

PERFORMANCE HIGHLIGHTS AND INCENTIVE OUTCOMES FOR THE YEAR

Annual bonus

Metrics	Target[1]	Actual[1]	vs target
Group adjusted profit before tax (40%)	£317m	£325m	+£8m
Food & Beverage Solutions net sales (20%)	US$1,382m	US$1,378m	-US$4m
Adjusted Group operating cash flow (20%)	£313m	£336m	+£23m
Strategic (non-financial) metrics (20%)	Achieved at above target but below maximum levels (see page 109)		

Bonus award to Chief Executive: 78% of maximum; and to Chief Financial Officer: 78% of maximum

1 Bonus targets relate to adjusted metrics and 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 corresponding metrics included in the financial statements.

See pages 108 and 109 for more detail

Performance Share Plan (2017 Award)

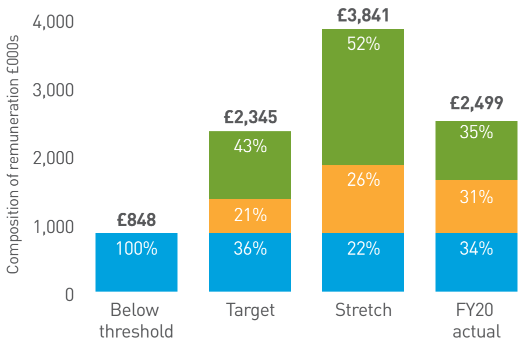
Metric	Targets (threshold-stretch)	Actual (2017-2020)
Group Adjusted profit before tax from continuing operations (25%)	5% – 10% compound annual growth over three years	7.1% (in range)
Food & Beverage Solutions adjusted profit before tax from continuing operations (25%)	8% – 13% compound annual growth over three years	7.6% (below threshold)
Adjusted Group ROCE from continuing operations (50%)	11% – 15% at the end of the performance period	17.5% (above stretch)

62.5% of the award made in 2017 will vest, based on Group adjusted profit before tax and Group adjusted ROCE performance.

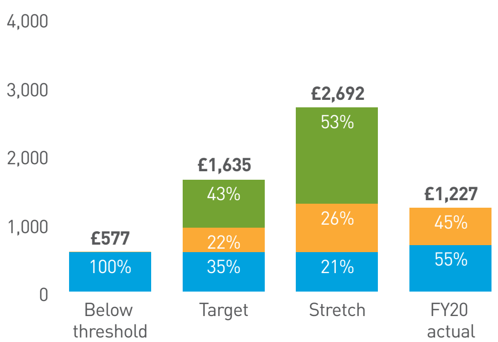
See page 110 for more detail

REMUNERATION POLICY SCENARIOS AND ACTUAL OUTCOMES FOR THE YEAR ENDED 31 MARCH 2020

Chief Executive – Nick Hampton



Chief Financial Officer – Imran Nawaz[1]



■ BASE AND BENEFITS ■ ANNUAL BONUS ■ PERFORMANCE SHARE PLAN

1 Excludes compensatory share awards issued on appointment.

ANNUAL REPORT ON REMUNERATION

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)').

STATEMENT OF SHAREHOLDER VOTING

The Remuneration Policy was approved by shareholders at the AGM on 27 July 2017. The last Annual Report on Remuneration was approved by shareholders at the AGM on 25 July 2019. The following voting outcomes were disclosed after the relevant AGM:

RESOLUTION	TOTAL FOR (NUMBER OF VOTES)	% OF VOTE	TOTAL AGAINST (NUMBER OF VOTES)	% OF VOTE	VOTES WITHHELD[1] (NUMBER OF VOTES)
Directors' Remuneration Policy – 27 July 2017[2]	295 458 658	97.16	8 622 530	2.84	79 662
Annual Report on Remuneration – 25 July 2019[3]	310 308 734	96.87	10 034 011	3.13	2 237 747

1 Votes withheld are not counted in the calculation of the proportion of votes for or against a resolution.
2 At the AGM on 27 July 2017, there were 465,684,612 ordinary shares in issue and eligible to vote, excluding treasury shares.
3 On 25 July 2019, there were 468,379,602 ordinary shares and 2,394,000 preference shares (which have limited voting rights) in issue.

IMPLEMENTATION OF THE REMUNERATION POLICY IN THE FINANCIAL YEAR ENDING 31 MARCH 2021

The Committee intends that the Policy approved by the shareholders at the AGM on 23 July 2020 will apply for a period of three years from that date.

RESOLUTION TO APPROVE THE ANNUAL REPORT ON REMUNERATION AT THE 2020 AGM

A resolution to approve this Annual Report on Remuneration will be proposed at the AGM on 23 July 2020.

THE REMUNERATION COMMITTEE

MEETINGS DURING THE YEAR

The Remuneration Committee comprised the following independent non-executive directors during the year: Anne Minto (chair), Lars Frederiksen, Warren Tucker, Sybella Stanley (appointed 25 July 2019), Dr Ajai Puri (stepped down 25 July 2019), and Paul Forman (stepped down 25 July 2019). The Company Secretary serves as secretary to the Committee. Membership and attendance during the year are set out on page 81.

The Chairman 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 seven 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 Chairman of the Board (in consultation with the Chief Executive), including: base salary or fees, annual bonus, long-term incentives, benefits, 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 updated (2018) 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

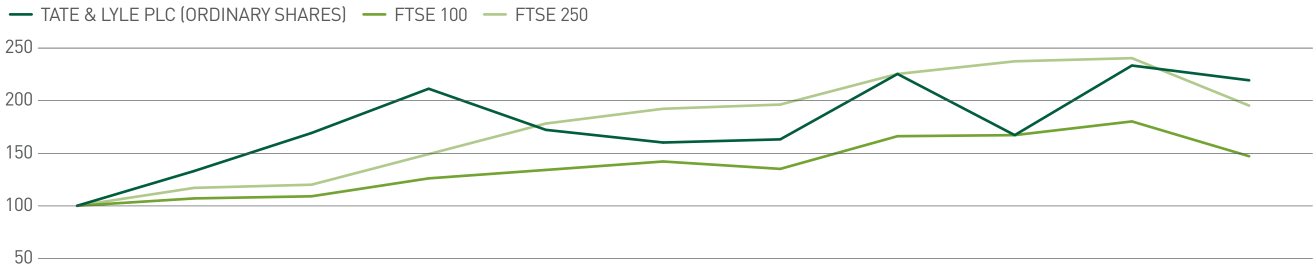
The Committee Chair carried out an internally facilitated review of its effectiveness and sought feedback from the Committee members, certain members of senior management and the external advisor. The output was discussed by the Committee. This concluded that the Committee continued to operate effectively 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 2019. 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 £34,450 for the year ended 31 March 2020, with fees charged on a time incurred basis. During the year ended 31 March 2020, Deloitte LLP also provided unrelated services to the rest of the Group in respect of corporate finance, consulting, tax and compliance.

TOTAL SHAREHOLDER RETURN AND CHIEF EXECUTIVE'S PAY

The chart illustrates cumulative total shareholder return (TSR) performance of the Company against the FTSE 100 and FTSE 250 indices, which provide an appropriate comparison 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 from 31 March 2010.



	31 MARCH 2010	31 MARCH 2011	31 MARCH 2012	31 MARCH 2013	31 MARCH 2014	31 MARCH 2015	31 MARCH 2016	31 MARCH 2017	31 MARCH 2018	31 MARCH 2019	31 MARCH 2020
Chief Executive's[1] total remuneration (£000s per single figure table)											
Nick Hampton		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3 045	2 499
Javed Ahmed		3 277	11 198[2]	5 367	2 728	996	2 139	3 239	3 672	n/a	n/a
Iain Ferguson		nil	170	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Annual bonus (% of max)		100%	58%	18%	1.6%	0%	77%	80%	72%	53%	78%
LTI vesting (% of max)		81%	100%	100%	67.7%	0%	10.9%	50%	100%	75%	62.5%

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. Iain Ferguson was Chief Executive prior to 1 October 2009.
2 This figure for the year ended 31 March 2012 includes one-off compensatory appointment awards.

COMPARISON OF MOVEMENT IN CHIEF EXECUTIVE AND BROADER EMPLOYEE REMUNERATION

CHANGE IN VALUE: YEAR ENDED 31 MARCH 2020 VS 31 MARCH 2019	BASE SALARY	VALUE OF BENEFITS[1]	ANNUAL BONUS[2]
Chief Executive	0%	0%	+26%
Broader employee population[3]	0-3%[4]	0%	31%

1 No changes to benefit policies were made in respect of the Chief Executive or employees during the year.
2 Includes deferred shares where applicable.
3 The broader employee population refers to a global population of salaried employees for salary comparison and the UK employee population for the benefits comparison, reflecting the context in which executive directors' salaries and benefits are determined. For the bonus comparisons, it refers to the global group of participants in the annual bonus plan so that the combination of business performance across our divisions that contributes to the Group's results is appropriately represented.
4 Salary increases (typically 3%) were awarded to employees in our manufacturing facilities, effective April 2020. Given the current economic situation, the normal process for awarding discretionary salary increases for the broader management and executive population has been deferred.

RELATIVE IMPORTANCE OF SPEND ON PAY

	YEAR ENDED 31 MARCH 2020	YEAR ENDED 31 MARCH 2019	% CHANGE
Remuneration paid to or receivable by employees of the Group (continuing operations)	**£353m**	£334m	+5.7%
Distributions to shareholders (by way of dividend and purchase of ordinary shares)	**£150m**	£134m	+11.9%

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 a £3 million increase in dividend payments compared to the prior year, and the purchase of shares to satisfy share incentive awards. See Notes 9, 13 and 21 for further information.

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 advocate 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 48 for more information.

CEO PAY RATIO

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.

Reflecting our commitment to high standards of governance and transparency, we report on the ratio of CEO pay to UK employee pay. Data representing employees at the 'median' and 'upper' and 'lower' quartiles are as follows:

CEO pay ratio vs UK employees

YEAR	LOWER QUARTILE	MEDIAN	UPPER QUARTILE
2020 – pay ratio (total compensation)	55x	27x	13x
2020 – Representative employee salary	£40,418	£62,026	£87,093
2020 – Representative employee total compensation	£46,064	£93,677	£201,522
2019 – pay ratio (total compensation)	74x	39x	20x

In the table above, total compensation has been calculated for all UK employees individually as at 31 March 2020 in a consistent manner for comparison with the CEO 'single figure' total compensation figure in the table on page 112, 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).

The Committee notes that the median pay ratio figure of 27x has fallen year on year (2019 – 39, and 2018 – c.50). The 2020 change is due in part to structural reductions in executive director bonus opportunity from 1 April 2019, as well as a lower vesting outcome for the Performance Share Plan in the year.

The Committee notes that the 'median' employee 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.

DIRECTORS' SALARIES AND RETIREMENT BENEFITS

EXECUTIVE DIRECTOR SALARIES

The Remuneration Committee reviews salaries at the start of each financial year. At the Board meeting at the end of March 2020, the Chief Executive recommended that Executive Directors, and members of the Executive Committee, would not receive a salary increase at this time but to defer any decisions on salary for six months (along with all other employees eligible for a discretionary pay increase). Neither Executive Director has been awarded an increase in salary since their original date of appointment.

TOTAL PENSION ENTITLEMENTS (AUDITED)

The Committee recognises the strength of feeling from some stakeholders regarding the level of executive directors' retirement benefit provisions, and considered this matter at length as part of our Policy renewal.

We have amended our Policy so that all employment benefits – including retirement benefits – provided to new appointments to executive director roles in the UK will be aligned with the benefits applicable to the majority of the UK workforce.

At the same time, our Executive Directors have agreed changes to the level of their own retirement benefits to give up contractual entitlements and reduce these so that they will be brought into line with the broader workforce within a two-year period. This results in an immediate reduction in benefit for the CEO from 25% to 20% of salary with effect from 1 April 2020; with further steps to reduce Executive Directors' benefits in step at the start of subsequent financial years as necessary.

As part of this process, and within the remit of the Committee's review of workforce policies, the Committee is reviewing the corresponding employee arrangements (which are currently in a range up to 25% of salary), and expects the executive and broader UK workforce rate to align at 15% of salary by the end of this period.

In giving up contractual benefits which were agreed in good faith, the Committee is grateful to Nick and Imran for their willingness to show leadership on these issues.

ANNUAL BONUS

OVERVIEW

For the financial year commencing April 2019, and in consultation with shareholders, the Committee updated the bonus plan to reflect financial performance as well as the broader actions that are necessary to create value over time. This approach reflects the guidance in the (2018) UK Corporate Governance Code that 'using a range of financial, non-financial and strategic measures can help ensure that overall goals are aligned with how the company will deliver value over the long term'. As part of this review:

- The maximum bonus opportunity reduced to 150% (from 175% for the prior performance year).
- The relatively complex 'multiplier' approach was removed, in favour of independently weighted financial performance metrics. This simplification enables us to demonstrate a clearer link between financial performance and the individual bonus outcomes.
- 20% of the overall bonus is linked to the achievement of specific 'business strategic' non-financial objectives, to capture the actions and performance necessary to create additional value over time.

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 experience and the overall financial performance of the business in approving outcomes.

OPPORTUNITY (% OF SALARY)	FINANCIAL METRICS (80% OF TOTAL BONUS OPPORTUNITY):						STRATEGIC OBJECTIVES (20% OF TOTAL BONUS OPPORTUNITY)
THRESHOLD: 20% TARGET: 75% MAXIMUM: 150%	GROUP ADJUSTED OPERATING PROFIT (40% OF TOTAL)	+	GROUP ADJUSTED OPERATING CASH FLOW (20%)	+	FOOD & BEVERAGE SOLUTIONS NET SALES (20%)	+	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 targets will be set and actual performance will be assessed at constant 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.

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 misstated or if an executive director commits an act of gross misconduct. The Committee reviewed these provisions during the year, and as part of the 2020 Policy renewal future awards will include 'corporate failure' within these provisions.

DEFERRAL INTO SHARES

The bonus amount up to 100% of base salary is paid in cash. The 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 dividend between award and release. Both the cash and share elements are subject to malus and claw back provisions, as set out above.

BONUS ARRANGEMENTS FOR THE YEAR AHEAD

In the context of economic uncertainty relating to the Covid-19 pandemic as we start the current financial year, the Executive Directors have indicated that they do not expect to receive a bonus payment in relation to the year ahead. While the ambition to pursue our strategic and growth objectives remains as strong as ever, this stance recognises the exceptional circumstances we currently face as a global community as we start a new financial year, and the Committee will take this into account at the year-end.

At this time, we have clear near-term priorities in the business: to keep our people safe; keep our operations running; continue to serve our customers; maintain our financial strength; and to emerge from this period as a stronger business, delivering a positive outcome for the business and all our stakeholders.

Any bonus awarded in relation to the 'non-financial' element would be linked to the Committee's review of performance against these objectives, subject to satisfactory minimum overall financial performance, and in the context of the wider shareholder and stakeholder experience over the course of the year, which the Committee will consider at the end of the financial year.

BUSINESS AND PERFORMANCE OVERVIEW FOR THE YEAR ENDED 31 MARCH 2020

Awards are linked to stretching financial targets set at the start of the year against key metrics linked to our strategic goals.

Bonus awards as described below are considered appropriate in the context of strong financial performance and significant strategic progress, and the actions taken to support our purpose, and our people:

Group financial highlights:

- 4% increase[1] in adjusted profit before tax
- 8% increase[1] in adjusted diluted earnings per share
- Adjusted free cash flow higher at £247m
- Productivity programme delivering ahead of expectations
- Final dividend maintained at 20.8p, making a full-year dividend of 29.6p, up 0.7%.

Commitments to broader stakeholders:

- Ambitious, science-based targets established to reduce our carbon footprint, including a commitment to eliminate coal from our operations by 2025
- Committing to gender parity in leadership roles by 2025
- Supporting specific UN Sustainable Development Goals where we can have the greatest impact (including those relating to hunger, and health and wellbeing)
- Leading the way with an industry-first programme to support sustainable agriculture expanded to cover 1.5 million acres of corn (matching our global annual corn requirements).

Recognising our colleagues:

- Extending participation in our Group incentive arrangements, more than doubling the overall population in our annual bonus plan. The payments under this plan we are making this year enable a much broader population to share in the overall success of the business.
- We have also made special cash payments to nearly 2,000 of our 'front line' employees in the Group, reflecting their commitment in keeping our operations running and customers served in unprecedented circumstances.
- Investment in safety equipment and physical and technology infrastructure, to support new ways of working during the Covid-19 pandemic.

1 Adjusted operating profit, percentage change in constant currency.
2 Adjusted diluted earnings per share from continuing operations in constant currency.

ANNUAL BONUS FOR THE YEAR ENDED 31 MARCH 2020 (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			ACTUAL PERFORMANCE IN THE YEAR ENDED 31 MARCH 2020	BONUS OUTCOME	
			THRESHOLD	TARGET	STRETCH		% OF MAX	% OF SALARY
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	40%	£310m	£317m	£331m	£325m	77%	46%
Food & Beverage Solutions net sales	Captures 'top line' value-based performance of the Food & Beverage Solutions division	20%	$1,327m	$1,382m	$1,410m	US$1,378m	47%	14%
Group adjusted operating cash flow	Provides a focus on managing working capital and converting profit into cash effectively	20%	£298m	£313m	£328m	£336m	100%	30%
Non-financial personal and strategic performance	Measures non-financial performance key to achieving corporate goals	20%	See below for details			Chief Executive	90%	27%
						Chief Financial Officer	90%	27%
Financial underpin	The Committee also considers the Group's safety and overall financial performance to ensure that the results are a true 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 2020 have been determined as follows:

		% OF MAX	% OF SALARY
Nick Hampton	**Chief Executive**	78%	117%
Imran Nawaz	**Chief Financial Officer**	78%	117%
Any bonus up to 100% of base salary is paid in cash and any balance is paid in the form of deferred shares, as described above.			

1 Bonus targets are set and actual performance is assessed at constant (budget) exchange rates, reflecting consistent practice with prior years.

The bonus amount up to 100% of base salary will be paid in cash. The excess above 100% of base salary is paid in the form of deferred shares.

Recognising the exceptional circumstances brought by Covid-19, payment of the cash part of the bonus will be deferred until after the AGM, conditional on the approval of the final dividend at the AGM, to demonstrate greater alignment with shareholders.

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 and in particular the actions necessary to 'Sharpen, Accelerate, and Simplify' our business, drive progress against EHS 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 is determined accordingly. The Committee's assessment of the bonus outcome, and key achievements against specific objectives are shown below. Business strategic objectives such as M&A pipeline and customer relationships are often commercially sensitive.

OBJECTIVES	CEO (NICK HAMPTON)	CFO (IMRAN NAWAZ)
Sharpen the focus on our customers and key categories	**Objective(s):** • Drive customer focus and prioritisation of key categories • Develop 'top-to-top' relationships with key global customers to develop shared growth opportunities **Key achievement(s):** • Collaborated with key customers to develop relationships and new opportunities • Re-focused Food & Beverage Solutions global organisation to enable delivery of revenue and profit progression in key regions • Executed Primary Products strategy to offset market headwinds **Outcome:**	**Objective(s):** • Lead capital and strategic investments focused on expanding our key category offering and capabilities **Key achievement(s):** • Led development of Asia Pacific growth strategy, enabling innovation and customer proximity • Led refreshed investor engagement programme in first full financial year since appointment, to build strong connections with external stakeholders **Outcome:**
Accelerate portfolio development: innovation, partnerships, strategy development and M&A readiness	**Objective(s):** • Expand innovation model geographically • Develop M&A deal pipeline and build relationships with transformational deal targets **Key achievement(s):** • Expanded application labs in Singapore and São Paulo to better serve regional customer requirements and reduce innovation cycle time • Deeper relationships established with strategic partners to identify growth opportunities, for example with Sweet Green Fields **Outcome:**	**Objective(s):** • Refresh approach to long-term strategy development and capability, drive value from key partnerships, and pursue M&A agenda and pipeline **Key achievement(s):** • Restructured corporate strategy and M&A functions to upgrade capability and drive greater pace • Developing 10-year plan/horizon for long-term strategic growth **Outcome:**
Simplify the business and deliver productivity improvements	**Objective(s):** • Review and optimise regional customer-facing organisations and end-to-end execution model **Key achievement(s):** • Simplified regional Food & Beverage Solutions management structure and operating model established with direct reporting line to CEO, simplifying organisation and improved resource allocation to serve local customers • Championed productivity improvements to enable customer benefits (see page 14) **Outcome:**	**Objective(s):** • Plan and execute actions to address cost base to deliver US$100 million productivity programme **Key achievement(s):** • Established culture and process to drive stronger cost discipline; implemented zero-based budgeting on overheads and established productivity reporting • Delivered cumulative benefits of US$87m to 31 March 2020 (ahead of target), mitigating headwinds and cost pressures across ingredients, energy and freight **Outcome:**
Culture and Governance, including EHS and social purpose	**Objective(s):** • Embed purpose in the organisation • Develop future vision for EHS **Key achievement(s):** • Shared sense of organisational purpose now established through meaningful local and Group-wide initiatives • Significant progress on the EHS 'Journey to Excellence' delivering on our commitment to our employees, communities and wider stakeholders • Developed new sustainability programme and commitments to reduce carbon footprint, water and waste management, and to support sustainable agriculture **Outcome:**	**Objective(s):** • Deliver ISIT system upgrades to enable more effective collaboration across teams and improve financial performance management **Key achievement(s):** • Established new ways of working (across finance and IS/IT), to drive improvements in partnering across the business to improve collaboration, planning capability and enable investments for growth **Outcome:**
Bonus outcome (max 30% of salary, 20% of total bonus)	**Overall outcome: 18 / 20** **27% of salary** (90% of max)	**Overall outcome: 18 / 20** **27% of salary** (90% of max)

LONG-TERM INCENTIVE – PERFORMANCE SHARE PLAN (PSP)

OVERVIEW

The 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.

PERFORMANCE CONDITIONS APPLICABLE TO OUTSTANDING AWARDS GRANTED PRIOR TO 2019

Structural changes in the business in 2015 led to a review of the performance framework to ensure continued alignment with the Group strategy. Targets were considered carefully by the Committee, taking into account a number of reference points, including internal and external benchmarks of performance and global market growth in the Food & Beverage Solutions (FBS) industry. Overall, performance at these levels requires our Food & Beverage Solutions (and Sucralose) and Primary Products businesses to perform strongly in their respective markets. We consulted with a broad group of our largest shareholders on these arrangements, which were endorsed by shareholders at the 2016 AGM.

VESTING OUTCOME FOR AWARDS MADE IN 2017

The conditions below apply to awards made in 2017 and 2018. Targets are set and performance is assessed at reported exchange rates. The level of vesting at threshold is limited to 15% of the maximum for executive directors. The table summarises the conditions and assessment of actual performance and vesting outcome for the award made in 2017.

See pages 74 and 75 of our 2016 Annual Report for more details

METRICS FOR AWARDS 2017 AND 2018	LINK TO STRATEGY	TARGET RANGE (THRESHOLD-STRETCH)	ACTUAL PERFORMANCE OUTCOME FOR 2017 AWARD	COMBINED VESTING OUTCOME FOR 2017 AWARD
FBS adjusted operating profit (25%)	Reflects our focus on growing the FBS business	8% – 13% p.a. three-year compound growth	7.6% p.a. (below threshold)	62.5% of the 2017 award will vest – Group ROCE outcome is above the respective 'stretch' level of performance while both Group profit before tax and FBS operating profit growth performed in range
Group adjusted profit before tax (25%)	Key performance metric to drive sustainable long-term profitable growth	5% – 10% p.a. three-year compound growth	7.1% p.a. (in range)	
Group adjusted ROCE (50%)	Drives efficient investment for value-added returns from the total business	11% – 15%[1] in the final year of the three-year performance period[1]	17.5% (above stretch)	
Financial underpin	Before any shares are released, 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 dividend policy.			

Note: Food & Beverage Solutions metrics relate to the reportable segment.

1 As explained in last year's Remuneration Report, ROCE performance targets for awards made up to 2019 were set prior to the adoption of IFRS16. The Committee has assessed the impact of the accounting standard on our pro-forma reporting and determined that an adjustment to the ROCE target range is appropriate to ensure that actual performance against target can be assessed on a like-for-like basis and that conditions are not easier nor harder to achieve. Other conditions are similarly assessed on a like-for-like basis. Given overall performance, this adjustment to ROCE does not impact the vesting outcome for the award made in 2017.

PERFORMANCE CONDITIONS APPLICABLE TO AWARDS GRANTED FROM 2019

As described in detail in last year's Remuneration Report, the investment case we set out provides a strong logic for re-focusing long-term performance metrics for PSP towards EPS growth and ROCE performance each with a 40% weighting, so that 80% of the overall award is linked to 'bottom line' financial performance and capital efficiency. Alongside these, a Food & Beverage Solutions (FBS) volume metric (with a 20% weighting) provides continued focus on our growth ambition for the FBS business within the Group portfolio, complementing the 'FBS sales' metric in the annual bonus, and incentivising above-market performance in that division.

The metrics and targets and the strategic rationale for these 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 and our ambition for growth, as well as historic company and competitor/customer financial performance. These metrics/targets 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. We believe this approach places a clear focus on long-term strategic growth and FBS market 'out-performance', to drive long-term value creation.

See pages 106 and 107 of our 2019 Annual Report for more details

METRICS FOR AWARDS FROM 2019 (WEIGHTING)	RATIONALE FOR METRIC (LINK TO INVESTMENT CASE)	TARGET RANGE (THRESHOLD-STRETCH)	FINANCIAL AND DIVIDEND UNDERPIN
Group adjusted earnings per share (40%)	Key performance metric to drive sustainable long-term profitable growth	5% – 10% p.a. three-year compound growth	Before any shares are released, 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.
FBS volume growth (20%)	Lead indicator of strategy execution and FBS value growth	2% – 6% p.a. three-year compound growth	
Adjusted Group ROCE (40%)	Drives disciplined and efficient investment for value-added returns from the total business	13%-17%[1] in the final year of the three-year performance period	

Note: FBS metrics relate to the reportable segment. Targets are set and performance is assessed at reported exchange rates.

1 As described in last year's Remuneration Report, ROCE performance targets for awards made to date were originally set prior to the adoption of IFRS16. The Committee has assessed the impact of the accounting standard on our pro-forma reporting and determined that an adjustment to the ROCE target range is appropriate to ensure that actual performance against target can be assessed on a like-for-like basis and that conditions are not easier nor harder to achieve. Other conditions are similarly assessed on a like-for-like basis.

POST-VESTING HOLDING PERIOD

For awards made since 2016, executive directors are required to hold shares for a two-year period after the end of the three-year performance period; the combined total 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.

UPDATES TO PERFORMANCE SHARE PLAN RULES

We have adopted a number of 'best practice' features (claw-back and discretionary provisions, and post-vesting holding periods) into the operation, in practice, of our plans to date. In conjunction with the renewal of our Remuneration Policy, a separate AGM resolution seeks approval to update our formal plan documents to:

- strengthen these governance provisions – for example, specifically including 'corporate failure' within the claw-back provisions; and
- ensure that other standard provisions (e.g. the treatment of awards in the context of a change in control) continue to align with expected good practice.

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. For awards made following the 2020 Policy renewal, 'corporate failure' will be included within these provisions.

IMPACT OF CAPITAL EVENTS

In keeping with our existing Policy, in the context of a merger or acquisition, or other significant 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 targets (or the vesting outcome) 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 improved organic returns, as well as value-added strategic M&A-related activity over time.

ANNUAL AND MAXIMUM AWARD LEVELS

The current shareholder-approved policy limit on PSP award levels is 300% of salary. The Committee believes this continues to be appropriate in the context of our global business. The Committee will continue to retain full discretion in respect of each individual annual award, and we will retain the 'threshold' level of vesting at 15% of the award. This approach ensures the focus remains weighted towards long-term performance alongside the reduction in annual bonus maximum award to 150%.

PAYMENTS TO PAST DIRECTORS (AUDITED)

Javed Ahmed retired as Chief Executive and ceased employment with the Group on 1 April 2018. As set out on page 87 of the Annual Report 2018, the Committee determined that Javed would retain deferred bonus awards earned in prior years, and pro-rated interests in previously granted but unvested Performance Share Plan awards, in accordance with our Policy and the relevant Plan rules and subject to performance conditions where applicable. The following awards vest in the period ended 31 March 2020:

- Deferred bonus from the year ending 31 March 2018: the value of which was previously disclosed in the single figure table on page 86 of the Annual Report 2018
- PSP award from 2017: the number of shares having been pro-rated to reflect the proportion of the three-year vesting period during which he was employed, and subject to the assessment of performance conditions applicable to the award, as described on page 110, having a value on vesting of £399,924 based on a share price of £6.412.

The Committee has not exercised any discretion in relation to the assessment of any performance conditions or the timing of vesting, or the basis on which relevant awards have been pro-rated. There are no further awards outstanding.

PAYMENTS FOR LOSS OF OFFICE

There have been no other payments to past directors other than as disclosed in this Report. No loss of office payments have been made during the year.

SINGLE FIGURE TABLE (AUDITED)

£000s	SALARY/FEES		BENEFITS[1]		PENSION		TOTAL FIXED REMUNERATION		ANNUAL BONUS[3]		SHARE AWARDS		TOTAL VARIABLE REMUNERATION		TOTAL REMUNERATION	
YEAR ENDED 31 MARCH 2020	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Chairman																
Dr Gerry Murphy	350	350	–	–	–	–	350	350	–	–	–	–	–	–	350	350
Executive directors																
Nick Hampton	665	665	17	17	166	166	848	848	778	616	873[4]	1 581	1 651	2 197	2 499	3 045
Imran Nawaz[2]	470	313	113	109	94	63	677	485	550	224	477	–	1 027	224	1 704	709
Non-executive directors[5]																
Paul Forman	75	68	–	–	–	–	75	68	–	–	–	–	–	–	75	68
Lars Frederiksen	68	68	–	–	–	–	68	68	–	–	–	–	–	–	68	68
Anne Minto	82	82	–	–	–	–	82	82	–	–	–	–	–	–	82	82
Kimberly Nelson[6]	51	–	–	–	–	–	51	–	–	–	–	–	–	–	51	–
Dr Ajai Puri	93	93	–	–	–	–	93	93	–	–	–	–	–	–	93	93
Sybella Stanley	68	68	–	–	–	–	68	68	–	–	–	–	–	–	68	68
Warren Tucker	80	25	–	–	–	–	80	25	–	–	–	–	–	–	80	25
Former directors																
Douglas Hurt[7]	32	97	–	–	–	–	32	97	–	–	–	–	–	–	32	97
Javed Ahmed	–	–	–	11	–	10	–	21	–	–	–	–	–	–	–	21
Totals	**2,034**	**1,829**	**130**	**137**	**260**	**229**	**2,424**	**2,205**	**1,328**	**840**	**1,350**	**1,581**	**2,678**	**2,421**	**5,102**	**4,626**

1 Benefits for executive directors include health insurance and car allowance.
2 Imran Nawaz: £100,000 included with 'Benefits' relates to relocation support, as disclosed on appointment and on page 85 of the Annual Report 2018; the figure under 'Share Awards' relates to the vesting of the first tranche of the special share award awarded on joining, which vested 1 August 2019 at a closing price of £7.558.
3 Annual Bonus includes the value of deferred shares (based on the average share price over the period 1 January – 31 March 2020). The cash bonus award (with payment conditional on approval of the dividend at the AGM) to Nick Hampton is £665,000 and to Imran Nawaz is £470,000.
4 This is the PSP award made in 2017. PSP award outcomes are discussed on page 110 and the value is included in this table above based on a share price of £6.412, being the closing price on 19 May 2020 when the Remuneration Committee determined performance conditions were met.
5 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.
6 Kimberly Nelson was appointed to the Board on 1 July 2019.
7 Douglas Hurt retired as a Director on 25 July 2019.

EXECUTIVE DIRECTORS' EXTERNAL APPOINTMENTS

Nick Hampton was appointed as a non-executive director of Great Portland Estates plc on 17 October 2016 and was paid remuneration of £72,498 for the period to 31 March 2020 and under the terms of the policy is entitled to retain those fees.

CHAIRMAN'S AND NON-EXECUTIVE DIRECTORS' FEES

Fees are reviewed annually, in accordance with our stated Policy, by the Committee (excluding the Chairman) in respect of the Chairman's fee, and by the Chairman and the Executive Directors in respect of other non-executive directors' fees.

At the annual review in March 2020, taking into account the stance taken by the Executive Directors and members of the Executive Committee, it was agreed that any decision on fee increases would be deferred for six months. Fees, based on individual director responsibilities, are shown in the table below:

FEES (PER ANNUM) AS AT 1 APRIL (£)	**2020**	2019	% CHANGE
Basic fees			
Chairman	**350 000**	350 000	0%
Non-executive director	**68 000**	68 000	0%
Senior Independent Director	**78 800**	78 800	0%
Supplemental fees			
Chair of Audit Committee	**18 050**	18 050	0%
Chair of Remuneration Committee	**13 550**	13 550	0%
Chair of Research Advisory Group	**25 200**	25 200	0%

SHARE AWARDS MADE DURING THE YEAR ENDED 31 MARCH 2020 (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]	Nil cost option	17 July 2019	287 278	£1 995 002	20% CAGR of FBS volume; 40% CAGR of EPS; 40% adjusted ROCE	Three financial years ending 31 March 2022 plus two-year holding period	15%
Imran Nawaz	Performance Share Plan[1]	Nil cost option	17 July 2019	203 038	£1 409 997	20% CAGR of FBS volume; 40% CAGR of EPS; 40% adjusted ROCE	Three financial years ending 31 March 2022 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 £6.9445 pence per share for the 2019 award. In 2019, the Committee approved awards of 300% of salary for the Chief Executive and 300% of salary for the Chief Financial Officer, which is within our approved Remuneration Policy. Performance conditions applicable to PSP awards made in 2019 are described on page 110. Performance conditions for the 2019 award are fully described on page 110.

SHARE AWARDS MADE IN FINANCIAL YEARS TO 31 MARCH 2019 (AUDITED)

The table below sets out the current position of share-based awards made to Executive Directors.

	AS AT 31 MARCH 2019 (NUMBER)	AWARDS VESTED DURING YEAR (NUMBER)	AWARDS LAPSED DURING YEAR (NUMBER)	AWARDS EXERCISED DURING YEAR (NUMBER)	AS AT 31 MARCH 2020 (NUMBER)	MARKET PRICE ON DATE AWARDS GRANTED (PENCE)	MARKET PRICE ON DATE AWARDS EXERCISED (PENCE)[1]	VESTING DATE
Nick Hampton								
Performance Share Plan[2]:								
2017[3]	217 855	–	–	–	217 855	723.72	–	After 31/03/20
2018	330 380	–	–	–	330 380	603.85	–	After 31/03/21
Group Bonus Plan:								
2017	40 739	40 739	–	40 739	–	723.72	725.80	25/05/2019
2018	22 629	–	–	–	22 629	603.85	–	24/05/2020
Imran Nawaz								
Performance Share Plan[2]:								
2018	233 502	–	–	–	233 502	603.85	–	After 31/03/21
Restricted Share Award:								
2018[4]	126 103	63 052	–	63 052	63 051	634.40	696.20	01/08/2020

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 2017 and 2018 are 25% Food & Beverage Solutions adjusted operating profit; 25% Group adjusted profit; 50% adjusted ROCE as described on page 110. 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 2017 will vest at 62.5%, following the Committee's assessment of performance conditions (as described on pages 110/111).
4 This award was made in connection with Imran Nawaz's employment, to compensate him for incentives forfeited with his previous employer, as described on appointment via RNS, and in the 2018 and 2019 Directors' Remuneration Reports.
As announced on appointment, the Restricted Share Award (RSA) may vest in two equal tranches on the first and second anniversary of appointment, subject to employment and specified performance conditions. The performance conditions attached to the RSA relate to strategic and operational milestone activities agreed by the Committee, the detailed disclosure of which was considered to be commercially sensitive at the time of grant.
The Committee approved the vesting of the first tranches of the award, in full, on the first anniversary of his appointment date (being 1 August 2019), taking into account Imran Nawaz's specific contributions to the business, including:

- Rapidly established culture, mindset and clear process to enable cost base review and Productivity delivery in support of US$100 million Productivity target over 4 years.
- Enabled and lead delivery of cumulative benefits of US$87 million to 31 March 2020 (ahead of our stated Productivity goals, mitigating significant headwinds / cost pressures across ingredients, energy and freight (as described in our 2019 results).
- Established new ways of working, to drive improvements in finance business partnering and control across the business to improve planning capability and enable investments for growth.
Note that the value of this share award (at the date of vesting) is shown in the 'single figure table'

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 2019 (NUMBER)	OPTIONS VESTED DURING YEAR (NUMBER)	OPTIONS EXERCISED DURING YEAR (NUMBER)	OPTIONS LAPSED DURING YEAR (NUMBER)	AS AT 31 MARCH 2020 (NUMBER)	EXERCISE PRICE (PENCE)	EXERCISE PERIOD
Nick Hampton							
Savings-related options 2017	3 243	–	–	–	3 243	555.00	01/03/21 to 31/08/21

STATEMENT OF DIRECTORS' SHAREHOLDING AND SHARE INTERESTS (AUDITED)

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.

Our executive shareholding requirements are considered to be more demanding and extend to a greater number of senior executives in the Group when compared with similar sized UK-listed companies.

- 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, and as at 31 March 2020, Mr Hampton holds shares with a value of c. 5x salary, exceeding this requirement.
- The Chief Financial Officer has a target shareholding requirement of three times base salary to be achieved within five years of appointment. Imran Nawaz was appointed Chief Financial Officer on 1 August 2018, and as at 31 March 2020 is progressing towards this target.
- Other Executive Committee members are subject to the share ownership policy, with target holdings at three times salary.
- This policy extends to a broader group of executives who have senior leadership roles within the Group. The shareholding target for this group is equal to their base salary.

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.

We introduced a mandatory 2-year post-vesting holding period on PSP awards made to Executive Directors from 2016.

Post-employment shareholding policy

With the 2020 Policy renewal, a post-employment shareholding requirement is being introduced: 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 of 25 pence each 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.

	INTEREST IN SHARES[1]	NIL COST OPTIONS – CONDITIONAL ON PERFORMANCE[2]	SHARES – NOT CONDITIONAL ON PERFORMANCE[3]	OPTIONS – NOT CONDITIONAL ON PERFORMANCE[4]	TOTAL AS AT 31 MARCH 2020	TOTAL AS AT 31 MARCH 2019
Chairman						
Dr Gerry Murphy	20 000	–	–	–	20 000	20 000
Executive Directors						
Nick Hampton	460 811	835 513	22 629	3 243	1 322 196	1 214 370
Imran Nawaz	42 700	499 591	–	–	542 291	359 605
Non-executive directors						
Paul Forman	10 000	–	–	–	10 000	10 000
Lars Frederiksen	15 000	–	–	–	15 000	15 000
Anne Minto	8 600	–	–	–	8 600	8 600
Kimberly Nelson	–	–	–	–	–	–
Dr Ajai Puri[5]	10 018	–	–	–	10 018	10 018
Sybella Stanley	4 983	–	–	–	4 983	4 983
Warren Tucker	4 321	–	–	–	4 321	4 321

1 Includes shares owned by connected persons.
2 Awards under the PSP and the RSA award made to Mr Nawaz in 2018. These awards were made as options with a nil exercise price.
3 Deferred share awards made under the Group Bonus Plan.
4 These are HMRC-approved Sharesave Plan awards.
5 Includes 8,000 shares held as 2,000 ADRs.

There were no changes in Directors' interests in the period from 1 April 2020 to 20 May 2020.

2020 REMUNERATION POLICY

The Remuneration Committee presents the 2020 Directors' Remuneration Policy, which is subject to shareholder approval at the AGM on 23 July 2020. The Committee will operate within this Policy from that date.

Following a careful review, as described in the Committee Chairman's letter (see page 100), the Committee believes that our current Remuneration Policy and approach 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 which was formally approved at the AGM in 2017 is proposed for renewal at the 2020 AGM on substantially the same basis. We have consulted with major shareholders on the development of the Policy and:

- recognise the strength of some investor sentiment around executive director retirement benefit provisions and intend to align the Executive Directors' retirement benefits with those available to the broader UK workforce within a two-year period (and immediately in the case of new appointments);
- are implementing a post-employment shareholding requirement, reflecting updated UK Corporate Governance Code guidance;
- do not propose any other material changes to our Remuneration Policy. We consulted at length in 2018/19 in relation to changes to the operation of our incentive plans, including a structural reduction in the maximum opportunity for executive directors, and our proposed 2020 Remuneration Policy reflects this approach.

With these changes, we believe we continue to take a considered and balanced approach to director remuneration at Tate & Lyle.

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 provide competitive packages that enable the Group to recruit, develop and motivate high-calibre individuals in the markets in which we operate – to serve our customers, and to deliver consistent performance and sustainable long-term profitable growth in a way that is consistent with our purpose.

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, 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, 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 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 c.1% of our global sales are made to the UK and only c.6% of our global workforce are located in the UK. Accordingly, it is important that our remuneration arrangements are competitive in that international context.

REMUNERATION POLICY FOR EXECUTIVE DIRECTORS			
ELEMENT	**PURPOSE**	**POLICY**	**MAXIMUM OPPORTUNITY**
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.
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 e.g. 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, e.g. 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 existing UK directors will be aligned with the rates available to the majority of the UK workforce over a 2-year period from the date of this Policy
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 during the deferral period
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 financial 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 2-year post-vesting holding period follows the 3- 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
Personal share ownership ▶▶▶▶▶	Alignment of long-term interests with shareholders	• Minimum shareholding requirements must be built over a 5-year period following appointment • Similar requirements apply to other senior roles. • 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 x base salary – CFO: 3 x base salary

KEY: NUMBER OF YEARS: ● PERFORMANCE PERIOD ○ DEFERRAL/HOLDING PERIOD ▶ ONGOING REQUIREMENTS

OPERATION / PERFORMANCE FRAMEWORK	CHANGES TO POLICY
• 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 • We are reducing the level of executive directors' retirement benefits so that these will be in line with the level of benefits available to the majority of the UK workforce. This will take effect immediately for any new appointments and for existing directors is intended to be achieved within a two year period following approval of this Policy at the 2020 AGM
• Retirement benefits are provided by way of defined contribution or equivalent cash arrangements. Contractual benefit levels were agreed on appointment as 25% for the CEO and 20% for the CFO. The CEO contribution is reducing to 20% with effect from 1 April 2020, and further reductions will be made to these rates as necessary to ensure that this benefit level is aligned with that available to the majority of the UK workforce over a two year period from the date of this Policy • 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	
• 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 current financial year, 80% of the bonus will relate to financial performance, as follows: – 50% Group adjusted operating profit – 25% Food & Beverage Solutions net sales – 25% Group adjusted operating cash flow	• No changes to the policy in favour of directors have been made • The maximum bonus has been reduced from 175% to 150% • Claw-back provisions have been strengthened to include circumstances leading to 'corporate failure'
• The following performance metrics were adopted for awards made from 2019: – 40%: Group adjusted earnings per share – 20%: Food & Beverage Solutions volume growth – 40%: adjusted return on capital employed (ROCE) • These metrics are key determinants of shareholder value creation, reflecting: the effectiveness of strategic investment decisions, the focus on growing our FBS division, and the growth in financial value of the whole group. If material changes to the metrics are proposed, the Committee would consult with key shareholders in advance of making a new award • Targets are reviewed by the Committee ahead of each annual grant, to ensure these remain appropriately stretching over the performance period • 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 dividend policy • Malus / claw back provisions: awards may be recouped in specific circumstances during the two-year period after the performance period	• No changes to the Policy have been made • Revised metrics were adopted in 2019 (within the scope of the Remuneration Policy), following detailed consultation with shareholders and with shareholder approval of the Directors' Remuneration Report at the 2019 AGM • The post-vesting holding period will continue to apply post-employment • Claw back provisions have been strengthened to include circumstances leading to 'corporate failure'
• 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 share holding in keeping with the guideline prevailing at the time of their departure, or their actual holding on departure (if lower)	• A post-employment shareholding requirement is being introduced

REMUNERATION POLICY FOR THE CHAIRMAN AND NON-EXECUTIVE DIRECTORS

TERMS OF APPOINTMENT

The Chairman 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 a maximum of nine years, subject to their annual re-election by shareholders. The Company Chairman 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.

CHAIRMAN AND NON-EXECUTIVE DIRECTORS' FEES

Non-executive directors' fees (excluding the Chairman) are reviewed annually by the Chairman and Executive Directors of the Board. The Chairman'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 Chairman, to the Senior Independent Director and to each non-executive director. In addition, supplemental fees are payable to each Committee chair. Accordingly, supplemental fees are paid to the chairs of the Audit and Remuneration Committees, and the Research Advisory Group, 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 Chairman 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 Chairman 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 Chairman 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 following the changes to reduce the bonus opportunity in 2019. 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.
- 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 Company'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:

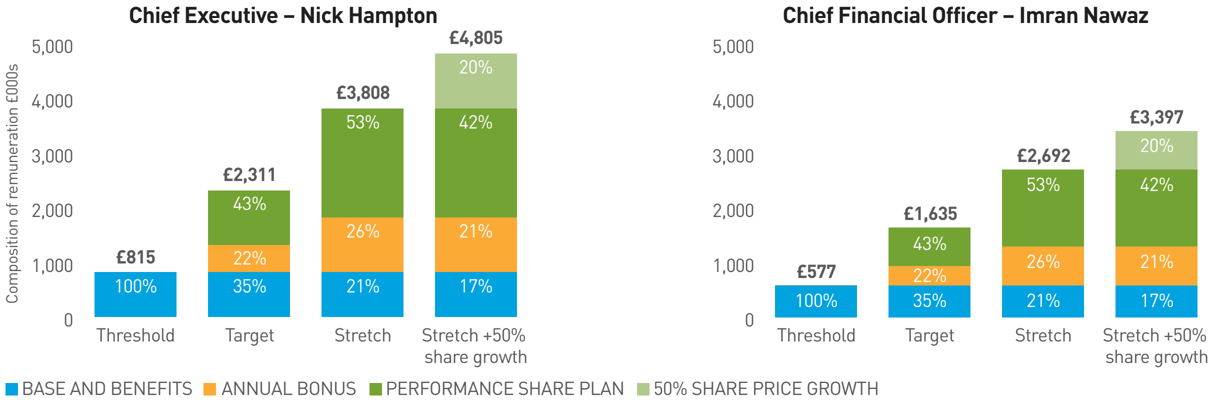
- Contractual commitments entered into before the policy takes effect, or before an individual was subject to this policy on directors' remuneration, to be honoured.
- The satisfaction of awards and/or commitments made in relation to incentive plan awards (providing they were consistent with the policy in effect at the time the original award/commitment was made).

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, and the pension changes applicable for the financial year ahead (with further reductions to follow). 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).



STATEMENT OF CONSIDERATION OF EMPLOYMENT CONDITIONS IN THE GROUP

The principles on which we base remuneration decisions for executive directors as described on page 115 are broadly 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 updated (2018) UK Corporate Governance Code, and considering the implications of the gender pay and Chief Executive pay ratio analyses for our workforce as a whole.

On behalf of the Board

Anne Minto OBE
Chair of the Remuneration Committee
20 May 2020

ABOUT THE DIRECTORS' REPORT

The Directors' Report comprises the Board of Directors (from pages 70 to 73), Governance section from pages 74 to 99, the Directors' Report on pages 121 and 123 and the Useful Information section from pages 196 to 201. 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)
- Human rights (page 47)
- Greenhouse gas emissions (pages 52 and 53)
- Relationship with employees (pages 46 to 49)
- Going concern (page 45)
- Financial instruments (Note 27)
- Post balance sheet events (Note 35).

RESULTS AND DIVIDEND

A review of the consolidated Group's results can be found from pages 8 to 67. An interim dividend of 8.8 pence per ordinary share was paid on 3 January 2020. The Directors recommend a final dividend of 20.8 pence per ordinary share to be paid on 31 July 2020 to shareholders on the register on 19 June 2020, subject to approval at the 2020 Annual General Meeting (AGM). The total dividend for the year is 29.6 pence per ordinary share (2019 – 29.4 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 5,122,967 ordinary shares as at 31 March 2020.

RESEARCH AND DEVELOPMENT

The Group spent £34 million (2019 – £36 million) on research and development during the year.

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 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 92, 95 and 104.

SHARE CAPITAL

As at 31 March 2020, the Company had nominal issued ordinary and preference share capital of £119 million comprising £117 million in ordinary shares and £2 million in preference shares. To satisfy obligations under employee share plans, the Company issued 55,721 ordinary shares during the year. The Company issued 6,030 shares during the period from 1 April 2020 to 20 May 2020. Further information about share capital is in Note 21. Information about options granted under the Company's employee share plans is in Note 30.

The Company was given authority at the 2019 AGM to make market purchases of up to 46,836,341 of its own ordinary shares. The Company made no purchases of its own ordinary shares during the year ended 31 March 2020 and the EBT purchased 1,635,490 ordinary shares during the year. This authority will expire at the 2020 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 ordinary and preference shares in the capital of the Company. No limitations are placed on the holding of shares and no share class carries special rights of control of the Company. There are no restrictions on voting rights other than those outlined in 'Shareholders' rights' on preference shares. The Company is not aware of any agreements between shareholders that may restrict the transfer or exercise of voting rights.

SHAREHOLDERS' RIGHTS

Holders of ordinary 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.

Holders of preference shares have limited voting rights and may not vote on: the disposal of surplus profits after the dividend on the preference shares has been provided for; the election of Directors or their remuneration; any agreement between the Directors and the Company; or the alteration of the Articles of Association dealing with any such matters. Further details regarding the rights and obligations attached to share classes 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 2020, 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$600 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.

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

As at 31 March 2020, the Company had been notified under Rule 5 of the Disclosure and Transparency Rules of the following holdings of voting rights in its shares:

	NUMBER OF SHARES[1]	% HELD[1]
Standard Life Aberdeen plc	17 175 029	3.67

1 As at the date of the transaction in the most recent notification to the Company. As permitted under Rule 5, shareholders are not required to notify us of subsequent changes within certain ranges.

In the period from 1 April 2020 to 20 May 2020, the Company has not been notified of any changes to the holdings as disclosed above.

POLITICAL DONATIONS

Again this year, in line with the Group's policy, no political donations were made in the UK or in any country other than the US. The Group's US business made contributions during the year totalling US$7,800 (£6,000) (2019 – US$14,300; £11,000) to state political party committees or political action committees, and to the campaign committees of state or local candidates affiliated to the major parties. In all, five separate donations were made, the largest being US$5,000 and the smallest being US$500.

US$12,000 (£9,200) (2019 – US$19,000; £14,600) was also contributed by the Tate & Lyle Political Action Committee (PAC). Nine separate donations were made, the largest being US$3,000 and the smallest being US$500. The PAC is funded entirely by US employees. Employee contributions are entirely voluntary and no pressure is placed on US employees to participate. No funds are provided to the PAC by Tate & Lyle but under US law, an employee-funded PAC must bear the name of the employing company.

SUBSIDIARIES AND BRANCHES

A list of the Group's subsidiaries is set out in Note 37. A subsidiary within the Group has a branch in New Zealand.

DISCLOSURE TABLE PURSUANT TO LISTING RULE LR 9.8.4C

In accordance with LR 9.8.4C, the table below sets out the location of the information required to be disclosed, where applicable.

APPLICABLE SUB-PARAGRAPH WITHIN LR 9.8.4C	PAGES
(1) Interest capitalised by the Group	148
(2) Unaudited financial information	none
(4) Long-term incentive scheme only involving a Director	none
(5) Directors' waivers of emoluments	none
(6) Directors' waivers of future emoluments	n/a
(7) Non pro-rata allotments for cash (issuer)	121
(8) Non pro-rata allotments for cash (major subsidiaries)	none
(9) Listed company is a subsidiary of another company	n/a
(10) Contracts of significance involving a Director	none
(11) Contracts of significance involving a controlling shareholder	n/a
(12) Waivers of dividends	121
(13) Waivers of future dividends	121
(14) Agreement with a controlling shareholder	n/a

DIRECTORS' STATEMENT OF RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and Company financial statements in accordance with UK GAAP (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework' and applicable law). 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 Company and the Group and of the profit or loss of the Group for that year.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable IFRSs as adopted by the EU have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group. These records should enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. The Directors are also responsible for safeguarding the assets of the Company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names and functions are listed on pages 70 to 73, confirms that, to the best of his or her knowledge:

- The Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's and the Group's position and performance, business model and strategy
- The Group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group
- The Company financial statements, which have been prepared in accordance with UK GAAP (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework' and applicable law) give a true and fair view of the assets, liabilities, financial position and profit of the Company
- The Strategic Report and the Directors' Report include a fair review of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties that it faces.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each Director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

The Directors' Report on pages 70 to 99, pages 121 to 123 and pages 196 to 201 and the Directors' Remuneration Report from pages 100 to 120 of this Annual Report were approved by the Directors on 20 May 2020.

Claire-Marie O'Grady
Company Secretary
20 May 2020

I have always cared about personal wellbeing, and it's exciting to have the opportunity to contribute every day to improving the nutritional options available for people.

Florence Kraus
Global Customer Account Director
Based in USA

CONTENTS

FINANCIAL STATEMENTS

IN THIS SECTION

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 2020 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- 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, and, as regards the Group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements of Tate & Lyle PLC which comprise:

GROUP	PARENT COMPANY
Consolidated statement of financial position as at 31 March 2020	Balance sheet as at 31 March 2020
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 12 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 37 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, including 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 below. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO PRINCIPAL RISKS, GOING CONCERN AND VIABILITY STATEMENT

We have nothing to report in respect of the following information in the Annual Report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the Annual Report set out from pages 63 to 67 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation set out on page 61 in the Annual Report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement set out on page 45 in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements;
- whether the Directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation set out on page 62 in the Annual Report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

OVERVIEW OF OUR AUDIT APPROACH

Key audit matters	• Commodity co-product valuation (Group) • Revenue recognition, including the risk of management override (Group) • The impact of Covid-19 (Group) • Investments in subsidiaries (Parent Company)
Audit scope	• We performed an audit of the complete financial information of five components (Tate & Lyle PLC, Tate & Lyle International Finance PLC, Tate & Lyle Ingredients Americas LLC, Tate & Lyle Grain Inc. and Tate & Lyle Sucralose LLC) and audit procedures on specific balances for a further four components (Tate & Lyle Brasil S.A., Tate & Lyle Trading (Shanghai) Co. Ltd, Tate & Lyle Slovakia, s.r.o., and Tate & Lyle Insurance (Gibraltar) Limited). • The components where we performed full or specific audit procedures accounted for 82% of the adjusted profit before tax measure used to calculate materiality (as defined below), 81% of revenue and 76% of total assets.
Materiality	• We used an overall Group materiality of £16.6 million which represents 5% of profit before tax adjusted for exceptional items and the Group's share of tax of joint ventures

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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
Commodity co-product valuation (Group) **The fair value adjustment of co-product inventory executory purchase and sale contracts is £17 million (2019 – £18 million)** *Refer to the Audit Committee Report (page 96); Accounting policies (pages 140 and 166); and Notes 2, 14, 27 and 28 of the Consolidated Financial Statements* The Group is exposed to price risk on the three co-products (corn gluten meal, corn gluten feed and corn oil) that result from the corn milling process. The price risk associated with the three co-products cannot readily be hedged through purchase or sale of derivatives as there are no actively traded markets for these commodities. Whilst the Group actively manages its overall co-product positions in the US, the Group can hold either a net long or short position for each co-product based on the volume of co-products made, bought and forward sold at any point in time. These positions are measured at fair value at each reporting date, with gains and losses recognised in the income statement. The valuation of co-products is identified as a key audit matter due to the significant judgement involved in the valuation of co-product positions.	We understood and evaluated management's process for managing the price risk inherent within its co-product positions and compared it with management's underlying risk management and accounting policies. To address the co-product valuation risk we performed the following principal procedures: • Lowered thresholds when determining sample sizes for testing prices used in the valuation of co-product inventory and forward sale and purchase contracts • Compared market prices used to contracted prices of companies in the sector that are collated by and quoted in Jacobsen's market publication and the Wall Street Journal, which each represent widely recognised third party sources • Given the correlation of corn meal to soybean meal (quoted on Chicago Mercantile Exchange), we compared corn meal prices to soybean meal prices to assist in evaluating the reasonableness of selected forward corn meal prices • Tested the clerical accuracy of the calculations of gains or losses on contracts and reconciled values to the general ledger • Compared selected market prices to the limited number of broker quotes that are available and were obtained by management • Confirmed the terms of a sample of sales and purchase contracts with counterparties • Selected a sample of contracts executed prior to and subsequent to period end and compared the consistency of prices on the executed contracts to the market prices used in valuation. For any significant variances to the year-end market prices we held discussions with the traders to understand the variances • Performed trader inquiries to understand market dynamics and factors impacting pricing as of period end • We assessed the adequacy of the Group's commodities hedging documentation to assess compliance with IFRS 9 requirements • Evaluated the adequacy and transparency of commodities disclosures The procedures detailed above were performed by component audit teams and reviewed by the Group audit team.	No matters were identified that would indicate that the risk management and accounting policies were either inappropriate or not being followed. We concluded that the valuation of co-product inventory and forward purchase and sale contracts are materially correct.

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) **£2,882 million (2019 – £2,755 million)** *Refer to the Accounting policies (page 144); 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.	• We performed walkthroughs of significant classes of revenue transactions to understand related significant processes and to identify and assess the design effectiveness of key controls • We understood how each of the revenue recognition policies are applied. We understood the relevant controls including IT controls over the revenue applications, and tested controls over revenue recognition • We 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 • We 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 • We 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 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.	Based on the procedures performed, we did not identify any evidence of material misstatement in the revenue recognised in the year.

RISK	OUR RESPONSE TO THE RISK	KEY OBSERVATIONS COMMUNICATED TO THE AUDIT COMMITTEE
The impact of Covid-19 (Group) *Refer to the Audit Committee Report (page 96); Accounting policies (page 139); and Notes 1 and 18 of the Consolidated Financial Statements* The Covid-19 pandemic is of an unprecedented scale. It has severely impacted the global economy and businesses across all industries. There is a significant degree of uncertainty about the further spread of the virus and the state of the world economy. We considered the following matters as part of our audit: The Group's Annual Report and accounts are prepared on the going concern basis of accounting. This basis is dependent on a number of factors, including the Group's forecast financial performance, the Group's continued access to bank borrowing facilities, the Group's ability to continue to operate within its financial covenants and the Group's ability to manage the effects of Covid-19 on certain processes (e.g. staff shortages, supply chain disruption). The Directors concluded that no material uncertainty over going concern exists as, even under their most severe stress test, the Group maintains sufficient liquidity and there is no projected breach of covenants. The Directors also performed a reverse stress test, demonstrating the severity of the impact on the business that would lead to a conclusion that the Group was no longer a going concern, and concluded that the chances of such an impact were remote. There is also a risk that management has not appropriately disclosed the impact of Covid-19 in the Annual Report and accounts.	*Going concern* • We obtained management's going concern cash flow model, testing its mathematical accuracy • 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 inputs to the model, including cash on hand, operating cash generation and financing commitments and agreed them to the latest Board-approved forecasts that factored in a number of Covid-19 scenarios • We assessed the reasonableness of the key assumptions in the context of other supporting evidence gained from our audit work on goodwill impairments and on other external market data, including analyst forecasts and competitor trading updates • We assessed the potential downside scenarios, and potential mitigations, 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 (the impact of Covid-19, extended shutdown of the largest manufacturing facility and the loss of two of the largest Food & Beverage Solutions customers as well as a further significant impact on profitability) that could erode liquidity headroom • We confirmed the details of the available facilities with reference to agreements and to third party confirmations • We performed testing to evaluate whether the covenant requirements of the corporate debt facility would be met under all base and stress scenarios • We considered the performance of the business since year end and compared it to cash flow forecasts • We reviewed management's basis of preparation note and the Directors' Report and validated that they accurately described management's going concern considerations • We reviewed minutes of Board meetings analysts' reports and trading updates releases to the market from competitors and suppliers 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. *Other disclosures in the Annual Report* • We assessed the adequacy of the relevant disclosures in the Annual Report and accounts, including, the Directors' Report, principal risks and uncertainties, corporate governance and the Audit Committee's Report against the relevant reporting requirements and compared them to our knowledge obtained from our audit. The audit procedures were designed and completed by the Group audit team.	We concluded that there is no material uncertainty related to the Group's ability to continue as a going concern. Management's conclusion that there are no significant changes impacting the Annual Report and accounts as a result of Covid-19 impacts since 31 March 2020 is appropriate. We are satisfied that the additional disclosures in the financial statements are consistent with our knowledge from the audit.
Investment in subsidiaries (Parent Company) **£1,079 million (2019 – £1,070 million)** *Refer to the Accounting policies (page 190); and Note 2 of the Parent Company Financial Statements* The Parent Company's principal activity is that of a holding company for the investment in a number of subsidiaries. There is a risk that these may be impaired. As such the recoverable value of these investments is a key audit matter.	Procedures performed by the Group audit team were: • We obtained details of the investment carrying amounts in subsidiaries and compared this to the Parent Company's share of the net assets of those entities • We assessed the reasonableness of key assumptions in management's impairment test. We assessed the mathematical accuracy and company-specific inputs of the discount rate calculation, and assessed the cash flow projections with reference to Board-approved budgets, considering the historical precision of management's forecasting. This enabled us to confirm whether the carrying value of investments was supportable at year end and confirmed management's conclusion that no impairment was required. • We compared the market capitalisation of the Group to the carrying value of the investments to identify if any indicators of impairment existed The audit procedures were designed and completed by the Group audit team.	We concluded that the carrying value of the investments recognised in the Parent Company balance sheet is supportable.

In the current year, following a re-assessment of the risk impacting revenue our key audit matters now include 'revenue recognition, including the risk of management override of controls'. Additionally, our key audit matters include 'the impact of Covid-19' due to the downturn in the global economy as a result of the pandemic which is currently impacting the Group's operating performance.

The prior year key audit matter 'unrealised profit in inventory from intercompany sales' is no longer considered a key audit matter based on the results of our testing last year and the low level of volatility and subjectivity in the balance. In the prior year, management changed the basis upon which goodwill was allocated and tested and accordingly we considered 'assessment of the carrying value of goodwill and other intangible assets', to be a key audit matter. The basis of allocation and testing has been consistently applied in 2020 and therefore the key audit matter has been removed in the current year.

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 entity 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 and other factors such as recent internal audit results when assessing the level of work to be performed at each entity.

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 the US, Brazil, China, Slovakia, Gibraltar and the UK, which represent the principal business units within the Group.

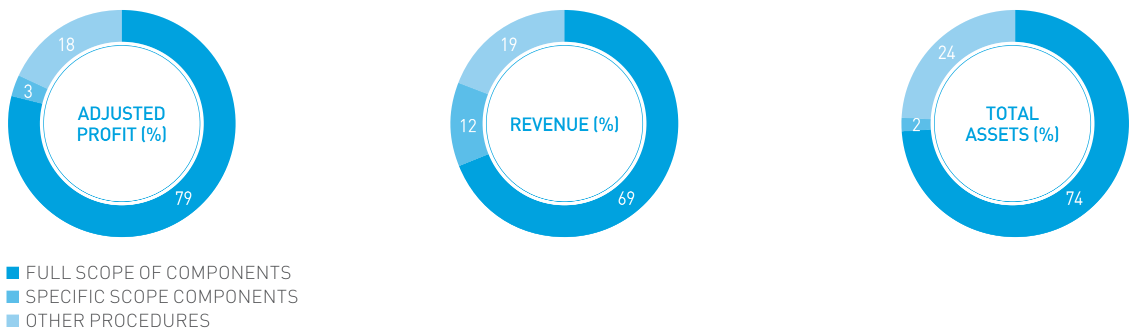
Of the nine components selected, we performed an audit of the complete financial information of five components ('full scope components') which were selected based on their size or risk characteristics. For the remaining four components ('specific scope components'), we performed audit procedures on 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.

The reporting components where we performed audit procedures accounted for 82% (2019 – 85%) of the Group's adjusted profit before tax measure used to calculate materiality, 81% (2019 – 80%) of the Group's revenue and 76% (2019 – 81%) of the Group's total assets. For the current year, the full scope components contributed 79% (2019 – 81%) of the Group's adjusted profit before tax measure used to calculate materiality, 69% (2019 – 68%) of the Group's revenue and 74% (2019 – 76%) of the Group's total assets. The specific scope component contributed 3% (2019 – 4%) of the Group's adjusted profit before tax measure used to calculate materiality, 12% (2019 – 12%) of the Group's revenue and 2% (2019 – 5%) of the Group's total assets. 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. We also performed specified procedures relating to inventory existence as a Group team at one location to gain sufficient coverage over the inventory held at year end.

Of the remaining components that together represent 18% of the Group's adjusted profit before tax measure used to calculate materiality, none are individually greater than 10% of the Group's adjusted profit before tax measure used to calculate materiality. For these components, we performed other procedures, including analytical review, specified procedures on material accounts, testing of consolidation journals and intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements.

The charts below illustrate the coverage obtained from the work performed by our audit teams.

COVERAGE OBTAINED BY OUR AUDIT TEAMS



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 five full scope components, audit procedures were performed on two of these directly by the primary audit team with the remaining three being completed by component auditors. For the four specific scope 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.

At the start of the audit, a global team planning event was held in Chicago, with representatives from the UK group, US and Polish shared service centre teams in attendance. The UK group team held planning calls with all other in-scope locations. Detailed instructions were sent to all in-scope teams. These instructions covered the significant areas that should be addressed by the component team auditors (which included the relative risks of material misstatement detailed above) and set out the information to be reported back to the Group audit team. The Group audit team continued to follow a programme of planned visits that has been designed to ensure that a senior member of the Group audit team visits all key locations of the Group audit during the current year. During the current year's audit cycle, visits were undertaken by the primary audit team to the component teams in the US, Brazil, China, the shared service centre in Poland and additionally, we met with the non-EY firm audit team for the Group's joint venture in Mexico.

These visits involved meeting with our component teams to discuss and direct its audit approach, meeting with local management, undertaking plant tours and obtaining an update on IT systems and local regulatory matters including tax, pensions and legal. The Group audit team interacted regularly with the component teams and Polish shared service centre team during various stages of the audit, reviewed key working papers, attending planning and closing meetings and were responsible for the scope and direction of the audit process. In addition, in the current year we worked with our component teams to develop and execute virtual stock counts in response to Covid-19. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

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 £16.6 million (2019 – £15 million), which is 5% (2019 – 5%) of profit before tax adjusted for exceptional items and the Group's share of tax of joint ventures. We believe that profit before tax adjusted for exceptional items and the Group's share of tax of joint ventures provided us with the most relevant profit basis as the exceptional items were non-recurring and not related to the ongoing trading of the Group.

STARTING BASIS	• £296 million • Profit before tax
ADJUSTMENTS	• £24 million exceptional items • £11 million Group's share of tax of joint ventures
MATERIALITY	• Total £331 million (materiality basis) • Materiality of £16.6 million (5% of materiality basis)

We determined materiality for the Parent Company to be £12.9 million (2019 – £12.6 million), which is 0.5% (2019 – 0.5%) of total assets.

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 that performance materiality was 75% (2019 – 75%) of our planning materiality, namely £12.5 million (2019 – £11.3 million). We have set performance materiality at this percentage due to our assessment of the control environment and the low number of historical audit findings.

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 £12.5 million to £1.2 million (2019 – £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 £0.80 million (2019 – £0.75 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 and accounts set out on pages 1 to 125, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable set out on page 123 – the statement given by the Directors that they consider the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit Committee reporting set out on page 95 – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee or is materially inconsistent with our knowledge obtained in the audit; or
- Directors' statement of compliance with the UK Corporate Governance Code set out on page 88 – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' statement of responsibilities set out on page 123, 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

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- 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 reporting framework (IFRS as adopted by the European Union, United Kingdom Generally Accepted Accounting Practice, FRS 101, the Companies Act 2006 and the UK Corporate Governance Code) and the relevant tax compliance regulations in the jurisdictions in which the Group operates. 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, employee matters, food standards and food safety.
- 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.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it considered there was susceptibility to fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings or influence the perceptions of analysts. We 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. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals (for example with respect to our work on revenue recognition noted on page 128 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. Our procedures involved: journal entry testing, with a focus on manual consolidation journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of legal counsel, Group management, internal audit, and divisional management and all full and specific scope management; and focused testing, as referred to in the key audit matters section above.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

OTHER MATTERS WE ARE REQUIRED TO ADDRESS

- Following the recommendation of the Audit Committee we were appointed by the Company at its annual general meeting 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 re-appointments is two years, covering the years ending 31 March 2019 to 31 March 2020.
- 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.
- 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

20 May 2020

Notes:
1 The maintenance and integrity of the Tate & Lyle PLC website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
2 Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated income statement

CONTINUING OPERATIONS	NOTES	YEAR ENDED 31 MARCH 2020 £M	2019 £M
Revenue	5	**2 882**	2 755
Operating profit	6	**296**	236
Finance income	10	**5**	5
Finance expense	10	**(33)**	(31)
Share of profit after tax of joint ventures	20	**28**	30
Profit before tax		**296**	240
Income tax expense	11	**(51)**	(59)
Profit for the year – continuing operations		**245**	181
Profit for the year – discontinued operations		**–**	–
Profit for the year – total operations		**245**	181

Profit for the years presented from total operations is entirely attributable to owners of the Company.

Earnings per share		PENCE	PENCE
Continuing operations:	12		
• basic		**52.8p**	39.2p
• diluted		**52.1p**	38.6p
Total operations:	12		
• basic		**52.8p**	39.2p
• diluted		**52.1p**	38.6p

Analysis of adjusted profit for the year – continuing operations*		£M	£M
Profit before tax		**296**	240
Adjusted for:			
Net exceptional charge	8	**24**	58
Amortisation of acquired intangible assets	18	**11**	11
Adjusted profit before tax	4	**331**	309
Adjusted income tax expense	4, 11	**(59)**	(65)
Adjusted profit for the year	4	**272**	244

* Adjusted earnings per share information is presented in Note 12.

Consolidated statement of comprehensive income

	Notes	Year ended 31 March 2020 £m	2019 £m
Profit for the year		**245**	181
Other comprehensive income/(expense)			
Items that have been/may be reclassified to profit or loss:			
Gain on currency translation of foreign operations	22	**46**	75
Fair value loss on net investment hedges	22	**(18)**	(24)
Net loss on cash flow hedges	22	**(1)**	–
Share of other comprehensive (expense)/income of joint ventures	20, 22	**(3)**	4
		24	55
Items that will not be reclassified to profit or loss:			
Re-measurement of retirement benefit plans:			
• actual return (lower)/higher on plan assets	29	**(58)**	29
• impact of 'buy-in' on main UK pension scheme	29	**(195)**	–
• net actuarial gain/(loss) on retirement benefit obligations	29	**12**	(34)
Changes in the fair value of equity investments at fair value through OCI	17, 22	**2**	2
Tax effect of the above items	11	**41**	10
		(198)	7
Total other comprehensive (expense)/income		**(174)**	62
Total comprehensive income		**71**	243

Total comprehensive income all relates to continuing operations and is entirely attributable to owners of the Company.

Consolidated statement of financial position

	NOTES	AT 31 MARCH 2020 £M	2019 £M
ASSETS			
Non-current assets			
Goodwill and other intangible assets	18	**340**	342
Property, plant and equipment	19	**1 190**	982
Investments in joint ventures	20	**91**	102
Investments in equities	17	**63**	59
Retirement benefit surplus	29	**4**	207
Deferred tax assets	11	**30**	3
Trade and other receivables	16	**–**	2
Derivative financial instruments	27	**1**	–
		1 719	1 697
Current assets			
Inventories	14	**456**	434
Trade and other receivables	16	**323**	325
Current tax assets	11	**10**	4
Derivative financial instruments	27	**5**	48
Other current financial assets	27	**67**	–
Cash and cash equivalents	15	**271**	285
		1 132	1 096
TOTAL ASSETS		**2 851**	2 793
EQUITY			
Capital and reserves			
Share capital	21	**117**	117
Share premium	21	**406**	406
Capital redemption reserve		**8**	8
Other reserves	22	**239**	217
Retained earnings		**629**	741
Equity attributable to owners of the Company		**1 399**	1 489
TOTAL EQUITY		**1 399**	1 489
LIABILITIES			
Non-current liabilities			
Borrowings	24	**682**	373
Retirement benefit deficit	29	**207**	183
Deferred tax liabilities	11	**42**	46
Provisions	31	**11**	20
Derivative financial instruments	27	**2**	1
		944	623
Current liabilities			
Borrowings	24	**40**	224
Trade and other payables	23	**370**	342
Provisions	31	**21**	24
Current tax liabilities	11	**38**	45
Derivative financial instruments	27	**20**	46
Other current financial liabilities	27	**19**	–
		508	681
TOTAL LIABILITIES		**1 452**	1 304
TOTAL EQUITY AND LIABILITIES		**2 851**	2 793

The notes on pages 139 to 187 form part of these financial statements. The consolidated financial statements on pages 134 to 187 were approved by the Board of Directors on 20 May 2020 and signed on its behalf by:

Nick Hampton
Director

Imran Nawaz
Director

Consolidated statement of cash flows

	NOTES	YEAR ENDED 31 MARCH 2020 £M	2019 £M
Cash flows from operating activities			
Profit before tax from continuing operations		**296**	240
Adjustments for:			
• depreciation of property, plant and equipment (excluding exceptional items)	19	**137**	112
• amortisation of intangible assets	18	**35**	40
• share-based payments	30	**14**	18
• exceptional income statement items	8	**1**	51
• net finance expense	10	**28**	26
• share of profit after tax of joint ventures	20	**(28)**	(30)
• net retirement benefit obligations		**(21)**	(25)
Changes in working capital and other non-cash movements	25	**2**	(16)
Cash generated from continuing operations		**464**	416
Net income tax paid		**(49)**	(58)
Interest paid		**(30)**	(28)
Net cash generated from operating activities		**385**	330
Cash flows from investing activities			
Purchase of property, plant and equipment		**(141)**	(103)
Disposal of property, plant and equipment (exceptional)	8	**(1)**	3
Investments in intangible assets		**(25)**	(27)
Purchase of equity investments	17	**(6)**	(20)
Disposal of equity investments	17	**4**	3
Interest received		**5**	5
Dividends received from joint ventures	20	**35**	21
Sale and leaseback of railcars (exceptional)	8	**–**	16
Other investing cash flows		**–**	(9)
Net cash used in investing activities		**(129)**	(111)
Cash flows from financing activities			
Purchase of own shares including net settlement	21	**(22)**	(8)
Cash inflow from additional borrowings		**157**	5
Cash outflow from repayment of borrowings		**(234)**	(1)
Repayment of leases	36	**(37)**	(2)
Dividends paid to the owners of the Company	13	**(137)**	(134)
Net cash used in financing activities		**(273)**	(140)
Cash and cash equivalents			
Balance at beginning of year		**285**	190
Net (decrease)/increase in cash and cash equivalents	26	**(17)**	79
Currency translation differences	26	**3**	16
Balance at end of year	15	**271**	285

A reconciliation of the movement in cash and cash equivalents to the movement in net debt is presented in Note 26.

Consolidated statement of changes in equity

	SHARE CAPITAL AND SHARE PREMIUM £M	CAPITAL REDEMPTION RESERVE £M	OTHER RESERVES £M	RETAINED EARNINGS £M	TOTAL EQUITY £M
At 1 April 2018	523	8	159	677	1 367
Profit for the year – total operations	–	–	–	181	181
Other comprehensive income	–	–	57	5	62
Total comprehensive income	–	–	57	186	243
Hedging losses transferred to inventory	–	–	1	–	1
Transactions with owners:					
Share-based payments, net of tax	–	–	–	20	20
Purchase of own shares including net settlement (Note 21)	–	–	–	(8)	(8)
Dividends paid (Note 13)	–	–	–	(134)	(134)
At 31 March 2019	523	8	217	741	1 489
IFRS 16 Leases adoption	–	–	–	(8)	(8)
At 1 April 2019 restated	523	8	217	733	1 481
Profit for the year – total operations	**–**	**–**	**–**	**245**	**245**
Other comprehensive income/(expense)	**–**	**–**	**26**	**(200)**	**(174)**
Total comprehensive income	**–**	**–**	**26**	**45**	**71**
Hedging gains transferred to inventory	**–**	**–**	**(6)**	**–**	**(6)**
Tax effect of the above item	**–**	**–**	**2**	**–**	**2**
Transactions with owners:					
Share-based payments, net of tax	**–**	**–**	**–**	**14**	**14**
Purchase of own shares including net settlement (Note 21)	**–**	**–**	**–**	**(22)**	**(22)**
Dividends paid (Note 13)	**–**	**–**	**–**	**(137)**	**(137)**
Other movements	**–**	**–**	**–**	**(4)**	**(4)**
At 31 March 2020	**523**	**8**	**239**	**629**	**1 399**

Total equity is entirely attributable to owners of the Company.

Dividends on ordinary shares (pence per share)	NOTE	YEAR ENDED 31 MARCH 2020 PENCE	YEAR ENDED 31 MARCH 2019 PENCE
In respect of the financial year:			
• interim	13	**8.8**	8.6
• final	13	**20.8**	20.8
		29.6	29.4
Paid in the financial year:			
• interim – in respect of the financial year	13	**8.8**	8.6
• final – in respect of the previous financial year	13	**20.8**	20.3
		29.6	28.9

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. 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 continuing operations comprise three operating segments: Food & Beverage Solutions, Sucralose and Primary Products. The Group's reportable segments are the same as its operating segments. Segment information is presented in Note 5.

Accounting period

The Group's annual financial statements are drawn up to 31 March. These financial statements cover the year ended 31 March 2020 with comparative financials for the year ended 31 March 2019.

Basis of accounting

The consolidated financial statements on pages 134 to 187 have been prepared in accordance with International Financial Reporting Standards (IFRS) and related interpretations as adopted for use in the European Union and those parts of the Companies Act 2006 that are applicable to companies reporting under IFRS.

The Directors are satisfied that the Group has adequate resources to continue to operate for a period not less than 12 months from the date of approval of the financial statements and that there are no material uncertainties around their assessment. Accordingly, the Directors continue to adopt the going concern basis of accounting. In making this assessment, the Directors have taken into consideration that, since the balance sheet date, significant actions have been taken by most governments to contain the spread of Covid-19, which have had a severe effect on economic activity in the countries in which the Group operates.

While the Group's trading in March showed limited impact from the Covid-19 pandemic, the lockdowns in place in many countries across the world throughout April, most notably in its largest markets of the US and Europe, have led to some significant changes in demand patterns for its products. Primary Products volume was significantly impacted by the first full month of lockdown in the US. Bulk sweetener volume was 26% lower from reduced out-of-home consumption as bars, cinemas, restaurants and sporting events were either shut or cancelled. Industrial starch volume was 9% lower reflecting reduced demand for paper and packaging following the closure of schools, offices and a decline in economic activity. The impact of lower demand was partially mitigated by actions taken in March to optimise cash and reduce costs as we saw the pandemic unfolding. These include freezing salary increases and recruitment, stopping non-essential discretionary spend and reprioritising capital commitments.

At the year end, the Group held cash and cash equivalents of £271 million and had an undrawn, committed revolving credit facility of US$800 million (£642 million). In addition, during May 2020, the Group successfully obtained further committed borrowings through a US$200 million US private placement at an average coupon of 2.96% and extended the term of its US$800 million revolving credit facility by one year to March 2025.

In concluding that the going concern basis is appropriate, the Directors have modelled the impact of a 'worst case scenario' which includes the potential impact in aggregate of three plausible but severe downside risks. It specifically included a severe extended impact from lower out-of-home consumption across our Primary Products and Food & Beverage Solutions businesses due to Covid-19. In addition, this 'worst case scenario' also included two other risks from the Group's viability assessment unrelated to Covid-19; being 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.

Having reviewed this 'worst case scenario' forecast for the coming year, and having applied reverse stress tests, the Directors consider it remote that available liquidity could be exhausted. In addition, even under the 'worst case scenario' there remains no forecast breach of the Group's covenant ratio of 3.5 times net debt to EBITDA.

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 IFRS are included throughout the notes to these financial statements. All amounts are rounded to the nearest million, unless otherwise indicated.

Foreign currency

The consolidated financial statements are presented in pounds 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 2019, the following new accounting standards:

- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments

In accordance with the transitional provisions in IFRS 16 comparative figures have not been restated.

The adoption of IFRS 16 Leases had a material impact on Group net debt and adjusted free cash flow. The adoption of IFRIC 23 Uncertainty over Income Tax Treatments did not have a material impact. Refer to Note 36 for further details.

Alternative performance measures

The Group also presents alternative performance measures, including adjusted operating profit, adjusted profit before tax, adjusted earnings per share and adjusted free cash flow, 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. Reconciliations of the alternative performance measures to the most directly comparable IFRS measures are presented in Note 4.

Alternative performance measures reported by the Group are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies.

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.

Fair value of purchases, sales and inventory of corn-based products (Notes 14, 27 and 28)

The Group manages its US net corn position, comprising the purchase, sale and inventory of corn and corn-based goods, including co-products, on a net basis.

2. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

Fair value of purchases, sales and inventory of corn-based products (Notes 14, 27 and 28) (continued)

For the first time the Group has designated the components of its US net corn position in effective fair value hedge accounting relationships whereby the hedged item is a group of items with offsetting risk positions. The Group uses financial instruments (mainly corn futures contracts) as hedging instruments to manage this net position. This does not change the accounting previously adopted in that each element of the net corn position is marked to market. The application of fair value hedge accounting is not itself a significant accounting policy judgement. Recording all components of the US net corn position at fair value also aligns with the underlying economics and risk management of the business. All changes in fair value of hedged items and hedging instruments are recorded in operating costs. There is significant estimation uncertainty in determining the fair values of certain components of the hedged items and hedging instruments, as set out in the table below.

In contrast to the US, the Group does not manage its European corn and co-product positions (short: executory sales contracts; long: executory purchase contracts and inventories) on a net basis, it does not purchase or sell derivative financial instruments to manage risk and its positions are not marked to market. As a consequence, the Group measures and carries its European corn and co-product inventories at the lower of cost and net realisable value and executory sales and purchase contracts are not recorded on the balance sheet.

	FOOTNOTES	YEAR ENDED 31 MARCH 2020 £M
Hedged items:		
Corn purchase contracts	(a)	**(15)**
Corn sale contracts	(b)	**40**
Co-product sale contracts	(c)	**23**
Corn inventory	(d)	**(20)**
Co-products inventory	(d)	**(4)**
Total hedged items		**24**
Financial instrument products (hedging instrument)	(e)	**(4)**
Net corn position		**20**

Comparatives are not presented because the Group first applied fair value hedge accounting in accordance with IFRS 9 to its US net corn position from 1 April 2019. The adoption of this accounting policy represents a change in documentation and has no impact on amounts recognised in the income statement and has no impact on net assets or cash flows compared to the Group's previous IFRS 9 accounting policy. The fair value of certain components of the fair value hedges contain significant accounting estimates, as set out below.

The fair value for each element of the US net corn position enumerated in the table above is determined as follows:

(a) **Contracts for the purchase of corn:** represent executory contracts for the purchase of corn. The hedged risks are corn price and basis. The fair value adjustments to price are made with reference to corn futures traded on the Chicago Mercantile Exchange and to a lesser extent a management estimate of basis (with reference to market prices). Accordingly, these are principally classified as Level 2 hedged item adjustments (refer to Note 27) and shown within other current financial assets and liabilities on the balance sheet.

(b) **Contracts for the sale of corn-based finished goods:** represent executory contracts for the sale of corn-based finished goods. The hedged risks are corn price, basis and a credit for co-products. The fair value adjustments to price are made with reference to corn futures traded on the Chicago Mercantile Exchange, a management estimate of basis and management estimate of co-product credits (with reference to market prices). Accordingly, these are principally classified as Level 3 hedged item adjustments (refer to Note 27) and shown within other current financial assets and liabilities on the balance sheet.

(c) **Co-product sale contracts:** represent executory contracts for the sale of co-products. The hedged risk is the change in co-product pricing, which is based on management's estimate and reference to market prices. Accordingly, these are principally classified as Level 3 hedged item adjustments (refer to Note 27) and shown within other current financial assets and liabilities on the balance sheet.

(d) **Corn inventory and co-products inventory:** represent physical holdings of corn and co-product inventories. The hedged risks are corn price, co-product price and basis. The fair value adjustments are made with reference to a number of inputs, including management's own assessment of future pricing and futures traded on the Chicago Mercantile Exchange, where applicable.

(e) **Financial instruments (mainly corn futures contracts):** fair value is determined by reference to quoted prices for these instruments on the Chicago Mercantile Exchange. These are classified as Level 1 financial instruments (refer to Note 27).

Of the components of the net corn positions set out above, those components which have the greatest estimation uncertainty are the fair values of basis and co-products. As a result, certain disclosures about the nature of these items and the estimation uncertainty inherent in them is required by IAS 1. Such disclosures are set out in Note 27. 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 2020, the carrying value of fair value adjustments made to basis was a net asset of £7 million – it is included as a component within certain line items set out above.

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. The Group can 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 is £23 million asset for sales contracts (including co-product credits in corn sales contracts) and £4 million liability for inventories.

In addition to the above, the Group holds futures with a fair value of £6 million (loss) to hedge the cash flow risk associated with the purchases and sales of other commodities or purchases of chemicals used in the manufacturing process which are designated as cash flow hedges. The Group also holds futures contracts held on behalf of customers with a fair value of £7 million (loss) which do not impact the Group's income statements as all risks and rewards are borne by the customers.

Key sources of estimation uncertainty

Management uses estimates in deriving these fair values, which involves calculating the basis and the price at which the Group will purchase or sell its net corn position in the future.

The inputs in these calculations are classified as observable where referenced to a quoted market or unobservable when determined by in-house experts, with reference to sources such as the expected pricing for co-products.

The Group discloses its sensitivity to the corn price in Note 28 and valuation techniques and sensitivity analysis on the price of co-products and basis (Level 3 financial instruments) in Note 27.

2. SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

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 2020, the Group has recorded current tax liabilities of £57 million (2019 – £52 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. Each uncertainty is separately assessed and management applies judgement in determining the recognition and measurement of appropriate provision. While management is of the opinion that the provisions represent its best estimate of the likely outcome, the range of possible outcomes can be wide. Of the total of uncertain tax positions at 31 March 2020 of £57 million, given statutes of limitations and other factors, between £15 million and £25 million of the balance could be resolved in the year ending 31 March 2021. Such resolution could be favourable or unfavourable.

(b) Recognition of deferred tax assets: at 31 March 2020, the Group has recorded deferred tax assets of £30 million and deductible temporary differences for which the unrecognised deferred tax asset is £168 million (2019 – £117 million) (refer to Note 11), the most significant of which comprise unrecognised tax losses in the UK. Management exercises judgement in its determination of recognition of deferred tax assets.

In addition, the carrying value of tax assets and liabilities could be impacted by changes in tax legislation for which the impact can be significant.

Retirement benefit plans (Note 29)

At 31 March 2020, the present value of the benefit obligations of the plans was £1,610 million (2019 – £1,647 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 29.

Whilst the Group establishes the assumptions on a consistent basis reflecting advice from qualified actuaries, based on 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.

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 and non-derivative financial instruments in fair value hedge relationships, certain inventories, assets held by defined benefit pension plans and intangible and tangible assets acquired in a business combination.

Descriptions and specific accounting policy information on how the Group has applied the requirements of IFRS 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)
- Goodwill and other intangible assets (Note 18)
- Foreign currency translation of subsidiaries (Note 22)
- Financial instruments (Notes 16, 23, 24 and 27)
- Retirement benefit obligations (Note 29)
- Share-based payments (Note 30)
- Leases (Note 36)

Accounting standards issued but not yet adopted

The following new standards have been issued and are relevant to the Group, but were not effective for the financial year beginning 1 April 2019, and have not been adopted early:

Amendments to IFRS 3 Definition of a Business

Amendments to IAS 1 and IAS 8 Definition of material

The financial impact of these amendments are not expected to have a material impact on the Group's financial statements.

Amendments to IFRS 3 Definition of a Business (effective for the year commencing 1 April 2020)

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the Group's 2021 financial year commencing on 1 April 2020.

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.

4. RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Income statement measures

For the reasons set out in Note 1, the Group presents alternative performance measures including adjusted operating profit, adjusted profit before tax and adjusted earnings per share.

For the years presented, these 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); and
- 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.

The following table shows the reconciliation of the key income statement alternative performance measures to the most directly comparable measures reported in accordance with IFRS:

	YEAR ENDED 31 MARCH 2020			YEAR ENDED 31 MARCH 2019		
CONTINUING OPERATIONS £M UNLESS OTHERWISE STATED	**IFRS REPORTED**	**ADJUSTING ITEMS**	**ADJUSTED REPORTED**	IFRS REPORTED	ADJUSTING ITEMS	ADJUSTED REPORTED
Revenue	**2 882**	**–**	**2 882**	2 755	–	2 755
Operating profit	**296**	**35**	**331**	236	69	305
Net finance expense	**(28)**	**–**	**(28)**	(26)	–	(26)
Share of profit after tax of joint ventures	**28**	**–**	**28**	30	–	30
Profit before tax	**296**	**35**	**331**	240	69	309
Income tax expense	**(51)**	**(8)**	**(59)**	(59)	(6)	(65)
Profit for the year	**245**	**27**	**272**	181	63	244
Basic earnings per share (pence)	**52.8p**	**5.8p**	**58.6p**	39.2p	13.6p	52.8p
Diluted earnings per share (pence)	**52.1p**	**5.7p**	**57.8p**	38.6p	13.4p	52.0p
Effective tax rate expense %	**17.1%**	**0.8%**	**17.9%**	24.4%	(3.4%)	21.0%

The following table shows the reconciliation of the adjusting items impacting adjusted profit for the year in the current and comparative year:

		YEAR ENDED 31 MARCH	
CONTINUING OPERATIONS	NOTES	**2020 £M**	2019 £M
Exceptional costs included in operating profit	8	**24**	58
Amortisation of acquired intangible assets	18	**11**	11
Total excluded from adjusted profit before tax		**35**	69
Tax credit on adjusting items	11	**(8)**	(6)
Total excluded from adjusted profit for the year		**27**	63

Cash flow measure

The Group also presents an alternative cash flow measure, 'adjusted free cash flow' which is defined as cash generated from continuing operations, after net interest and tax paid, after capital expenditure and excluding the impact of exceptional items.

The following table shows the reconciliation of adjusted free cash flow:

	YEAR ENDED 31 MARCH	
CONTINUING OPERATIONS	**2020 £M**	2019 £M
Adjusted operating profit	**331**	305
Adjusted for:		
Depreciation and adjusted amortisation[2]	**161**	141
Share-based payments charge	**14**	18
Changes in working capital and other non-cash movements	**2**	(16)
Net retirement benefit obligations	**(21)**	(25)
Capital expenditure	**(166)**	(130)
Net interest and tax paid	**(74)**	(81)
Adjusted free cash flow[1]	**247**	212

1 IFRS 16 Leases was adopted in the year without restating comparatives. Lease payments are now classified as financing rather than operating cash flows increasing adjusted free cash flow by £34 million.

2 Total depreciation of £145 million and amortisation of £35 million less £8 million of accelerated depreciation recognised in exceptional items and £11 million of amortisation of acquired intangible assets.

4. RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES (continued)

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. The Group no longer uses the interest cover ratio and so this has been removed (principally as a result of it no longer being a covenant for the US private placements).

Consistent with the prior year, for the purposes of KPI reporting, 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 28 for the calculation of the net debt to EBITDA ratio and interest cover ratio (2019 only) using the calculation methodology used for financial covenants on the Group's borrowing facilities.

All ratios are calculated based on unrounded figures in £ million.

The net debt to EBITDA ratio is as follows:

	NOTE	31 MARCH 2020 £M	31 MARCH 2019 £M
Calculation of net debt to EBITDA ratio			
Net debt[1]	26	**451**	337
Adjusted operating profit		**331**	305
Add back depreciation and adjusted amortisation		**161**	141
EBITDA[2]		**492**	446
Net debt to EBITDA ratio (times)		**0.9**	0.8

1 IFRS 16 Leases was adopted in the year without restating comparatives. For the ratio calculated at 31 March 2020, IFRS 16 lease liabilities increased net debt by £162 million and EBITDA by £35 million. On a like-for-like basis, the net debt to EBITDA ratio was 0.6 times. The composition of line items that make up net debt is set out in Note 26.

2 EBITDA is calculated as adjusted operating profit (£331 million) adding back depreciation of £137 million (total depreciation of £145 million less £8 million of accelerated depreciation recognised in exceptional items) and adding back amortisation of £24 million (total amortisation of £35 million less £11 million of amortisation of acquired intangible assets).

The return on capital employed ratio is as follows:

	31 MARCH 2020 £M	31 MARCH 2019 £M	31 MARCH 2018 £M
Calculation of return on capital employed			
Adjusted operating profit[1]	**331**	305	
Deduct amortisation on acquired intangible assets	**(11)**	(11)	
Profit before interest, tax and exceptional items from continuing operations for ROCE	**320**	294	
Goodwill and other intangible assets	**340**	342	360
Property, plant and equipment	**1 190**	982	965
Working capital, provisions and non-debt related derivatives[2]	**409**	401	385
Invested operating capital of continuing operations	**1 939**	1 725	1 710
Average invested operating capital[3]	**1 832**	1 718	
Return on capital employed (ROCE) %	**17.5%**	17.1%	

1 IFRS 16 Leases was adopted in the year without restating comparatives. For the ratio calculated at 31 March 2020, IFRS 16 lease liabilities increased adjusted operating profit by £5 million and property, plant and equipment by £143 million. On a like-for-like basis, the return on capital employed ratio was 17.9%.

2 All derivatives held at 31 March 2020 were non-debt related derivatives. For the purpose of this calculation other current financial assets and liabilities are also included.

3 Average invested operating capital represents the average at the beginning and end of the year of goodwill and other intangible assets, property, plant and equipment, working capital, provisions and non-debt derivatives.

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.

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.

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. Continuing operations comprise three operating segments: Food & Beverage Solutions, Sucralose and Primary Products. These operating segments are also the Group's three reportable segments. The Group does not aggregate operating segments to form reportable segments. Food & Beverage Solutions operates in the key categories of beverages, dairy and soups. Sucralose, a high-intensity sweetener, is used in various food categories and beverages. Primary Products has strong market positions in high-volume sweeteners and industrial starches.

Central, which comprises central costs including head office, treasury and insurance activities, does not meet the definition of an operating segment under IFRS 8 Operating Segments but is included below in order to be consistent with the presentation of segment information presented to the Board. The segments are served by a single manufacturing network, and receive services from a number of global support functions. The segmental allocation of costs is performed using standard product costs to allocate all direct costs (including manufacturing facility-based depreciation) and allocation keys for all indirect costs (including share-based payments and amortisation) are consistently applied over time.

The Board uses adjusted operating profit as the measure of the profitability of the Group's businesses. Adjusted operating profit is, therefore, the measure of segment profit presented in the Group's segment disclosures. During the years presented, the items excluded from operating profit in arriving at adjusted operating profit were the amortisation of acquired intangible assets and exceptional items. The segmental classification of exceptional items is detailed in Note 8.

Segment results

YEAR ENDED 31 MARCH 2020					
CONTINUING OPERATIONS	FOOD & BEVERAGE SOLUTIONS £M	SUCRALOSE £M	PRIMARY PRODUCTS £M	CENTRAL £M	TOTAL £M
Revenue	942	161	1 779	–	2 882
Adjusted operating profit[1]	162	63	158	(52)	331
Adjusted operating margin	17.2%	39.3%	8.9%	n/a	11.5%
Included within statutory operating profit[2]:					
• depreciation	41	9	88	7	145
• amortisation	25	–	8	2	35
• share-based payments	4	1	4	5	14

1 Reconciled to statutory profit for the year in Note 4.
2 Disclosure provided as either included in the measure of segment profit and loss or otherwise regularly provided to CODM.

YEAR ENDED 31 MARCH 2019					
CONTINUING OPERATIONS	FOOD & BEVERAGE SOLUTIONS £M	SUCRALOSE £M	PRIMARY PRODUCTS £M	CENTRAL £M	TOTAL £M
Revenue	889	164	1 702	–	2 755
Adjusted operating profit[1]	143	61	148	(47)	305
Adjusted operating margin	16.1%	37.0%	8.7%	n/a	11.1%
Included within statutory operating profit[2]:					
• depreciation	36	9	66	1	112
• amortisation	28	–	10	2	40
• share-based payments	6	1	5	6	18

1 Reconciled to statutory profit for the year in Note 4.
2 Disclosure provided as either included in the measure of segment profit and loss or otherwise regularly provided to CODM.

5. SEGMENT INFORMATION (continued)

Geographic disclosures

Revenue

CONTINUING OPERATIONS	YEAR ENDED 31 MARCH 2020 £M	2019 £M
Food & Beverage Solutions		
North America	**470**	430
Asia Pacific and Latin America	**214**	201
Europe, Middle East and Africa	**258**	258
Food & Beverage Solutions – total	**942**	889
Sucralose – total	**161**	164
Primary Products		
Americas	**1 683**	1 588
Rest of the world	**96**	114
Primary Products – total	**1 779**	1 702
Total	**2 882**	2 755

Sales to customers in the United Kingdom totalled £36 million (2019 – £43 million). Sales to customers in the United States totalled £2,060 million (2019 – £1,937 million). No customer contributed more than 10% of the Group's external sales from continuing operations (2019 – no customer contributed more than 10%).

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:

	AT 31 MARCH 2020 £M	2019 £M
United Kingdom	**25**	16
United States	**1 200**	1 025
Other European countries	**294**	284
Rest of the world	**102**	101
Non-current assets	**1 621**	1 426

6. OPERATING PROFIT

Analysis of operating expenses by nature:

CONTINUING OPERATIONS	NOTES	YEAR ENDED 31 MARCH 2020 £M	2019 £M
Revenue		**2 882**	2 755
Operating expenses			
Cost of inventories (included in cost of sales)		**1 465**	1 368
Staff costs (of which £162 million (2019 – £150 million) was included in cost of sales)	9	**353**	334
Depreciation of property, plant and equipment:			
• owned assets (of which £97 million (2019 – £103 million) was included in cost of sales[1])	19	**106**	110
• leased assets (of which £24 million was included in cost of sales)	19, 36	**31**	2
Exceptional costs	8	**24**	58
Amortisation of intangible assets:			
• acquired intangible assets	18	**11**	11
• other intangible assets	18	**24**	29
Operating lease rentals		**–**	37
Impairment of trade receivables	16	**5**	1
Impairment of intangible assets		**1**	1
Impairment of property, plant and equipment		**1**	–
Net fair value (gain)/loss on commodity contracts		**(4)**	1
Total net foreign exchange gains[2]		**(1)**	(1)
Other operating expenses		**570**	568
Total operating expenses		**2 586**	2 519
Operating profit		**296**	236

1 Excludes £8 million of accelerated depreciation recognised in exceptional items.
2 Includes fair value movements on debt-related derivatives.

Research expenditure totalling £34 million (2019 – £36 million) is included within amounts above.

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 2020 £M	2019 £M
Fees payable for the audit of the Company and consolidated financial statements	**1.1**	1.0
Fees payable for other services:		
• the audit of the Company's subsidiaries	**1.4**	1.4
• audit-related assurance services	**0.1**	0.1
Total	**2.6**	2.5

8. EXCEPTIONAL ITEMS

Exceptional items recognised in arriving at operating profit were as follows:

CONTINUING OPERATIONS	FOOTNOTES	YEAR ENDED 31 MARCH 2020 £M	YEAR ENDED 31 MARCH 2019 £M
Income statement			
Restructuring costs	(a)	**(19)**	(13)
Primary Products' savoury business exit	(b)	**(5)**	–
Oats ingredients business disposal		**–**	(43)
Gain on sale and leaseback of railcars		**–**	14
Asset remediation		**–**	(16)
Exceptional items included in profit before tax		**(24)**	(58)

In the year ended 31 March 2020, costs recorded as exceptional related to the Group's previously announced programme to simplify the business and drive productivity. These are set out below:

(a) £19 million of restructuring charges, principally comprising £5 million of severance costs for roles removed from the organisation, and £14 million of productivity costs including accelerated depreciation of assets being replaced with more efficient alternatives, Global Operations cost-saving initiatives and other associated project costs. £5 million was recorded in each of the Food & Beverage Solutions and Primary Products operating segments and £9 million was recognised within Central.

(b) A £5 million charge following the decision in the first half of the year to exit the Primary Products' small, non-core savoury ingredients business, mainly comprising the cost of writing off the associated assets of the business.

Of the £24 million exceptional charge recorded during the year, £9 million was reflected in exceptional cash flow. In addition, £15 million of exceptional costs recorded in the prior year resulted in cash outflows in the year ended 31 March 2020, such that net cash outflow from exceptional items was £24 million.

The most significant exceptional cost in the comparative period related to the impairment and subsequent disposal of the Group's oats ingredients business, all of which was recorded within the Food & Beverage Solutions operating segment. Other exceptional costs in the prior year included a restructuring charge, the recognition of a provision to remediate environmental health and safety risks associated primarily with idle assets at manufacturing sites in North America and a gain on sale and leaseback of railcars.

Further details in respect of cash flows from exceptional items are set out below:

Net cash (outflows)/inflows on exceptional items	FOOTNOTES	YEAR ENDED 31 MARCH 2020 £M	YEAR ENDED 31 MARCH 2019 £M
Restructuring costs	(a)	**(13)**	(6)
Primary Products' savoury business exit	(b)	**(1)**	–
Oats ingredients business disposal		**(1)**	3
Gain on sale and leaseback of railcars		**–**	16
Asset remediation		**(9)**	(1)
Net cash (outflows)/inflows		**(24)**	12

Exceptional cash flows

The total cash flows on exceptional items are included in the statement of cash flows as follows:

Reconciliation to the statement of cash flows	FOOTNOTES	YEAR ENDED 31 MARCH 2020 £M	YEAR ENDED 31 MARCH 2019 £M
Exceptional charge included in profit before tax		**24**	58
Cash outflows relating to restructuring costs	(a)	**(13)**	(6)
Cash outflows relating to Primary Products' savoury business exit	(b)	**(1)**	–
Cash outflows relating to asset remediation		**(9)**	(1)
As presented within cash flows from operating activities		**1**	51
Cash flows relating to oats ingredients business disposal		**(1)**	3
Cash inflows on gain on sale and leaseback of railcars		**–**	16
As presented within cash flows from investing activities		**(1)**	19

9. STAFF COSTS

Staff costs were as follows:

	YEAR ENDED 31 MARCH 2020 £M	2019 £M
Wages and salaries	**306**	280
Social security costs	**23**	24
Retirement benefit costs:		
• defined benefit schemes	**2**	2
• defined contribution schemes	**8**	10
Share-based payments	**14**	18
Total	**353**	334

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 2020	2019
CONTINUING OPERATIONS		
Food & Beverage Solutions	**1 798**	1 722
Sucralose[1]	**100**	94
Primary Products	**1 792**	1 835
Central	**503**	511
Total	**4 193**	4 162

1 The Food & Beverage Solutions division operates with a single commercial team. It is not practicable to split this team between the two segments comprising this division, and therefore the entire headcount of the commercial team has been included within the Food & Beverage Solutions segment.

At 31 March 2020, the Group employed 4,218 people (2019 – 4,121 people) all within continuing operations. The Group's three operating segments are supported by Global Operations, a single manufacturing network, which is responsible for running the Group's manufacturing facilities. The Group allocates the headcount of the Global Operations team to segments based on the split of primary capacity at each location. Central includes shared-service employees who perform activities for the whole Group, including the Food & Beverage Solutions, Sucralose and Primary Products segments.

Key management compensation

	YEAR ENDED 31 MARCH 2020 £M	2019 £M
Salaries and short-term employee benefits	**9**	9
Retirement benefits	**1**	1
Share-based payments	**5**	8
Total	**15**	18

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 100 to 120. Members of the Executive Committee are identified on pages 74 and 75. The aggregate gains made by key management on the exercise of share options were £6 million (2019 – £10 million). In the prior year a short-term loan was made to a key management person of which £0.5 million was outstanding at 31 March 2019. No interest was charged. The amount outstanding has been repaid in full in the year ended 31 March 2020. No related party transactions with close family members of the Group's key management occurred in the current or comparative year.

10. FINANCE INCOME AND EXPENSE

CONTINUING OPERATIONS	NOTE	YEAR ENDED 31 MARCH 2020 £M	2019 £M
Interest payable on bank and other borrowings		**(26)**	(30)
Fair value hedges:			
• fair value loss on interest rate derivatives		**(3)**	(4)
• fair value adjustment of hedged borrowings		**3**	4
Lease interest		**(7)**	(1)
Finance expense		**(33)**	(31)
Finance income		**5**	5
Net finance expense		**(28)**	(26)

11. INCOME TAXES

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognised in the 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

	YEAR ENDED 31 MARCH	
CONTINUING OPERATIONS	2020 £M	2019 £M
Current tax		
• United Kingdom	**(8)**	(7)
• Overseas	**(42)**	(47)
• Exceptional tax credit	**3**	1
• Adjustments in respect of previous financial years	**6**	3
	(41)	(50)
Deferred tax		
Expense for the year	**(10)**	(4)
Adjustments in respect of previous financial years	**(2)**	–
Exceptional tax credit/(expense)	**2**	(5)
Income tax expense	**(51)**	(59)
Statutory effective tax rate (%)	**17.1%**	24.4%

		YEAR ENDED 31 MARCH	
Reconciliation to adjusted income tax expense	NOTES	2020 £M	2019 £M
Income tax expense		**(51)**	(59)
Taxation credit on exceptional items and amortisation of acquired intangibles		**(8)**	(6)
Adjusted income tax expense	4	**(59)**	(65)
Adjusted effective tax rate (%)		**17.9%**	21.0%

At 31 March 2020, the carrying value of current tax assets totalled £10 million (2019 – £4 million) and the carrying value of the current tax liabilities totalled £38 million (2019 – £45 million).

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 2020, the Group has recorded current tax liabilities of £57 million (2019 – £52 million) for uncertain tax positions (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.
Each uncertainty is separately assessed and management applies judgement in determining the recognition and measurement of appropriate provision. While management is of the opinion that the provisions represent its best estimate of the likely outcome, the range of possible outcomes can be wide. Of the total of uncertain tax positions at 31 March 2020 of £57 million, given statutes of limitations and other factors, between £15 million and £25 million of the balance could be resolved in the year ending 31 March 2021. Such resolution could be favourable or unfavourable.

(b) Recognition of deferred tax assets: at 31 March 2020, the Group has recorded deferred tax assets of £30 million and deductible temporary differences for which the unrecognised deferred tax asset is £168 million (2019 – £117 million), the most significant of which comprise unrecognised tax losses in the UK. Management exercises judgement in its determination of recognition of deferred tax assets.

In addition to these items, the sustainability of the tax rate is likely to be impacted by changes to tax legislation and material changes to the geographic mix of profits.

11. INCOME TAXES (continued)

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:

CONTINUING OPERATIONS	YEAR ENDED 31 MARCH 2020 £M	2019 £M
Profit before tax	**296**	240
Less share of profit after tax of joint ventures	**(28)**	(30)
Parent Company and subsidiaries' profit before tax	**268**	210
Corporation tax charge thereon at 19% (2019 – 19%)	**(51)**	(40)
Adjusted for the effects of:		
• non-deductible expenses and other permanent items	**(4)**	(1)
• adjustments in respect of previous financial year	**4**	3
• losses not currently treated as being recoverable in future periods[1]	**(3)**	(14)
• losses now being treated as being recoverable in future periods[2]	**8**	–
• changes in tax rate	**1**	1
• impairment of assets not deductible[3]	**–**	(11)
• tax rates (above)/below the UK rate applied on overseas earnings[4]	**(6)**	3
Total tax charge	**(51)**	(59)

1 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.
2 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.
3 Impairments were made to certain oats ingredients business assets in the prior year (refer to Note 8).
4 The Group is subject to tax rates in the jurisdictions in which it operates which are above the UK corporation tax rate (the Group's reference rate) leading to an increase in total tax charge. In the year ended 31 March 2019, the Group's tax rate was favourably impacted by the realisation of uncertain tax positions leading to a decrease in total tax charge.

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 below:

CONTINUING OPERATIONS	NOTES	YEAR ENDED 31 MARCH 2020 PRE-TAX £M	YEAR ENDED 31 MARCH 2020 TAX CREDIT £M	YEAR ENDED 31 MARCH 2019 PRE-TAX £M	YEAR ENDED 31 MARCH 2019 TAX CREDIT/(CHARGE) £M
Exceptional items					
Restructuring costs	8	**(19)**	**4**	(13)	2
Primary Products' savoury business exit	8	**(5)**	**1**	–	–
Oats ingredients business disposal	8	**–**	**–**	(43)	1
Gain on sale and leaseback of railcars	8	**–**	**–**	14	(4)
Asset remediation	8	**–**	**–**	(16)	4
Exceptional items		**(24)**	**5**	(58)	3
Amortisation of acquired intangibles	18	**(11)**	**3**	(11)	3
Total adjusting items	4	**(35)**	**8**	(69)	6

11. INCOME TAXES (continued)

Deferred tax

The movements in deferred tax assets and liabilities during the year were as follows:

	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 2018	(101)	–	4	30	32	(35)
Credited/(charged) to the income statement						
• underlying	1	–	–	(14)	9	(4)
• exceptional	–	–	–	–	(5)	(5)
Credited to other comprehensive income	–	1	–	–	–	1
Credited directly to equity	–	–	1	–	–	1
Currency translation differences	(9)	3	–	1	4	(1)
At 31 March 2019	(109)	4	5	17	40	(43)
IFRS 16 Lease adoption	–	–	–	–	3	3
At 1 April 2019 restated	(109)	4	5	17	43	(40)
(Charged)/credited to the income statement						
• underlying	**(12)**	**(1)**	**–**	**4**	**(3)**	**(12)**
• exceptional	**2**	**–**	**–**	**–**	**–**	**2**
Credited to other comprehensive income	**–**	**39**	**–**	**–**	**–**	**39**
(Charged)/credited directly to equity	**–**	**–**	**(1)**	**–**	**2**	**1**
Currency translation differences	**(4)**	**1**	**–**	**(1)**	**2**	**(2)**
At 31 March 2020	**(123)**	**43**	**4**	**20**	**44**	**(12)**

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.

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 £12 million liability (2019 – £43 million liability) is presented as a £30 million deferred tax asset (2019 – £3 million asset) and a £42 million deferred tax liability (2019 – £46 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 £786 million (2019 – £667 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 2020, no tax losses expired (2019 – £nil). £10 million (2019 – £7 million) of the tax losses will expire within five years. The remaining tax losses have no expiry date.

A deferred tax liability of £1 million (2019 – £1 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

In March 2020, the UK Government has utilised the Provisional Collection of Taxes Act 1968 to maintain the main corporation tax rate at 19% (previously 17%) which was substantively enacted on 17 March 2020. As such, the Group has applied a 19% tax rate in calculating deferred tax balances in respect of UK tax losses. This has increased the quantum of UK deferred tax recognised.

There was no impact from the imposition of new taxes.

Tax on items recognised in other comprehensive income

The total tax credit on other comprehensive income was £41 million (2019 – £10 million). This included credits to deferred tax on retirement benefit obligations of £39 million (2019 – £1 million). The credits recorded in the current year include the deferred tax impact of the 'buy-in' of the main UK pension scheme described in Note 29. In addition the Group has recognised current tax credits of £2 million on retirement benefit obligations (2019 – £9 million).

Tax on items recognised directly in equity

The total tax credit in equity was £2 million (2019 – £2 million). This included deferred tax credits on financial instruments of £2 million (2019 – £nil), a deferred tax charge on share-based payments of £1 million (2019 – £1 million credit) and a £1 million current tax credit on share-based payments (2019 – £1 million credit).

12. 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 733p (2019 – 658p). The dilutive effect of share-based incentives was 6.4 million shares (2019 – 6.9 million shares).

	YEAR ENDED 31 MARCH 2020			YEAR ENDED 31 MARCH 2019		
	CONTINUING OPERATIONS	DISCONTINUED OPERATIONS	TOTAL OPERATIONS	CONTINUING OPERATIONS	DISCONTINUED OPERATIONS	TOTAL OPERATIONS
Profit attributable to owners of the Company (£ million)	**245**	**–**	**245**	181	–	181
Weighted average number of ordinary shares (million) – basic	**464.2**	**–**	**464.2**	462.6	–	462.6
Basic earnings per share (pence)	**52.8p**	**–**	**52.8p**	39.2p	–	39.2p
Weighted average number of ordinary shares (million) – diluted	**470.6**	**–**	**470.6**	469.5	–	469.5
Diluted earnings per share (pence)	**52.1p**	**–**	**52.1p**	38.6p	–	38.6p

CALCULATION OF AVERAGE NUMBER OF ORDINARY SHARES	YEAR ENDED 31 MARCH 2020 MILLION	2019 MILLION
Weighted average number of ordinary shares – basic	**464.2**	462.6
Effects of dilution from:		
• Sharesave plan	**0.1**	–
• Performance share plan/Restricted share awards/Group Bonus plan – deferred element	**6.3**	6.9
Weighted average number of ordinary shares – diluted	**470.6**	469.5

Adjusted earnings per share

A reconciliation between profit attributable to owners of the Company from continuing operations and the equivalent adjusted measure, together with the resulting adjusted earnings per share measure can be found below:

CONTINUING OPERATIONS	NOTES	YEAR ENDED 31 MARCH 2020 £M	2019 £M
Profit attributable to owners of the Company		**245**	181
Adjusting items:			
• exceptional items	8	**24**	58
• amortisation of acquired intangible assets	18	**11**	11
• tax impact of adjusting items	11	**(8)**	(6)
Adjusted profit attributable to owners of the Company	4	**272**	244
Adjusted basic earnings per share (pence)		**58.6p**	52.8p
Adjusted diluted earnings per share (pence)		**57.8p**	52.0p

13. 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	
	2020 PENCE	2019 PENCE
Per ordinary share:		
• interim dividend paid	**8.8**	8.6
• final dividend proposed	**20.8**	20.8
Total dividend	**29.6**	29.4

The Directors propose a final dividend for the financial year of 20.8p per ordinary share that, subject to approval by shareholders, will be paid on 31 July 2020 to shareholders who are on the Register of Members on 19 June 2020.

Dividends on ordinary shares paid in the financial year:

	YEAR ENDED 31 MARCH	
	2020 £M	2019 £M
Final dividend paid relating to the prior financial year	**97**	94
Interim dividend paid relating to the financial year	**40**	40
Total dividend paid	**137**	134

Based on the number of ordinary shares outstanding at 31 March 2020 and the proposed amount, the final dividend for the financial year is expected to amount to £96 million.

14. 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.

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 is adjusted by the change in fair value attributable to the hedged risk. (See Note 2).

	AT 31 MARCH	
	2020 £M	2019 £M
Raw materials and consumables	**232**	215
Work in progress	**20**	17
Finished goods	**204**	202
Total	**456**[1]	434

1 Includes a £24 million negative fair value adjustment as a result of being designated as a hedged item as part of the US net corn fair value hedging relationship.

Finished goods inventories of £2 million (2019 – £1 million) are carried at net realisable value, this being lower than cost.

During the year ended 31 March 2020, the Group recognised a write-down of inventories totalling £6 million (2019 – £9 million) included in the cost of inventories.

15. 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. The credit rating of short-term highly liquid investments is AAA or equivalent (2019 – AAA or equivalent).

	AT 31 MARCH	
	2020 £M	2019 £M
Short-term highly liquid investments	**222**	239
Cash at bank	**49**	46
Cash and cash equivalents	**271**	285

15. CASH AND CASH EQUIVALENTS (continued)

The carrying amount of cash and cash equivalents was denominated in the following currencies:

	AT 31 MARCH 2020 £M	2019 £M
US dollar	**195**	258
Euro	**15**	9
Sterling	**42**	1
Other	**19**	17
Total	**271**	285

16. 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.

	AT 31 MARCH 2020 £M	2019 £M
Trade receivables	**306**	298
Less loss allowance provision	**(12)**	(7)
Trade receivables – net	**294**	291
Prepayments and accrued income	**16**	15
Margin deposits	**2**	6
Other receivables	**11**	13
Total	**323**	325

The amounts above do not include non-current other receivables of £nil (2019 – £2 million).

The carrying amount of trade and other receivables was denominated in the following currencies:

	AT 31 MARCH 2020 £M	2019 £M
US dollar	**227**	223
Euro	**53**	55
Sterling	**4**	9
Other	**39**	40
Total	**323**	327

The gross amount of receivables, reflecting the maximum exposure to credit risk, is £335 million (2019 – £334 million).

The loss allowance provision for trade receivables as at 31 March 2020 reconciles to the opening loss allowance for that provision as follows. There was no additional impairment of trade receivables in the year (2019 – £1 million). The effect of expected credit loss on other receivables is not material.

£M UNLESS OTHERWISE STATED	CURRENT	30 – 60 DAYS PAST DUE	60 – 90 DAYS PAST DUE	GREATER THAN 90 DAYS PAST DUE	TOTAL
AT 31 MARCH 2020					
Expected loss rate %	**2%**	**0%**	**1%**	**100%**	
Gross carrying amount	**280**	**18**	**1**	**7**	**306**
Loss allowance provision	**5**	**–**	**–**	**7**	**12**
AT 31 MARCH 2019					
Expected loss rate %	0%	0%	1%	100%	
Gross carrying amount	271	16	4	7	298
Loss allowance provision	–	–	–	7	7

16. TRADE AND OTHER RECEIVABLES (continued)

	AT 31 MARCH	
	2020 £M	2019 £M
At 1 April	**7**	14
Utilisation of provision	**–**	(7)
Change in loss allowance recognised in the income statement during the year	**5**	–
At 31 March	**12**	7

17. 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.

	INVESTMENTS IN EQUITIES		
	FINANCIAL ASSETS AT FVPL £M	FINANCIAL ASSETS AT FVOCI £M	TOTAL INVESTMENTS IN EQUITIES £M
At 1 April 2019	**35**	**24**	**59**
Total gains/(losses)			
• in operating profit	**–**	**–**	**–**
• in other comprehensive income	**–**	**2**	**2**
Non-qualified deferred compensation arrangements	**(2)**	**–**	**(2)**
Purchases	**5**	**1**	**6**
Disposals	**(4)**	**–**	**(4)**
Currency translation differences	**2**	**–**	**2**
At 31 March 2020	**36**	**27**	**63**
At 1 April 2018[1]	–	–	–
IFRS 9 transfer[1]	21	16	37
Total gains/(losses)			
• in operating profit	–	–	–
• in other comprehensive income	–	2	2
Non-qualified deferred compensation arrangements	1	–	1
Purchases	15	5	20
Disposals	(3)	–	(3)
Currency translation differences	1	1	2
At 31 March 2019	35	24	59

1 In the prior year, the Company adopted IFRS 9 which resulted in changes to the classification of items recognised in the financial statements. Assets with fair value of £37 million were reclassified from available-for-sale financial assets to financial assets at fair value through OCI (FVOCI) and fair value through profit and loss (FVPL). All other measurement categories recognised under IAS 39 have remained the same under IFRS 9 .

On 7 December 2018, the Group completed the acquisition of a 15% equity holding in Sweet Green Fields for US$15 million (£12 million). Under the terms of the purchase agreement, the Group has a variable-priced call option to acquire the remaining 85% share at certain points after the acquisition of the 15% equity holding. At 31 March 2020, this option was exercisable but had not been exercised (2019 – not exercisable). After considering all the terms of the arrangement with Sweet Green Fields (including the call option) it was determined that the Group neither controls nor has significant influence over Sweet Green Fields. Such consideration included, inter alia, the manner in which decisions are made about relevant activities of Sweet Green Fields. In addition, the call option is not 'in the money' and the Group's potential voting rights are therefore not considered to represent substantive rights. Accordingly the 15% equity investment and the option to purchase the remaining shares were recognised together as a financial asset at FVPL as at the years ended 31 March 2020 and 2019. This is not considered a significant accounting judgement.

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 £23 million (2019 – £24 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 29.

17. INVESTMENTS IN EQUITIES (continued)

The carrying value of equity investments was denominated in the following currencies:

	AT 31 MARCH 2020 £M	2019 £M
US dollar	**55**	50
Sterling	**3**	5
Euro	**5**	4
Total	**63**	59

18. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill arising in a business combination is recognised as an intangible asset and is allocated to the 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. Research and other related expenditures are charged to the income statement in the period in which they are incurred.

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 systems over a shorter or longer period.

	GOODWILL £M	OTHER ACQUIRED INTANGIBLES £M	TOTAL ACQUIRED INTANGIBLES £M	OTHER INTANGIBLE ASSETS £M	TOTAL £M
Cost					
At 1 April 2019	**210**	**200**	**410**	**291**	**701**
Additions at cost	**–**	**–**	**–**	**25**	**25**
Disposals and write-offs	**–**	**–**	**–**	**(6)**	**(6)**
Currency translation differences	**2**	**4**	**6**	**10**	**16**
At 31 March 2020	**212**	**204**	**416**	**320**	**736**
Accumulated amortisation and impairment					
At 1 April 2019	**12**	**165**	**177**	**182**	**359**
Impairment charge	**–**	**–**	**–**	**1**	**1**
Amortisation charge	**–**	**11**	**11**	**24**	**35**
Disposals and write-offs	**–**	**–**	**–**	**(6)**	**(6)**
Currency translation differences	**(2)**	**3**	**1**	**6**	**7**
At 31 March 2020	**10**	**179**	**189**	**207**	**396**
Net book value at 31 March 2020	**202**	**25**	**227**	**113**	**340**
Cost					
At 1 April 2018	218	205	423	254	677
Additions at cost	–	–	–	31	31
Disposals and write-offs	(10)	(6)	(16)	(2)	(18)
Currency translation differences	2	1	3	8	11
At 31 March 2019	210	200	410	291	701
Accumulated amortisation and impairment					
At 1 April 2018	14	158	172	145	317
Impairment charge	10	3	13	4	17
Amortisation charge	–	11	11	29	40
Disposals and write-offs	(10)	(6)	(16)	(2)	(18)
Currency translation differences	(2)	(1)	(3)	6	3
At 31 March 2019	12	165	177	182	359
Net book value at 31 March 2019	198	35	233	109	342

At 31 March 2020 the carrying value of other intangible assets is represented by product development of £40 million (2019 – £39 million), computer software of £68 million (2019 – £66 million) and assets under construction of £5 million (2019 – £4 million).

18. GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

Goodwill

The carrying amount of goodwill is allocated to groups of CGUs as follows:

	AT 31 MARCH	
	2020 £M	2019 £M
Allocated by reportable segment		
Food & Beverage Solutions	**171**	168
Primary Products	**31**	30
Total	**202**	198

Impairment tests carried out during the year

As is required, goodwill is tested annually. For both the goodwill allocated to Food & Beverage Solutions and Primary Products cash-generating units, the recoverable amounts were calculated based on value-in-use.

The key assumptions in the value-in-use model are derived from the Group's Board-approved five-year plan with the most sensitive assumptions being: 1) operating profit growth rate; 2) discount rates; and 3) long-term growth rates.

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. A one percent decrease in the growth rate across the five-year cash flows would decrease headroom by 10% and 8% in the Food & Beverage Solutions and Primary Products models respectively.

Based on the risk profile of the assets tested, cash flows were discounted using a pre-tax rate of 9.3% and 8.1% in the Food & Beverage Solutions and Primary Products models respectively (2019 – 8.6% and 8.9%). The long-term nominal growth rate after year five does not exceed 2%, reflecting a conservative long-term assumption for the Food & Beverage Solutions and Primary Products markets respectively. At the time of performing the test, very significant headroom existed for each of the two cash-generating units to which goodwill is allocated and there was no reasonable scenario in which impairment would be required.

Impairment charge

No impairment charges in relation to goodwill have been recognised in the current financial year. In the prior financial year, following a strategic review of its oats ingredients business, the Group completed the disposal of this business in March 2019. The exceptional loss of £58 million recognised in the year ended 31 March 2019 included an impairment charge of £10 million relating to goodwill and £4 million relating to other intangible assets. Refer to Note 8.

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.

Following the annual test, the results were revisited in light of the current impact of Covid-19 on the Group's performance. If the same reasonable 'worst case' scenarios considered as part of the Group's assessment of going concern and longer-term viability were applied to the value-in-use models for goodwill impairment testing, headroom would be reduced but there would remain significant headroom, such that there is still no reasonable scenario in which impairment would be required, either now or in the coming year.

19. 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

In the 2019 financial year, leases of property, plant and equipment where the Group assumes substantially all the risks and rewards of ownership were classified as finance leases. All other leases were classified as operating leases. The Group has adopted IFRS 16 from 1 April 2019 using the modified retrospective approach and, as a result, such leased assets are included in property, plant and equipment. The Group has lease contracts for various items of property, plant and equipment used in its operations and which primarily comprise railcars, properties and other miscellaneous leases such as motor vehicles and machinery. More detail on leases is presented in Note 36.

Significant disposals

During the year, the Group recorded a £4 million accelerated depreciation charge related to the closure of its Primary Products' small, non-core savoury ingredients business. Refer to Note 8.

In the 2019 financial year following a strategic review of its oats ingredients business, the Group completed the disposal of this business in March 2019. The exceptional loss of £58 million recognised in the year ended 31 March 2019 included an impairment charge of £25 million relating to property, plant and equipment. Refer to Note 8.

Notes to the consolidated financial statements (continued)

19. 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 2019	**596**	**2 440**	**51**	**3 087**
Recognition of right-of-use asset on initial application of IFRS 16	**51**	**100**	**–**	**151**
Adjusted balance at 1 April 2019	**647**	**2 540**	**51**	**3 238**
Additions at cost	**5**	**18**	**142**	**165**
Transfers on completion	**17**	**84**	**(101)**	**–**
Disposals and write-offs	**(1)**	**(7)**	**–**	**(8)**
Currency translation differences	**26**	**101**	**–**	**127**
At 31 March 2020	**694**	**2 736**	**92**	**3 522**
Accumulated depreciation and impairment				
At 1 April 2019	**307**	**1 798**	**–**	**2 105**
Depreciation charge	**27**	**118**	**–**	**145**
Impairment charge	**–**	**1**	**–**	**1**
Disposals and write-offs	**(1)**	**(7)**	**–**	**(8)**
Currency translation differences	**15**	**74**	**–**	**89**
At 31 March 2020	**348**	**1 984**	**–**	**2 332**
Net book value at 31 March 2020	**346**	**752**	**92**	**1 190**

	LAND AND BUILDINGS £M	PLANT AND MACHINERY £M	ASSETS IN THE COURSE OF CONSTRUCTION £M	TOTAL £M
Cost				
At 1 April 2018	556	2 278	26	2 860
Additions at cost	–	17	97	114
Transfers on completion	7	61	(68)	–
Disposals and write-offs	(4)	(70)	(6)	(80)
Currency translation differences	37	154	2	193
At 31 March 2019	596	2 440	51	3 087
Accumulated depreciation and impairment				
At 1 April 2018	270	1 625	–	1 895
Depreciation charge	16	96	–	112
Impairment charge	2	23	–	25
Disposals and write-offs	(4)	(58)	–	(62)
Currency translation differences	23	112	–	135
At 31 March 2019	307	1 798	–	2 105
Net book value at 31 March 2019	289	642	51	982
Including assets held under finance leases	–	8	–	8

20. 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.

The Group's material joint ventures are Almidones Mexicanos S.A. de C.V. (Almex) and DuPont Tate & Lyle Bio Products Company, LLC (Bio-PDO) (see Note 37). These joint ventures complement the Group's wholly owned activities. Almex produces and distributes corn-based products and Bio-PDO produces bio-based 1,3 – propanediol (Bio-PDO).

The joint ventures have share capital consisting of ordinary shares, which are held directly by the Group (and its joint venture partners) and are private companies. No quoted market price is available for their shares. There are no contingent liabilities relating to the Group's interest in the joint ventures.

The movements in the carrying value of the Group's investment in joint ventures are summarised as follows:

		YEAR ENDED 31 MARCH	
	NOTE	**2020**	2019
At 1 April		**102**	85
Share of profit after tax of joint ventures – total operations		**28**	30
Other comprehensive (expense)/income (including exchange)	22	**(3)**	4
Dividends paid		**(35)**	(21)
Other movements (including contributions)		**(1)**	4
At 31 March		**91**	102

The information set out below reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the joint ventures to make it consistent with the Group's accounting policies. The statutory reporting date of Almex is 31 December due to local statutory requirements and so results are consolidated on the basis of management accounts for the year to 31 March. Bio-PDO's statutory reporting date is 31 March.

Income statement

	YEAR ENDED 31 MARCH 2020		
	ALMEX £M	**BIO-PDO £M**	**TOTAL £M**
Revenue	**654**	**92**	**746**
Depreciation and amortisation	**(2)**	**(7)**	**(9)**
Other expense	**(583)**	**(75)**	**(658)**
Net finance expense	**(1)**	**–**	**(1)**
Profit before tax	**68**	**10**	**78**
Income tax expense	**(20)**	**(3)**	**(23)**
Profit for the year from total operations	**48**	**7**	**55**
Other comprehensive (expense)/income (including exchange)	**(10)**	**4**	**(6)**
Total comprehensive income	**38**	**11**	**49**
Dividends	**(50)**	**(27)**	**(77)**

	YEAR ENDED 31 MARCH 2019		
	ALMEX £M	BIO-PDO £M	TOTAL £M
Revenue	658	109	767
Depreciation and amortisation	(2)	(7)	(9)
Other expense	(593)	(79)	(672)
Net finance expense	(2)	–	(2)
Profit before tax	61	23	84
Income tax expense	(18)	(7)	(25)
Profit for the year from total operations	43	16	59
Other comprehensive income (including exchange)	4	5	9
Total comprehensive income	47	21	68
Dividends	(42)	–	(42)

20. INVESTMENTS IN JOINT VENTURES (continued)

Statement of financial position

	AT 31 MARCH 2020		
	ALMEX £M	BIO-PDO £M	TOTAL £M
Assets			
Non-current assets	45	66	111
Cash and cash equivalents	5	21	26
Other current assets	212	16	228
	262	103	365
Liabilities			
Non-current liabilities	10	–	10
Current borrowings	116	–	116
Other current liabilities	45	13	58
	171	13	184
Net assets	91	90	181

	AT 31 MARCH 2019		
	ALMEX £M	BIO-PDO £M	TOTAL £M
Assets			
Non-current assets	48	63	111
Cash and cash equivalents	7	39	46
Other current assets	187	25	212
	242	127	369
Liabilities			
Non-current liabilities	6	–	6
Current borrowings	56	–	56
Other current liabilities	77	27	104
	139	27	166
Net assets	103	100	203

Reconciliation of summarised financial information to the Group's investments in joint ventures

	ALMEX £M	BIO-PDO £M	TOTAL £M
Opening net assets at 1 April 2019	103	100	203
Profit for the year from total operations	48	7	55
Other comprehensive (expense)/income (including exchange)	(10)	4	(6)
Dividends	(42)	(27)	(69)
Other movements (including contributions)	(8)	6	(2)
Closing net assets at 31 March 2020	91	90	181
Interest in joint venture (%)	50%	50%	
Carrying value at 31 March 2020	46	45	91

	ALMEX £M	BIO-PDO £M	TOTAL £M
Opening net assets at 1 April 2018	98	72	170
Profit for the year from total operations	43	16	59
Other comprehensive income (including exchange)	4	5	9
Dividends	(42)	–	(42)
Other movements (including contributions)	–	7	7
Closing net assets at 31 March 2019	103	100	203
Interest in joint venture (%)	50%	50%	
Carrying value at 31 March 2019	52	50	102

21. SHARE CAPITAL AND SHARE PREMIUM

	ORDINARY SHARE CAPITAL £M	SHARE PREMIUM £M	TOTAL £M
At 31 March 2019 and 31 March 2020	**117**	**406**	**523**

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 2020		YEAR ENDED 31 MARCH 2019	
	NUMBER OF SHARES*	COST £M	NUMBER OF SHARES*	COST £M
At 1 April	**468 345 950**	**117**	468 308 934	117
Allotted under share option schemes	**55 721**	**–**	37 016	–
At 31 March	**468 401 671**	**117**	468 345 950	117

* The nominal value of each share is 25 pence.

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 (see Note 30). Own shares are held either by the Company in treasury or by 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 2020		YEAR ENDED 31 MARCH 2019	
	NUMBER OF SHARES	COST £M	NUMBER OF SHARES	COST £M
At 1 April	**5 251 587**	**38**	7 350 698	52
Purchased in the market[1]:				
• into treasury	**–**	**–**	–	–
• into the EBT	**1 635 490**	**13**	–	–
Transferred to employees:				
• from treasury	**(805 138)**	**(6)**	(1 757 254)	(12)
• from the EBT	**(958 972)**	**(7)**	(341 857)	(2)
At 31 March	**5 122 967**	**38**	5 251 587	38

1 In the prior year, the Company adopted the amendment to IFRS 2 permitting 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 £9 million (2019 – £8 million) and has been recognised within financing activities in the consolidated statement of cash flows.

	AT 31 MARCH 2020			AT 31 MARCH 2019		
	NUMBER OF SHARES	MARKET VALUE £M	% OF OUTSTANDING SHARE CAPITAL	NUMBER OF SHARES	MARKET VALUE £M	% OF OUTSTANDING SHARE CAPITAL
Treasury shares	**–**	**–**	**–**	805 138	6	0.2%
Shares held in the EBT	**5 122 967**	**34**	**1.1%**	4 446 449	32	0.9%
Total	**5 122 967**	**34**	**1.1%**	5 251 587	38	1.1%

Notes to the consolidated financial statements (continued)

22. OTHER RESERVES

	HEDGING RESERVE £M	FVOCI RESERVE £M	CURRENCY TRANSLATION RESERVE £M	PRE-IFRS RESERVES £M	TOTAL £M
At 1 April 2018	(1)	(3)	59	104	159
Cash flow hedges:					
• fair value gain in the year	–	–	–	–	–
• reclassified and reported in the income statement in the year (operating costs)	–	–	–	–	–
FVOCI financial assets:					
• fair value gain in the year	–	2	–	–	2
Currency translation differences:					
• gain on currency translation of foreign operations	–	–	75	–	75
• fair value loss on net investment hedges	–	–	(24)	–	(24)
Share of other comprehensive income of joint ventures	1	–	3	–	4
Hedging losses transferred to inventory	1	–	–	–	1
At 31 March 2019	1	(1)	113	104	217
Cash flow hedges:					
• fair value loss in the year	**(1)**	**–**	**–**	**–**	**(1)**
• hedging gain transferred to inventory	**(6)**	**–**	**–**	**–**	**(6)**
• tax effect of the above items	**2**	**–**	**–**	**–**	**2**
FVOCI financial assets:					
• fair value gain in the year	**–**	**2**	**–**	**–**	**2**
Currency translation differences:					
• gain on currency translation of foreign operations	**–**	**–**	**46**	**–**	**46**
• fair value loss on net investment hedges	**–**	**–**	**(18)**	**–**	**(18)**
Share of other comprehensive income/(expense) of joint ventures	**2**	**–**	**(5)**	**–**	**(3)**
At 31 March 2020	**(2)**	**1**	**136**	**104**	**239**

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 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 income statement or else recognised immediately in the income statement.

The FVOCI reserve includes cumulative gains or losses on FVOCI assets.

The currency translation reserve includes:

- Gains/losses on currency translation of foreign operations: on consolidation, the results of foreign operations are translated into pounds sterling at the average rate of exchange for the period and their assets and liabilities are translated into pounds 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 27.

The pre-IFRS reserve relates to amounts previously recorded in reserves prior to transition to IFRS and relates predominantly to merger reserves.

For the year ended 31 March 2019, there was no tax effect on the above movements in reserves.

23. 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 2020 £M	2019 £M
Current payables		
Trade payables	**250**	234[1]
Social security	**6**	6
Accruals and deferred income	**101**	94
Other payables	**13**	8
Total	**370**	342

1 Included in the comparative trade payables total is £5 million related to lease accruals previously recognised with respect to operating leases which have been de-recognised on transition to IFRS 16 and the amount included in the measurement of the right-of-use assets and lease liabilities. Refer to Note 36 for further details.

There were no non-current other payables as at 31 March 2020 (2019 – £nil).

The carrying amount of trade and other payables was denominated in the following currencies:

	AT 31 MARCH 2020 £M	2019 £M
US dollar	**268**	246
Euro	**58**	47
Sterling	**21**	22
Other	**23**	27
Total	**370**	342

24. 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 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 (see Note 27).

Non-current borrowings

	AT 31 MARCH 2020 £M	2019 £M
2,394,000 6.5% cumulative preference shares of £1 each	**2**	2
Industrial Revenue Bonds 2023–2036 (US$70,100,000)	**56**	54
US Private Placement 2023–2031 (US$600,000,000)	**480**	308
Bank loans (unsecured)	**3**	–
Total loan notes	**541**	364
Obligations under finance leases (IAS 17)	**–**	9
Lease liabilities (Note 36)[1]	**141**	–
Total non-current borrowings	**682**	373

1 IFRS 16 Leases was adopted in the year without restating comparatives which increased net debt by £162 million at 31 March 2020. Total lease liabilities at 31 March 2020 include £9 million of previously recognised obligations under finance leases in accordance with IAS 17.

24. BORROWINGS (continued)

Current borrowings

	AT 31 MARCH	
	2020 £M	2019 £M
6.75% Guaranteed Notes 2019 (£200,000,000)	–	203
Short-term loans and facilities	10	19
Total loan notes	**10**	222
Obligations under finance leases (IAS 17)	–	2
Lease liabilities (Note 36)[1]	30	–
Total current borrowings	**40**	224

1 IFRS 16 Leases was adopted in the year without restating comparatives which increased net debt by £162 million at 31 March 2020. Total lease liabilities at 31 March 2020 include £9 million of previously recognised obligations under finance leases in accordance with IAS 17.

On 19 November 2019, the Group refinanced its maturing £200 million 6.75% bond principally using the proceeds of drawing down US$100 million (£77 million) 3.31% notes due 2029 and US$100 million (£77 million) 3.41% notes due 2031, with the remaining amount made up from cash balances.

In May 2020, the Group priced a US$200 million debt private placement which will be issued on 6 August 2020 at which point US$100 million 2.91% notes maturing in 2030 and US$100 million 3.01% notes maturing in 2032 will be drawn down.

At 31 March 2020 there were no borrowings at amortised cost subject to fair value hedges (2019 – £150 million) and, consequently, no fair value adjustments were made to the carrying value (2019 – £3 million).

Effective interest rates

Taking into account the Group's interest rate and cross-currency swap contracts, the effective interest rates of its borrowings are as follows:

	YEAR ENDED 31 MARCH	
	2020	2019
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$95m US Private Placement FRN[1] 2023	3.4%	4.1%
2,394,000 6.5% cumulative preference shares of £1 each	6.5%	6.5%
Lease liabilities	3.8%	–
Industrial Revenue Bonds 2023–2036 (US$70,100,000)[2]	1.6%	1.6%
6.75% Guaranteed Notes 2019 (£200,000,000)	–	6.4%
US$100m 3.31% US Private Placement Notes 2029	3.3%	–
US$100m 3.41% US Private Placement Notes 2031	3.4%	–
Bank loans (unsecured)[3]	5.2%	–

1 Floating rate note based on US six-month LIBOR + 1.47%.
2 As part of these arrangements the Group is required to obtain credit insurance from certain banks. The annual premium cost of the credit insurance is approximately 1% of the principal which is not included in the effective interest rate disclosed above.
3 Floating rate loan based on Brazil CDI + 1.58%.

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.

Credit facilities and arrangements

At 31 March 2020, the Group had access to a US$800 million five-year committed revolving credit facility maturing in March 2024. The financial covenant thereon is described in the 'Liquidity risk management' section of Note 28. At 31 March 2020, the facility had a value of £642 million (2019 – £615 million) and was undrawn. In May 2020, the Group extended the maturity of this US$800 million revolving credit facility by a year to 2025.

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).

25. CHANGE IN WORKING CAPITAL AND OTHER NON-CASH MOVEMENTS

	YEAR ENDED 31 MARCH 2020 £M	2019 £M
Increase in inventories	**(16)**	(21)
Decrease/(increase) in receivables	**11**	(9)
Increase in payables	**19**	8
Movement in derivative financial instruments (excluding debt-related derivatives)	**(7)**	1
(Decrease)/increase in provisions for other liabilities and charges	**(8)**	3
Change in working capital	**(1)**	(18)
Other non-cash movements	**3**	2
Change in working capital and other non-cash movements	**2**	(16)

26. NET DEBT

Reconciliation of the movement in cash and cash equivalents to the movement in net debt:

	YEAR ENDED 31 MARCH 2020 £M	2019 £M
Net debt carried forward from the prior year	**(337)**	(392)
IFRS 16 adoption at beginning of the year[1]	**(167)**	–
Net debt at beginning of the year	**(504)**	(392)
Net (decrease)/increase in cash and cash equivalents	**(17)**	79
Net in-year decrease/(increase) in borrowings and leases	**114**	(2)
Decrease in net debt resulting from cash flows	**97**	77
Currency translation differences[2]	**(22)**	(21)
Fair value and other movements	**2**	(1)
Leases non-cash movements	**(24)**	–
Decrease in net debt in the year	**53**	55
Net debt at end of the year	**(451)**	(337)

1 IFRS 16 Leases was adopted in the year without restating comparatives. IFRS 16 lease liabilities increased net debt by £162 million at 31 March 2020.
2 Includes the foreign currency element of the fair value movement on cross currency swaps and the translation of foreign denominated borrowings.

Movements in the Group's net debt were as follows:

	CASH AND CASH EQUIVALENTS £M	BORROWINGS AND LEASE LIABILITIES CURRENT £M	NON-CURRENT £M	DEBT-RELATED DERIVATIVES £M	TOTAL £M
At 1 April 2018	190	(16)	(554)	(12)	(392)
Decrease/(increase) from cash flows[3]	79	(2)	–	–	77
Reclassification	–	(208)	208	–	–
Currency translation differences[2]	16	–	(27)	(10)	(21)
Fair value and other movements	–	2	–	(3)	(1)
At 31 March 2019	285	(224)	(373)	(25)	(337)
IFRS 16 adoption at beginning of the year[1]	**–**	**(25)**	**(142)**	**–**	**(167)**
At 1 April 2019	**285**	**(249)**	**(515)**	**(25)**	**(504)**
Movement from cash flows	**(17)**	**242**	**(157)**	**29**	**97**
Reclassification	**–**	**(30)**	**30**	**–**	**–**
Currency translation differences[2]	**3**	**1**	**(25)**	**(1)**	**(22)**
Fair value and other movements	**–**	**5**	**–**	**(3)**	**2**
Leases non-cash movements	**–**	**(9)**	**(15)**	**–**	**(24)**
At 31 March 2020	**271**	**(40)**	**(682)**	**–**	**(451)**

1 IFRS 16 Leases was adopted in the year without restating comparatives. IFRS 16 lease liabilities increased net debt by £162 million at 31 March 2020.
2 Includes the foreign currency element of the fair value movement on cross currency swaps and the translation of foreign denominated borrowings.
3 In the prior year, net change in borrowings included repayments of capital elements of finance leases of £2 million.

At 31 March 2020, total liabilities arising from financing activities were £722 million (2019 – £622 million).

Debt-related derivative financial instruments represent the net fair value of currency and interest rate swaps that are used to manage the currency and interest rate profile of the Group's net debt. These derivative financial instruments matured during the year at the date of the refinancing of the £200 million bond, and no additional debt-related derivative financial instruments were entered into during the year. As such, at 31 March 2020, the Group had no such derivatives. At 31 March 2019, the net fair value of these derivatives comprised assets of £6 million and liabilities of £31 million.

26. NET DEBT (continued)

Net debt is denominated in the following currencies:

	AT 31 MARCH 2020 £M	2019 £M
US dollar	**(488)**	(144)
Euro	**14**	(56)
Sterling	**13**	(145)
Other	**10**	8
Total	**(451)**	(337)

27. 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 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, 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, the Group has 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.

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 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 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 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 income statement. If the hedged cash flow is no longer expected to occur, the cumulative gain or loss is taken to the income statement immediately.

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	AT 31 MARCH 2020 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
Investments in equities	17	–	–	–	63	63	63
Trade and other receivables	16	307	–	–	–	307	307
Cash and cash equivalents	15	271	–	–	–	271	271
Trade and other payables	23	(364)	–	–	–	(364)	(364)
Borrowings	24	(722)	–	–	–	(722)	(727)
Derivative assets/(liabilities) used to manage net debt							
• currency swaps		–	–	–	–	–	–
• interest rate swaps		–	–	–	–	–	–
Forward foreign exchange contract		–	1	–	–	1	1
Commodity derivative net liabilities		–	(17)	–	–	(17)	(17)
Other net financial assets							
• commodity pricing contracts		–	–	48	–	48	48

27. FINANCIAL INSTRUMENTS (continued)

Financial instruments by category (continued)

	Notes	Amortised cost/cash £m	Derivatives in a hedging relationship £m	Derivatives not in a hedging relationship £m	Investments in equities £m	Total carrying value £m	Fair value £m
						At 31 March 2019	
Investments in equities	17	–	–	–	59	59	59
Trade and other receivables	16	312	–	–	–	312	312
Cash and cash equivalents	15	285	–	–	–	285	285
Trade and other payables	23	(336)	–	–	–	(336)	(336)
Borrowings	24	(597)	–	–	–	(597)	(607)
Derivative (liabilities)/assets used to manage net debt							
• currency swaps		–	(30)	–	–	(30)	(30)
• interest rate swaps		–	5	–	–	5	5
Other derivative (liabilities)/assets							
• commodity pricing contracts		–	(1)	27	–	26	26

Investments in equities comprise financial assets recognised as fair value through the income statement (FVPL) and financial assets recognised as fair value through OCI (FVOCI). Further analysis is provided in Note 17.

Trade and other receivables presented above excludes £16 million (2019 – £15 million) relating to prepayments. Trade and other payables presented above excludes £6 million (2019 – £6 million) relating to social security.

There are no listed bonds as at 31 March 2020. US Private Placement Notes with a carrying value of £480 million and a fair value of £485 million, have a fair value 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.

As at 31 March 2019 borrowings with a carrying value of £203 million related to listed bonds with a fair value of £207 million according to quoted market prices and were categorised as Level 1 for fair value measurement. Borrowings with a carrying value of £308 million related to US Private Placement Notes with a fair value of £314 million according to broker dealer quotations and were 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 statement of financial position as follows:

	At 31 March 2020		At 31 March 2019	
	Assets £m	**Liabilities £m**	Assets £m	Liabilities £m
Non-current derivative financial instruments	**1**	**(2)**	–	(1)
Current derivative financial instruments	**5**	**(20)**	48	(46)
	6	**(22)**	48	(47)
Other non-current financial assets/(liabilities)	**–**	**–**	–	–
Other current financial assets/(liabilities)	**67**	**(19)**	–	–
	67	**(19)**	–	–

Derivatives are only used for economic hedging purposes and not as speculative investments.

Fair value hedges

In the 2019 financial year, the Group employed interest rate swap contracts to hedge interest rate risks associated with its borrowings. This was achieved by swapping fixed for floating rates to meet the Group's risk management objectives. Refer to Note 28. These derivative financial instruments matured during the current year at the date of the refinancing of the £200 million bond and no additional debt-related derivative financial instruments were entered into during the year. This fair value hedge was therefore discontinued during the year.

Interest rate swaps used to fair value hedge interest rate risk	At 31 March 2020 £m	2019 £m
Carrying amount of hedged item (weighted liability)	**–**	153
Accumulated amount of fair value included in carrying amount of hedged item	**–**	3
Notional principal amounts of interest rate swap contracts	**–**	150
Maturity date	**Nov 2019**	Nov 2019
Hedge ratio	**1:1**	1:1
Change in intrinsic value of hedging instruments used to determine hedge effectiveness	**(3)**	(4)
Change in intrinsic value of hedging item used to determine hedge effectiveness	**3**	4
Weighted average floating interest rate achieved for the year	**3.7%**	3.6%
Ineffectiveness recognised in profit or loss	**–**	–

27. FINANCIAL INSTRUMENTS (continued)

The Group has 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.

US NET CORN POSITION (FUTURES AND BASIS) IN EFFECTIVE FAIR VALUE HEDGE ACCOUNTING RELATIONSHIPS	AT 31 MARCH 2020 £M
Nominal amounts of corn futures contracts (expressed in millions of bushels)	**37bu**
Gross carrying amount of outstanding hedged items: assets	**41**
Gross carrying amount of outstanding hedged items: liabilities	**(36)**
Carrying amount of hedging instrument	**(4)**
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	**4**
Ineffectiveness recognised in profit or loss	**2**

US NET CORN POSITION (NET CO-PRODUCTS) IN EFFECTIVE FAIR VALUE HEDGE ACCOUNTING RELATIONSHIPS	AT 31 MARCH 2020 £M
Nominal amounts of co-product futures contracts (expressed in metric tonnes)	**–**
Gross carrying amount of outstanding hedged items: assets	**27**
Gross carrying amount of outstanding hedged items: liabilities	**(8)**
Carrying amount of hedging instrument	**–**
Hedge ratio	**1:1**
Change in intrinsic value of outstanding hedging instruments used to determine hedge effectiveness	**–**
Change in intrinsic value of outstanding hedging item used to determine hedge effectiveness	**2**
Ineffectiveness recognised in profit or loss	**2**

Net investment hedges

The Group employs borrowings and currency swap contracts (no longer held as at 31 March 2020) to hedge the currency risk associated with its net investments in subsidiaries located in the US and Europe. In addition, in the year ended 31 March 2020, a weighted average total of £6 million 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 a loss of £1 million. The currency swaps contracts matured during the current year at the date of the refinancing of the £200 million bond and no additional debt-related derivative financial instruments were entered into during the year. This net investment hedge was therefore discontinued during the year.

FOREIGN CURRENCY SWAPS USED TO NET INVESTMENT HEDGE CURRENCY TRANSLATION RISK	AT 31 MARCH 2020 £M	2019 £M
Notional principal amounts of outstanding currency swap contracts (weighted liability)	**–**	178
Translation of swap contract recognised in currency translation reserve	**(1)**	(9)
Carrying amount of hedging instrument	**–**	30
Maturity date	**Nov 2019**	Nov 2019
Hedge ratio	**1:1**	1:1
Change in intrinsic value of hedging instruments used to determine hedge effectiveness	**–**	(8)
Change in intrinsic value of hedging item used to determine hedge effectiveness	**1**	9
Weighted average foreign currency rate for the year (/£1)	**$1.25/€1.13**	$1.31/€1.16
Ineffectiveness gain recognised in profit or loss	**–**	1
Cumulative (loss)/gain remaining in translation reserve	**(32)/1**	(31)/1

27. FINANCIAL INSTRUMENTS (continued)

Net investment hedges (continued)

BORROWINGS USED TO NET INVESTMENT HEDGE CURRENCY TRANSLATION RISK	AT 31 MARCH 2020 £M	2019 £M
Notional principal amounts of borrowings (weighted liability)	**396**	218
Translation of borrowings recognised in currency translation reserve	**(16)**	(16)
Carrying amount of hedging instrument	**396**	218
Maturity date	**Oct 2023-Nov 2031**	Oct 2023–2027
Hedge ratio	**1:1**	1:1
Change in intrinsic value of outstanding hedging instruments used to determine hedge effectiveness	**(16)**	(16)
Change in intrinsic value of outstanding hedging item used to determine hedge effectiveness	**16**	16
Weighted average foreign currency rate for the year (/£1)	**$1.27**	$1.32
Ineffectiveness recognised in profit or loss	**–**	–
Cumulative loss remaining in translation reserve[1]	**(117)**	(101)

1 Cumulative loss remaining in translation reserve in relation to US Private Placement Notes is £61 million (2019 – £45 million).

Cash flow hedges

The Group employs pricing contracts, principally futures, to hedge cash flow risk associated with forecast purchases and sales of commodities or purchases of chemicals used in the manufacturing process which are designated as cash flow hedges. The fair value of these hedging instruments at 31 March 2020 is £6 million liability (2019 – £1 million liability). There was no ineffectiveness recorded in the current or prior financial year. As at 31 March 2020 the Group also held forward foreign exchange contracts designated as cash flow hedges with a fair value of £1 million assets (2019 – £nil).

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. Most interest rate swaps fall in this category as their prices are referenced to a published rate curve, but it is not price specific to the swap itself.
- 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. Certain elements of the Group's commodity contract portfolio also fall into this category, as their values include 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.

The following tables illustrate the Group's financial assets and liabilities measured at fair value and fair value adjustments due to risks hedged at 31 March 2020 and 31 March 2019:

AT 31 MARCH 2020	NOTES	LEVEL 1 £M	LEVEL 2 £M	LEVEL 3 £M	TOTAL £M
Assets at fair value					
Financial assets at FVPL	17	**–**	**–**	**36**	**36**
Financial assets at FVOCI	17	**–**	**–**	**27**	**27**
Derivative financial instruments:					
• forward foreign exchange contracts		**–**	**1**	**–**	**1**
• commodity derivatives		**5**	**–**	**–**	**5**
Other financial assets (commodity pricing contracts)[1]		**–**	**–**	**67**	**67**
Assets at fair value		**5**	**1**	**130**	**136**
Liabilities at fair value					
Derivative financial instruments:					
• commodity derivatives		**(22)**	**–**	**–**	**(22)**
Other financial liabilities (commodity pricing contracts)[1]		**–**	**(3)**	**(16)**	**(19)**
Liabilities at fair value		**(22)**	**(3)**	**(16)**	**(41)**

1 Fair value adjustments due to risks hedged.

27. FINANCIAL INSTRUMENTS (continued)

Financial instruments measured at fair value: the fair value hierarchy (continued)

	NOTES	AT 31 MARCH 2019 LEVEL 1 £M	LEVEL 2 £M	LEVEL 3 £M	TOTAL £M
Assets at fair value					
Financial assets at FVPL	17	–	–	35	35
Financial assets at FVOCI	17	–	–	24	24
Derivative financial instruments:					
• currency swaps		–	1	–	1
• interest rate swaps		–	5	–	5
• commodity pricing contracts		2	1	39	42
Assets at fair value		2	7	98	107
Liabilities at fair value					
Derivative financial instruments:					
• currency swaps		–	(31)	–	(31)
• commodity pricing contracts		(7)	(7)	(2)	(16)
Liabilities at fair value		(7)	(38)	(2)	(47)

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 2018	11	(5)	21	16	43
Income statement:					
• prior year amounts settled	(10)	5	–	–	(5)
• current year net gain/(loss)[1]	38	(2)	–	–	36
Other comprehensive income	–	–	–	2	2
Non-qualified deferred compensation arrangements (Note 17)	–	–	1	–	1
Purchases	–	–	15	5	20
Disposals	–	–	(3)	–	(3)
Currency translation differences	–	–	1	1	2
At 31 March 2019	39	(2)	35	24	96
Income statement:					
• prior year amounts settled	**(37)**	**2**	**–**	**–**	**(35)**
• current year net gain/(loss)[1]	**65**	**(16)**	**–**	**–**	**49**
Other comprehensive income	**–**	**–**	**–**	**2**	**2**
Non-qualified deferred compensation arrangements (Note 17)	**–**	**–**	**(2)**	**–**	**(2)**
Purchases	**–**	**–**	**5**	**1**	**6**
Disposals	**–**	**–**	**(4)**	**–**	**(4)**
Currency translation differences	**–**	**–**	**2**	**–**	**2**
At 31 March 2020	**67**	**(16)**	**36**	**27**	**114**

1 Unrealised.

The full impact to the 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 28. The table below describes the valuation techniques in relation to Level 3 financial instruments and isolates the unobservable inputs.

27. FINANCIAL INSTRUMENTS (continued)

Level 3 financial assets (continued)

TYPE	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	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. 25% increase/(decrease) in the price of co-products would result in a net increase/(decrease) in fair value of £6 million (2019 – £5 million) in respect of Level 3 financial instruments.
		2. Basis	2. 25% increase/(decrease) in the cost of basis would result in a net increase/(decrease) in fair value of £2 million (2019 – £3 million) in respect of Level 3 financial instruments.

In addition to the above, the Group's FVOCI and FVPL financial assets are sensitive to a number of market and non-market factors.

As discussed in Note 2, there is 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.

28. 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 risk 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. The performance of the commodity trading function is monitored against its ability to match the Group's needs for raw materials with purchase contracts, as well as the Group's output of co-products with sales contracts. As noted in Note 2, in order to manage the commodity price risk the Group has 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. In addition, the Group applies a limited level of cash flow hedge accounting to its economic price exposure on the purchase and sales of certain commodities and purchase of chemicals used in the production process.

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.

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 is set out in Note 27.

The following table illustrates only the Group's sensitivity to the fluctuation of the Group's major currencies against sterling on its income statement and other components of equity, assuming that each exchange rate moves in isolation. The 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 derivative and non-derivative financial instruments hedging the Group's net investments in its European and US operations.

	AT 31 MARCH 2020		AT 31 MARCH 2019	
	INCOME STATEMENT -/+ £M	EQUITY -/+ £M	INCOME STATEMENT -/+ £M	EQUITY -/+ £M
Sterling/US dollar 10% change	1	44	–	42
Sterling/euro 10% change[1]	–	–	1	5

1 £nil impact at 31 March 2020 as the Group no longer held Euro currency swaps contracts.

28. RISK MANAGEMENT (continued)

Interest rate management

The Group has an exposure to interest rate risk, arising principally from changes in US dollar, sterling and euro interest rates. In the 2019 financial year, this risk was managed by fixing or capping portions of debt using interest rate derivatives to achieve a target level of fixed/floating rate net debt, which aimed to optimise net finance expense and reduce volatility in reported earnings. In the 2020 financial year, the same objective was achieved by ensuring an optimal mix of fixed and floating rate debt and the Group retains the option of entering into interest rate swaps if required. The Group's policy is that between 30% and 75% of Group net debt, excluding lease liabilities under IFRS 16, is fixed for more than one year and that no interest rates are fixed for more than 12 years. However, an exemption to permit a higher percentage applies where both the net debt/EBITDA ratio is below one times and net debt is lower than £500 million.
The proportion of net debt managed by the Group's treasury function at 31 March 2020 that was fixed or capped for more than one year was 140% (2019 – 70%). At 31 March 2020, the longest term of any fixed rate debt held by the Group was until November 2031 (2019 – October 2027).

Given the proportion of debt that is fixed rate debt, as at 31 March 2020, if interest rates increased by 100 basis points, Group profit before tax would increase by £1 million (2019 – £1 million decrease). If interest rates decreased by 100 basis points, or less where applicable, Group profit before tax would decrease by £nil (2019 – £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 £2 million (2019 – £1 million).

Price risk management

The Group manages 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 is marked to market on the basis that doing so aligns with the economics of the business and minimises price risk volatility. The Group has 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 uses financial instruments (mainly corn futures contracts) to manage this net position.

There is 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 2020, a 50% increase/decrease in the price of corn would result in a decrease/increase to the income statement of £2 million (2019 – £1 million) and related decrease/increase in other components of equity of £1 million (2019 – £1 million).

The Group discloses sensitivity analysis on the key areas of estimation uncertainty (price of co-products and basis) and the carrying amounts impacted by estimation uncertainty in Note 27. Full details of the valuation technique are also included in Note 27.

Additionally, the Group employs limited pricing contracts, principally futures, to hedge cash flow risk associated with certain forecast purchases and sales of commodities and purchases of chemicals used in the manufacturing process which are designated as cash flow hedges. Refer to Note 27.

Credit risk management

Counterparty credit risk arises from the placing of deposits (refer to Note 15) 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 Credit Safe (2019 – Dun & Bradstreet and Credit Risk Monitor). 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' credit worthiness. 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 166. Refer to Note 16 for the effect of expected credit loss on the Group's trade receivables.

28. RISK MANAGEMENT (continued)

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 £271 million (2019 – £285 million) and had committed undrawn facilities of £642 million (2019 – £615 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.

At 31 March 2020, the average maturity of the Group's committed financing was 7.2 years (2019 – 4.4 years), taking account of undrawn committed facilities.

The Group has a core committed revolving credit facility of US$800 million which was refinanced in the prior year and matures in 2024 (refer to Note 24). In May 2020 the Group extended the maturity of this US$800 million revolving credit facility by a year to 2025. 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.

In addition, the Group has US$600 million of US Private Placement notes which mature between 2023 and 2031. 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. In May 2020, the Group priced a US$200 million debt private placement which will be issued on 6 August 2020 at which point US$100 million 2.91% notes maturing in 2030 and US$100 million 3.01% notes maturing in 2032 will be drawn down.

The ratios for these financial covenants were:

	YEAR ENDED 31 MARCH	
	2020 TIMES	2019 TIMES
Net debt/EBITDA[1]	**0.6**	0.7
Interest cover[2]	**–**	15.3

1 This financial covenant applies to both the revolving credit facility and US Private Placement notes at 31 March 2020 and 31 March 2019.
2 This financial covenant only applies to the US Private Placement notes at 31 March 2019 and does not apply at 31 March 2020.

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 comparative 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).

In the past, the net debt to EBITDA ratio and the interest cover ratio were reported as key performance metrics in line with the calculation methodology used for financial covenants on the Group's borrowing facilities. In the prior year, following the refinancing of the revolving credit facility and the amended covenant definitions, the Group simplified the calculation of these KPIs to make them more directly related to information in the Group's financial statements. In the current year, the Group stopped the use of the interest cover KPI as it is no longer a covenant for the US Private Placements notes. The simplified calculation of net debt to EBITDA is reported in Note 4.

28. RISK MANAGEMENT (continued)

Liquidity risk management (continued)

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 2020		
Liquidity analysis	< 1 YEAR £M	1 – 5 YEARS £M	> 5 YEARS £M
Borrowings excluding leases	**(2)**	**(112)**	**(431)**
Lease liabilities[1]	**(36)**	**(110)**	**(48)**
Interest on borrowings	**(19)**	**(69)**	**(54)**
Trade and other payables	**(364)**	**–**	**–**
Derivative contracts:			
• receipts	**90**	**–**	**–**
• payments	**(90)**	**–**	**–**
Commodity derivatives	**(16)**	**(1)**	**–**

	AT 31 MARCH 2019		
Liquidity analysis	< 1 YEAR £M	1 – 5 YEARS £M	> 5 YEARS £M
Borrowings including finance leases	(212)	(115)	(259)
Interest on borrowings	(27)	(53)	(31)
Trade and other payables	(336)	–	–
Derivative contracts:			
• receipts	362	–	–
• payments	(387)	–	–
Commodity pricing contracts	(5)	–	–

1 IFRS 16 Leases was adopted in the year without restating comparatives. IFRS 16 lease liabilities increased net debt by £162 million by 31 March 2020.

Included in borrowings are £2,394,000 of 6.5% cumulative preference shares. Only one year's worth of interest payable on these shares is included in the less than one year category.

Derivative contracts include currency swaps (2019 only), forward exchange contracts and interest rate swaps (2019 only). Commodity pricing contracts included above represent options and futures. Commodity pricing contracts classified within Level 2 and Level 3 of fair value measurement (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.

Financial assets and liabilities denominated in currencies other than pounds sterling are translated to pounds sterling using year-end exchange rates.

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 £174 million in the year ended 31 March 2020 (2019 – £139 million), 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.

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 2020, the long-term credit rating from Moody's was Baa2 (stable outlook) (2019 – Baa2) and from S&P was BBB (stable outlook) (2019 – BBB).

The Group regards its total capital as follows:

	NOTE	2020 £M	2019 £M
Net debt[1]	26	**451**	337
Equity attributable to owners of the Company		**1 399**	1 489
Total capital		**1 850**	1 826

1 IFRS 16 Leases was adopted in the year without restating comparatives. IFRS 16 lease liabilities increased net debt by £162 million by 31 March 2020.

29. 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 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 income statement in the period in which the curtailment or settlement occurs. Plan administration costs incurred by the Group are also recognised in the 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 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.

The UK 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.

On 18 September 2019, 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. Under a 'buy-in', an insurance company undertakes to 'track' the liability with an insurance policy that exactly matches the liability, thereby enabling full netting of the liability being tracked. A 'buy-in' is not a settlement and the liability is not derecognised as the Group retains ultimate responsibility for funding the plan. The impact of this transaction was to record a re-measurement loss of £195 million to other comprehensive income. There was no impact on profit before tax.

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 17). 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 2020 was £75 million (2019 – £77 million). The Group paid £4 million (2019 – £3 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 £8 million (2019 – £10 million).

29. RETIREMENT BENEFIT OBLIGATIONS (continued)

Movement in net defined benefit asset/(liability)

Analysis of net defined benefit asset/(liability)

	AT 31 MARCH 2020			AT 31 MARCH 2019		
	UK PLANS* £M	US PLANS £M	TOTAL £M	UK PLANS* £M	US PLANS £M	TOTAL £M
Benefit obligations:						
Funded plans	(896)	(569)	(1 465)	(994)	(516)	(1 510)
Unfunded plans	(4)	(141)	(145)	(3)	(134)	(137)
	(900)	(710)	(1 610)	(997)	(650)	(1 647)
Fair value of plan assets	881	526	1 407	1 178	493	1 671
Net (deficit)/surplus	(19)	(184)	(203)	181	(157)	24
Presented in the statement of financial position as:						
Retirement benefit surplus	3	1	4	201	6	207
Retirement benefit deficit	(22)	(185)	(207)	(20)	(163)	(183)
Net (deficit)/surplus	(19)	(184)	(203)	181	(157)	24

* Includes £4 million (2019 – £3 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 surplus/(deficit) at 1 April 2019	181	(23)	(134)	24
Income statement:				
• current service costs	–	–	(2)	(2)
• administration costs	(1)	(1)	–	(2)
• Net interest income UK plans	5	–	–	5
• Net interest expense US plans	–	–	(5)	(5)
Other comprehensive income:				
• actual return (lower)/higher than interest on plan assets	(78)	20	–	(58)
• actuarial (loss)/gain:				
– impact of the 'buy-in'	(195)	–	–	(195)
– changes in financial assumptions	35	(50)	(10)	(25)
– changes in demographic assumptions	12	6	5	23
– experience against assumptions	8	2	4	14
Other movements:				
• employer's contribution	15	2	8	25
• non-qualified deferred compensation arrangements	–	2	–	2
• currency translation differences	(1)	(1)	(7)	(9)
Net deficit at 31 March 2020	(19)	(43)	(141)	(203)

* Included within US unfunded plans is the retirement medical plan of £75 million (2019 – £77 million).

29. 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 2019	(997)	(516)	(134)	(1 647)
Income statement:				
• current service costs	–	–	(2)	(2)
• interest costs	(23)	(19)	(5)	(47)
Other comprehensive income:				
• actuarial (loss)/gain:				
– changes in financial assumptions	35	(50)	(10)	(25)
– changes in demographic assumptions	12	6	5	23
– experience against assumptions	8	2	4	14
Other movements:				
• benefits paid	66	29	8	103
• non-qualified deferred compensation arrangements	–	2	–	2
• currency translation differences	(1)	(23)	(7)	(31)
At 31 March 2020	(900)	(569)	(141)	(1 610)

Analysis of movement in plan assets

	UK PLANS £M	US PLANS FUNDED £M	US PLANS UNFUNDED £M	TOTAL £M
At 1 April 2019	1 178	493	–	1 671
Income statement:				
• administration costs	(1)	(1)	–	(2)
• interest gains	28	19	–	47
Other comprehensive income:				
• actual return (lower)/higher than interest on plan assets	(78)	20	–	(58)
• impact of the 'buy-in'	(195)	–	–	(195)
Other movements:				
• employer contributions	15	2	–	17
• benefits paid	(66)	(29)	–	(95)
• currency translation differences	–	22	–	22
At 31 March 2020	881	526	–	1 407

29. RETIREMENT BENEFIT OBLIGATIONS (continued)

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 2020		AT 31 MARCH 2019	
PRINCIPAL ASSUMPTIONS	UK	US	UK	US
Inflation rate	**1.8%/2.8%**	**2.5%**	2.3%/3.3%	2.5%
Expected rate of salary increases	**n/a**	**3.0%**	n/a	3.5%
Expected rate of pension increases:				
• deferred pensions	**1.8%**	**n/a**	2.3%	n/a
• pensions in payment	**2.8%**	**n/a**	3.2%	n/a
Discount rate	**2.3%**	**2.9%**	2.4%	3.8%
Average life expectancy				
• male aged 65 now/in 20 years	**21.1/22.8 years**	**20.6/22.2 years**	21.3/23.0 years	20.5/22.2 years
• female aged 65 now/in 20 years	**23.5/25.2 years**	**22.5/24.1 years**	23.4/25.2 years	22.6/24.2 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 7.0% per annum (2019 – 7.0%), grading down to 6% by 2023, and used a discount rate of 2.8% (2019 – 3.7%).

At 31 March 2020, 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 +/-	INCREASE IN SURPLUS/ (DEFICIT) £M	DECREASE IN SURPLUS/ (DEFICIT) £M
Inflation rate[1]	50 bp	**46**	**(43)**
Life expectancy	1 year	**69**	**(68)**
Discount rate	50 bp	**(94)**	**105**

1 Inflation rate sensitivity covers the inflation assumption, expected rate of salary increases assumption and expected rate of pensions in payment increases assumption.

Analysis of plan assets

	YEAR ENDED 31 MARCH 2020			YEAR ENDED 31 MARCH 2019		
	UK[3] £M	US £M	TOTAL £M	UK £M	US £M	TOTAL £M
Quoted[1]						
Equities	**2**	**–**	**2**	3	–	3
Corporate bonds	**2**	**–**	**2**	156	332	488
Government bonds	**–**	**–**	**–**	781	157	938
Investment funds	**6**	**–**	**6**	289	–	289
Repurchase agreements[2]	**–**	**–**	**–**	(334)	–	(334)
LDI fixed income	**–**	**522**	**522**	–	–	–
Cash	**9**	**–**	**9**	15	–	15
Unquoted						
Investment funds	**1**	**–**	**1**	1	–	1
Derivatives	**–**	**–**	**–**	12	–	12
Insurance policies	**861**	**4**	**865**	255	4	259
	881	**526**	**1 407**	1 178	493	1 671

1 Quoted assets contain certain pooled funds where the underlying assets are quoted.
2 Repurchase agreements are used to manage liquidity and hedge the liabilities. They relate to the repurchase of bonds and as such are presented together within quoted assets.
3 During the year, the Group completed a £930 million bulk annuity insurance policy 'buy-in' for the main UK pension scheme.

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 £4 million (2019 – £3 million) into the US unfunded retirement medical plans and £4 million (2019 – £4 million) into the US unfunded pension plans to meet the cost of providing benefits in the financial year.

29. RETIREMENT BENEFIT OBLIGATIONS (continued)

Maturity profile

At 31 March 2020, 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	**13.9**	**11.4**	**12.8**
Benefit payments expected:			
• within 12 months	**42**	**41**	**83**
• between 1 to 5 years	**167**	**165**	**332**
• between 6 to 10 years	**215**	**197**	**412**

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 (£12 million per annum and £6 million per annum, respectively), ceased with effect from 1 October 2019. Other than meeting ongoing administration costs the Group does not expect to make any further contributions in relation to the main UK scheme until the financial year ending 31 March 2022 when the Group anticipates a one-off contribution to settle a post transaction price adjustment in respect of the bulk annuity insurance policy. Payments to the main UK scheme of £14 million in the year ended 31 March 2020 include a principal funding contribution of £6 million, a supplementary contribution of £6 million and £2 million in fees and expenses met on behalf of the scheme.

During the year ending 31 March 2021 the Group expects to contribute approximately £9 million to its defined benefit pension plans and to pay approximately £5 million in relation to retirement medical benefits.

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 predominately 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 2020 £865 million (2019 – £259 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.

30. 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 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 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 2020 and 2019 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 £14 million (2019 – £18 million).

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 2016 relate to the achievement of the Group adjusted return on capital employed (ROCE) and adjusted profit targets. Up to 50% 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 dependent on the compound annual growth in the Group's adjusted profit before tax with the remaining 25% from compound annual growth of the Food & Beverage Solutions adjusted operating profit. For awards made from 1 April 2019, up to 40% of each award vests dependent on the above mentioned ROCE target. Up to 40% of each award vests based on the compound annual growth of the Group's adjusted earnings per share with the remaining 20% from compound annual growth of the Food & Beverage Solutions volume over the performance period.

The performance period is the period of three financial years beginning with 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.

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 100 to 120.

30. SHARE-BASED PAYMENTS (continued)

Movements in the year

Movements in the awards outstanding during the year were as follows:

	2020		2019	
	AWARDS (NUMBER)	WEIGHTED AVERAGE EXERCISE PRICE (PENCE)	AWARDS (NUMBER)	WEIGHTED AVERAGE EXERCISE PRICE (PENCE)
Outstanding at 1 April	**11 452 236**	**13p**	11 113 907	13p
Granted	**3 768 268**	**15p**	4 745 186	9p
Exercised	**(2 977 197)**	**10p**	(3 442 524)	5p
Lapsed	**(1 949 363)**	**10p**	(964 333)	15p
Outstanding at 31 March	**10 293 944**	**15p**	11 452 236	13p
Exercisable at 31 March	**59 749**	**254p**	208 598	63p

The weighted average market price of the Company's ordinary shares on the dates on which awards were exercised during the year was 726p (2019 – 666p).

Awards granted in the year

During the year, PSP awards were granted over 3,592,831 shares (2019 – 4,094,623 shares), RSAs were granted over 78,984 shares (2019 – 439,096 shares), no deferred shares issued under the Group Bonus Plan were granted in the year (2019 – 133,095 shares) and Sharesave options were granted over 96,453 shares (2019 – 78,372 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 2020		YEAR ENDED 31 MARCH 2019	
	PSP	SHARESAVE	PSP	SHARESAVE
Fair value at grant date	**691p**	**166p**	601p	143p
Exercise price	**–**	**568p**	–	548p
Principal assumptions:				
Share price on grant date	**756p**	**748p**	664p	695p
Expected life of the awards	**3 years**	**3.3/5.3 years**	3 years	3.3/5.3 years
Risk-free interest rate	**n/a**	**0.60%/0.63%**	n/a	0.79%/0.92%
Dividend yield on the Company's shares	**3.89%**	**3.96%**	4.34%	4.16%
Volatility of the Company's shares	**n/a**	**25%**	n/a	25%

There were no deferred shares issued under the Group Bonus Plan during the year (2019 – 133,095 shares with fair value at the grant date of 654p). The RSAs were granted, with employment related conditions and expected life of the award, specific to each individual grant.

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 2020		AT 31 MARCH 2019	
Exercise price	AWARDS (NUMBER)	WEIGHTED AVERAGE CONTRACTUAL LIFE (MONTHS)	AWARDS (NUMBER)	WEIGHTED AVERAGE CONTRACTUAL LIFE (MONTHS)
Nil	**10 011 329**	**46.7**	11 177 411	47.7
400p to 799p	**282 615**	**30.9**	274 825	31.5
Total	**10 293 944**	**46.3**	11 452 236	47.4

31. 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 2018	7	–	–	13	20
Provided in the year	5	11	16	2	34
Released in the year	–	–	–	(2)	(2)
Utilised in the year	(1)	(6)	(1)	(1)	(9)
Exchange	1	–	–	–	1
At 31 March 2019	12	5	15	12	44
Provided in the year	**–**	**8**	**–**	**4**	**12**
Released in the year	**–**	**–**	**–**	**(4)**	**(4)**
Utilised in the year	**(6)**	**(6)**	**(9)**	**(2)**	**(23)**
Exchange	**1**	**–**	**1**	**1**	**3**
At 31 March 2020	**7**	**7**	**7**	**11**	**32**

	AT 31 MARCH 2020 £M	2019 £M
Provisions are expected to be utilised as follows:		
• within one year	**21**	24
• after more than one year but before five years	**11**	20
Total	**32**	44

Insurance provisions include amounts provided by the Group's captive insurance subsidiary in respect of the expected level of insurance claims.

Restructuring provisions relate to a Group programme to deliver US$100 million of productivity benefits. Provision is made for restructuring costs when a detailed formal plan for the restructuring has been determined and the plan has been communicated to those affected by it. Refer to Note 8 for further detail.

£16 million of provisions have been recognised in the year ended 31 March 2019 to remediate environmental health and safety risks associated with idle assets at manufacturing sites in North America. Refer to Note 8 for further detail.

The difference between the carrying value and the discounted present value was not material in either year.

Contingent liabilities

Passaic River

The Group remains subject to a legal case arising from the notification in 2007 by the U.S. Environmental Protection Agency (USEPA) that it, along with approximately 70+ others, is a potentially responsible party (PRP) for a 17 mile section of the northern New Jersey Passaic River, a major 'Superfund' site. In March 2016, the USEPA issued its Record of Decision (ROD) on the likely cost for the remediation of the lower eight-mile section of the river (the most contaminated). Whilst the Group will continue to vigorously defend itself in this matter, in light of the publication of the ROD, the Group has maintained a provision of £6 million in respect of this. The Group continues to be unable to estimate a reasonably possible range of loss in respect of the remaining nine-mile section of the river and therefore has not recognised a provision for this section.

Other claims

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 2020 will have a material adverse effect on the Group's financial position.

32. COMMITMENTS

Total commitments for the purchase of tangible and intangible non-current assets are £51 million (2019 – £35 million). In addition, commitments in respect of retirement benefit obligations are detailed in Note 29.

33. EQUITY ACQUISITIONS AND DISPOSALS

In the 2020 financial year:

There have been no equity acquisitions or disposals in the year ended 31 March 2020.

In the 2019 financial year:

Completion of acquisition of non-controlling interest of Gemacom

On 30 November 2018, the Group completed the acquisition of the remaining non-controlling interest in Gemacom for £9 million in satisfaction of the put and call option arrangement and deferred consideration due. There was no income statement gain or loss as result of this transaction.

Completion of Sweet Green Fields investment

On 7 December 2018, the Group completed the acquisition of a 15% equity holding in Sweet Green Fields for US$15 million (£12 million). Under the terms of the purchase agreement, the Group has a variable-priced call option to acquire the remaining 85% share at certain points after the acquisition of the 15% equity holding. At 31 March 2020 this option was exercisable but had not been exercised (2019 – not exercisable). After considering all the terms of the arrangement with Sweet Green Fields (including the call option) it was determined that the Group neither controls nor has significant influence over Sweet Green Fields. Such consideration included, inter alia, the manner in which decisions are made about relevant activities of Sweet Green Fields. The call option is not 'in the money' and the Group's potential voting rights are therefore not considered to represent substantive rights. Accordingly the 15% equity investment and the option to purchase the remaining shares were recognised together as a financial asset at FVPL as at the years ended 31 March 2020 and 2019. This is not considered a significant accounting judgement. Refer to Note 17.

34. 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. There were no 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.

Subsidiaries and joint ventures

	YEAR ENDED 31 MARCH	
	2020 £M	2019 £M
Sales of goods and services to joint ventures	**164**	164
Purchases of goods and services from joint ventures	**–**	–
Receivables due from joint ventures	**7**	28
Payables due to joint ventures	**–**	–

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.

35. EVENTS AFTER THE BALANCE SHEET DATE

In May 2020 the Group extended the maturity of its US$800 million revolving credit facility by a year to 2025 and priced a US$200 million debt private placement which will be issued on 6 August 2020 at which point US$100 million 2.91% notes maturing in 2030 and US$100 million 3.01% notes maturing in 2032 will be drawn down. There are no other post balance sheet events requiring disclosure in respect of the year ended 31 March 2020.

36. CHANGE IN ACCOUNTING POLICIES

As explained in Note 1, the Group has adopted IFRS 16 Leases and IFRIC 23 Uncertainty over Income Tax Treatments. The impact of the adoption of these standards is set out below. Comparatives have not been restated.

IFRS 16 Leases

The Group has adopted IFRS 16 Leases from 1 April 2019 using the modified retrospective approach. The Group's leases principally comprise railcars, properties and other miscellaneous leases such as motor vehicles or machinery. The Group has not restated comparatives for the 2019 financial year as permitted. The reclassifications and the adjustments arising from the new leasing standard are therefore recognised in the opening balance sheet on 1 April 2019.

Adjustments recognised on adoption of IFRS 16

	31 MARCH 2019 AS ORIGINALLY PRESENTED £M	ADJUSTMENT £M	1 APRIL 2019 £M
Non-current assets			
Property, plant and equipment	982	151	1 133
Liabilities			
Trade and other payables	342	(5)	337
Borrowings	597	167	764
Deferred tax liabilities	46	(3)	43
Equity			
Retained earnings	741	(8)	733

The Group has recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 April 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 4%. For leases previously classified as finance leases, the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application.

	1 APRIL 2019 £M
Operating lease commitments disclosed as at 31 March 2019	308
Less: contract not recognised as an IFRS 16 lease	(112)
Discounted using the Group's incremental borrowing rate at the date of initial application	(29)
Recognised as IFRS 16 leases at 31 March 2019	167
Add: finance lease liabilities as at 31 March 2019	11
Lease liability at 1 April 2019	178
Of which:	
Current lease liabilities	26
Non-current lease liabilities	152

At 31 March 2019 the Group had an IAS 17 operating lease of £112 million in respect of an energy procurement contract and related infrastructure. This contract was not recognised as an IFRS 16 lease as the Group has determined that it does not have the right to direct the use of the related asset.

Where practicable the associated right-of-use assets were measured on a retrospective basis, as if the new rules had always been applied. Where this was not possible, right-of-use assets were measured at the amount equal to the lease liability as at 1 April 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. The recognised right-of-use assets relate to the following types of asset:

	1 APRIL 2019 £M
Railcars	97
Properties	51
Other	3
Right-of-use assets	151

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- Reliance on previous assessments of whether leases are onerous
- Accounting for operating leases, with a remaining lease term of less than 12 months as at 1 April 2019, as short-term leases, and
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

36. CHANGE IN ACCOUNTING POLICIES (continued)

IFRS 16 Leases (continued)

Accounting policy and key judgements

Having adopted IFRS 16 the Group applies the following approach. At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term which includes periods covered by renewal options the Group is reasonably certain to exercise. 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.

The carrying amounts of assets recorded as a result of IFRS 16 (included under Property, plant and equipment) and movements during the year are set out below:

	LAND AND BUILDINGS £M	PLANT AND MACHINERY £M	TOTAL £M
Cost			
At 1 April 2019[1]	51	108	159
Additions to right-of-use assets	3	14	17
Depreciation charge	(7)	(24)	(31)
Currency translation differences	1	4	5
At 31 March 2020	48	102	150

1 This includes £8 million of plant and machinery that was previously recognised as an asset held under finances leases in accordance with IAS 17.

The statement of profit or loss shows the following amounts relating to leases:

	2020 £M
Depreciation expense of right-of-use assets	31
Interest expense on lease liabilities	7
Expense relating to short-term leases	–
Expense relating to leases of low value assets	2
Expense relating to variable lease payments not included in the measurement of lease liability	–
Income from sub-leasing right-of-use assets	(1)
At 31 March 2020	39

The total cash outflow for leases in the year ended 31 March 2020 was £37 million (excluding cash outflow of £2 million relating to leases of low value items).

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. 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.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. 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.

IFRIC 23 Uncertainty over Income Tax Treatments

The interpretation is to be applied to the determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances.

The Group applies significant judgement in identifying uncertainties over income tax treatments and operates in a complex multinational environment. Following a detailed assessment the Group has determined that the adoption of this interpretation has not had a material impact on the Group's financial statements.

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.

37. 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	1 Kingsway, London WC2B 6AT, UK
G.C. Hahn and Company Limited	1 Kingsway, London WC2B 6AT, UK
Hahntech International Limited	1 Kingsway, London WC2B 6AT, UK
Harvey Steel Sugars Limited[2]	1 Kingsway, London WC2B 6AT, UK
Histonpark Limited	1 Kingsway, London WC2B 6AT, UK
Robinson Milling Systems (Tewkesbury) Limited[3]	1 Kingsway, London WC2B 6AT, UK
Tate & Lyle Export Holdings Limited[2]	1 Kingsway, London WC2B 6AT, UK
Tate & Lyle Group Services Limited	1 Kingsway, London WC2B 6AT, UK
Tate & Lyle Holdings Americas Limited	1 Kingsway, London WC2B 6AT, UK
Tate & Lyle Holdings Limited[3]	1 Kingsway, London WC2B 6AT, UK
Tate & Lyle Industrial Holdings Limited[2]	1 Kingsway, London WC2B 6AT, UK
Tate & Lyle Industries Limited	1 Kingsway, London WC2B 6AT, UK
Tate & Lyle International Finance PLC[2]	1 Kingsway, London WC2B 6AT, UK
Tate & Lyle Investments America Limited[3]	1 Kingsway, London WC2B 6AT, UK
Tate & Lyle Investments Brazil Limited	1 Kingsway, London WC2B 6AT, UK
Tate & Lyle Investments Limited[2,3]	1 Kingsway, London WC2B 6AT, UK
Tate & Lyle L.P.	1209 North Orange Street, Wilmington, DE 19801, USA
Tate & Lyle Overseas Limited	1 Kingsway, London WC2B 6AT, UK
Tate & Lyle Pension Trust Limited[2]	1 Kingsway, London WC2B 6AT, UK
Tate & Lyle Share Shop Limited[2]	1 Kingsway, London WC2B 6AT, UK
Tate & Lyle Technology Limited[2]	1 Kingsway, London WC2B 6AT, UK
Tate & Lyle UK Limited[2]	1 Kingsway, London WC2B 6AT, UK
Tate & Lyle Ventures II LP	1 Kingsway, London WC2B 6AT, UK
Tate & Lyle Ventures Limited[2]	1 Kingsway, London WC2B 6AT, UK
Tate & Lyle Ventures LP	1 Kingsway, London WC2B 6AT, 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, Office 12, 9320 Aalst, Belgium
Bermuda	
Tate & Lyle Management & Finance Limited	Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda
Brazil	
Tate & Lyle Brasil S.A.[4]	Santa Rosa do Viterbo, State of São Paulo, Fazenda Amália, São Paulo, 14270-000, 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
Canada	
Tate & Lyle Ingredients Canada Limited	Suite 400, Phoenix Square, 371 Queen Street, Fredericton NB E3B 4Y9, Canada

COMPANY NAME	REGISTERED ADDRESS
Chile	
Tate & Lyle Chile Commercial Ltda	Isidora Goyenechea 2800, Piso 43, Las Condes, Santiago, Chile
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
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-San Jose Merced, Edificio Torre Mercedes, Piso Octavo, Oficinas De CDO Auditores, Costa Rica
Croatia	
G.C. Hahn & Co. d.o.o. Za distribuciju stabilizacionih sistema	Donji Banovec 15, Koprivnica, 48000, Croatia
Czech Republic	
G.C. Hahn & Co. stabilizacni technika, s.r.o.	Ostravská 169, 339 01 Klatovy IV, Czech Republic
Egypt	
Tate & Lyle Egypt LLC	87 Street 9, Maadi , Cairo, Egypt
France	
G.C. Hahn & Cie. SARL	2 Avenue de L'Horizon, 59650 Villeneuve-D'Ascq, France
Tate & Lyle Ingredients France S.A.S.	2 Avenue de L'Horizon, 59650 Villeneuve-D'Ascq, France
Germany	
G.C. Hahn & Co. Stabilisierungstechnik GmbH	Roggenhorster Strasse 31, 23556, Lübeck, Germany
G.C. Hahn & Co. Cooperationsgesellschaft GmbH	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. (95%)	69 K. N Papadaki, Thessaloniki, 54248 Thessaloniki, Greece
India	
Tate & Lyle Investments (India) Private Ltd	Block – E, 2nd Floor, The MIRA, Plot – 1&2, Ishwar Nagar, Mathura Road, New Delhi – 110065, India
Italy	
Tate & Lyle Italia S.P.A.	Via Verdi, 1-CAP 20010 Ossona, Milano, Italy
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.	E. Simkunaites Str. 10, Vilnius, LT04130, Lithuania

37. RELATED UNDERTAKINGS (continued)

COMPANY NAME	REGISTERED ADDRESS
Mexico	
Tate & Lyle México, S. de R.L. de C.V.[4]	Piso 2, Av. Universidad 749, Col del Valle Sur, Ciudad de Mexico , 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 Mexico , 03100, México
Morocco	
T&L Casablanca S.A.R.L.	22, Rue du Parc, Casa Théâtre Centre, Anfa, Casablanca, Morocco
Netherlands	
Nederlandse Glucose Industrie B.V.	1541 KA, Koog aan de Zaan, Lagendijk 5, The Netherlands
Tate & Lyle Netherlands B.V.	1541 KA, Koog aan de Zaan, Lagendijk 5, The Netherlands
Poland	
G.C. Hahn & Co. Technika stabilizowania Sp.z o.o.	Sterlinga 8A, 91425, Łódź, Poland
Tate & Lyle Global Shared Services Sp.z o.o.	Sterlinga 8A, 91425, Łódź, Poland
Russia	
Tate & Lyle CIS LLC[4]	Leninskaya Sloboda,26, Floor -3, Area IV, Room 179, 115280, Moscow, Russian Federation
Singapore	
Tate & Lyle Asia Pacific Pte. Ltd.	3 Biopolis Drive, #05-11-16 Synapse, Singapore 138623
Tate & Lyle Singapore Pte Ltd	One Marina Boulevard #28-00, 1 Marina Boulevard, Singapore 018989
Slovakia	
Tate & Lyle Boleraz s.r.o.	Boleraz 114, 91908 Boleraz, Slovakia
Tate & Lyle Slovakia, s.r.o.	Boleraz 114, 91908 Boleraz, 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	Av. Valencia, 15, 46171, Casinos Valencia, Spain
Ebromyl S.L.	Ps. de la Constitución 10, Entlo. Dcha. , 50008, Zaragoza, Zaragoza, Spain
Sweden	
Tate & Lyle Sweden AB	Mäster Samuelsgatan 17, Box 1432, 111 84, Stockholm, Sweden
Turkey	
Tate and Lyle Turkey Gıda Hizmetleri Anonim Şirketi	Esentepe Mah., Büyükdere Cad., 193 Plaza Kat: 2 193/235A14 Şişli, İstanbul, Turkey
Ukraine	
PII G.C. Hahn & Co. Kiev[4]	Mala Olexandriwka, Zentralna-Str. 2-B, Borispol, 08320 Kiew, Ukraine
United Arab Emirates	
Tate & Lyle DMCC	Office n. 3805, Jumeirah Bay X3 Tower, Cluster X, Jumeirah Lakes Towers, Dubai, United Arab Emirates

COMPANY NAME	REGISTERED ADDRESS
USA	
Staley Holdings LLC	1209 North Orange Street, Wilmington, DE 19801, USA
Tate & Lyle Custom Ingredients LLC	1209 North Orange Street, Wilmington, DE 19801, USA
Tate & Lyle Finance LLC	1209 North Orange Street, Wilmington, DE 19801, USA
TLHUS, Inc.	1209 North Orange Street, Wilmington, DE 19801, USA
Tate & Lyle Ingredients Americas LLC	1209 North Orange Street, Wilmington, DE 19801, USA
Tate & Lyle Sucralose LLC	1209 North Orange Street, Wilmington, DE 19801, USA
TLI Holding LLC	1209 North Orange Street, Wilmington, DE 19801, USA
Tate & Lyle Domestic International Sales Corporation	1209 North Orange Street, Wilmington, DE 19801, USA
Tate & Lyle Grain, Inc.	1209 North Orange Street, Wilmington, DE 19801, USA
Tate & Lyle Malic Acid LLC	1209 North Orange Street, Wilmington, DE 19801, USA
Tate & Lyle Sugar Holdings, Inc.	1209 North Orange Street, Wilmington, DE 19801, USA
Tate & Lyle Americas LLC	1209 North Orange Street, Wilmington, DE 19801, USA
Tate & Lyle Citric Acid LLC	1209 North Orange Street, Wilmington, DE 19801, USA
Staley International Inc.	1209 North Orange Street, Wilmington, DE 19801, USA
G. C. Hahn USA LLC	1209 North Orange Street, Wilmington, DE 19801, USA

Joint Ventures

COMPANY NAME	REGISTERED ADDRESS
Mexico	
Almidones Mexicanos S.A. de C.V.[4] (50%)	Calle 26 No. 2756, Zona Industrial, Guadalajara, Jal., 44940, Mexico
Promotora de Productos y Mercados Mexicanos, S.A. de C.V.[4] (50%)	Calle 26 No. 2756, Zona Industrial, Guadalajara, Jal., 44940, Mexico
Estacion de Transferencia Coatzacoalcos, S.A. de C.V.[4] (50%)	Calle 26 No. 2756, Zona Industrial, Guadalajara, Jal., 44940, Mexico
USA	
DuPont Tate & Lyle Bio Products Company, LLC (50%)	1209 North Orange Street, Wilmington, DE 19801, USA

1 Registered in England and Wales, except Tate & Lyle L.P. which is registered in Delaware, USA.
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) due to local statutory requirements.

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 to 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 income statement.

Parent Company balance sheet

	NOTES	AT 31 MARCH 2020 £M	 2019 £M
ASSETS			
Fixed assets			
Tangible fixed assets	2	**9**	1
Intangible assets	2	**4**	4
Investments in subsidiary undertakings	2	**1 079**	1 070
Total		**1 092**	1 075
Current assets			
Debtors	3	**1 592**	1 541
Cash at bank		**–**	–
		1 592	1 541
Creditors – amounts falling due within one year	4	**(1 320)**	(1 318)
Borrowings	5	**(1)**	–
Net current assets		**271**	223
Total assets less current liabilities		**1 363**	1 298
Creditors – amounts falling due after more than one year	4	**(2)**	(2)
Borrowings	5	**(9)**	–
Net assets		**1 352**	1 296
Capital and reserves			
Called up share capital	7	**117**	117
Share premium account		**406**	406
Capital redemption reserve		**8**	8
Retained earnings		**821**	765
Total shareholders' funds		**1 352**	1 296

The Company recognised profit for the year of £199 million (2019 – £108 million).

The Parent Company's financial statements on pages 188 to 193 were approved by the Board of Directors on 20 May 2020 and signed on its behalf by:

Nick Hampton
Director

Imran Nawaz
Director

The notes on pages 190 to 193 form part of these financial statements.

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 2018	117	406	8	781	1 312
Profit for the year	–	–	–	108	108
Purchase of own shares including net settlement	–	–	–	(8)	(8)
Share-based payments	–	–	–	18	18
Dividends paid	–	–	–	(134)	(134)
At 31 March 2019	117	406	8	765	1 296
IFRS 16 Lease adoption	–	–	–	–	–
At 1 April 2019 restated	117	406	8	765	1 296
Profit for the year	**–**	**–**	**–**	**199**	**199**
Purchase of own shares including net settlement	**–**	**–**	**–**	**(22)**	**(22)**
Share-based payments	**–**	**–**	**–**	**16**	**16**
Dividends paid	**–**	**–**	**–**	**(137)**	**(137)**
At 31 March 2020	**117**	**406**	**8**	**821**	**1 352**

At 31 March 2020, the Company had realised profits available for distribution in excess of £640 million (2019 – in excess of £625 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 2020, with comparative figures as at 31 March 2019.

For the reasons set out on page 139, 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 9.

The results of the Company are included in the preceding Group financial statements.

The following disclosure exemptions from the requirements of IFRS 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

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.

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 30 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.

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 8.

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.

2. FIXED ASSETS

	LAND AND BUILDINGS	PLANT AND MACHINERY £M	INTANGIBLE ASSETS £M	INVESTMENTS IN SUBSIDIARIES £M
Cost				
At 1 April 2019	–	5	7	1 628
Recognition of right-of-use asset on initial application of IFRS 16	9	–	–	–
Adjusted balance at 1 April 2019	9	5	7	1 628
Additions	–	–	1	9
Disposals	–	–	–	(408)
At 31 March 2020	**9**	**5**	**8**	**1 229**
Accumulated depreciation/amortisation/impairment				
At 1 April 2019	–	4	3	558
Depreciation/amortisation/impairment charge	1	–	1	–
Disposals	–	–	–	(408)
At 31 March 2020	**1**	**4**	**4**	**150**
Net book value at 31 March 2019	–	1	4	1 070
Net book value at 31 March 2020	**8**	**1**	**4**	**1 079**

3. DEBTORS

	AT 31 MARCH	
	2020 £M	2019 £M
Due within one year		
Current tax	**48**	26
Amounts owed by subsidiary undertakings	**1 541**	1 512
Other debtors	**3**	3
Total	**1 592**	1 541

The effective interest rate applicable to amounts owed by subsidiary undertakings at 31 March 2020 is 2.6% (2019 – 2.7%). Amounts owed by subsidiary undertakings are receivable on demand. There is no security for non-trading amounts.

4. CREDITORS

	AT 31 MARCH	
	2020 £M	2019 £M
Due within one year		
Amounts owed to subsidiary undertakings	**1 297**	1 297
Other creditors	**5**	5
Accruals and deferred income	**18**	16
Total	**1 320**	1 318

The effective interest rate applicable to amounts owed to subsidiary undertakings at 31 March 2020 was 3.1% (2019 – 3.3%). Amounts owed to subsidiary undertakings are repayable on demand. There is no security for non-trading amounts.

In addition there are £2 million of cumulative preference shares due after one year. On a return of capital on a winding-up, the holders of 6.5% cumulative preference shares shall be entitled to £1 per share, in preference to all other classes of shareholders. Holders of these shares are entitled to vote at meetings, except on the following matters: any question as to the disposal of the surplus profits after the dividend on these shares has been provided for; the election of directors; their remuneration; any agreement between the directors and the Company; or the alteration of the Articles of Association dealing with any such matters.

5. BORROWINGS

Borrowings of £10 million (2019 – £nil) of which £1 million is current relate to lease liabilities which had previously been classified as 'operating leases' under the principles of IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using lesee's incremental borrowing rate as at 1 April 2019.

Notes to the Parent Company financial statements (continued)

6. GUARANTEES AND FINANCIAL COMMITMENTS

At 31 March 2020, the Company had given guarantees in respect of committed financing of certain of its subsidiaries and joint ventures totalling £1,282 million (2019 – £1,302 million), against which amounts drawn totalled £574 million (2019 – £612 million). The Company had given guarantees in respect of lease commitments of certain of its subsidiaries and joint ventures totalling £242 million (2019 – £260 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. In addition, commitments in respect of retirement benefit obligations are detailed in Note 10.

At 31 March 2020 and 31 March 2019, the Company had no outstanding capital commitments.

7. SHARE CAPITAL AND SHARE PREMIUM

Allotted, called up and fully paid equity share capital

	2020		2019	
	NUMBER OF SHARES	COST £M	NUMBER OF SHARES	COST £M
At 1 April	**468 345 950**	**117**	468 308 934	117
Allotted under share option schemes	**55 721**	**–**	37 016	–
At 31 March	**468 401 671**	**117**	468 345 950	117

See Note 21 in the consolidated financial statements for details of treasury shares and shares held in the Employee Benefit Trust.

8. DIVIDENDS ON ORDINARY SHARES

Dividends on ordinary shares in respect of the financial year:

	YEAR ENDED 31 MARCH	
	2020 PENCE	2019 PENCE
Per ordinary share:		
• interim dividend paid	**8.8**	8.6
• final dividend proposed	**20.8**	20.8
Total dividend	**29.6**	29.4

The Directors propose a final dividend for the financial year of 20.8p per ordinary share that, subject to approval by shareholders, will be paid on 31 July 2020 to shareholders who are on the Register of Members on 19 June 2020.

Dividends on ordinary shares paid in the year:

	YEAR ENDED 31 MARCH	
	2020 £M	2019 £M
Final dividend paid relating to the prior year	**97**	94
Interim dividend paid relating to the year	**40**	40
Total dividend paid	**137**	134

Based on the number of ordinary shares outstanding at 31 March 2020 and the proposed amount, the final dividend for the financial year is expected to amount to £96 million.

9. PROFIT AND LOSS ACCOUNT DISCLOSURES

The Company recognised a profit for the year of £199 million (2019 – £108 million).

Fees payable to the Company's external auditors, Ernst & Young LLP, for the audit of the Company's financial statements amounted to £0.1 million (2019 – £0.1 million).

The Company employed an average of 161 people (including Directors) during the year (2019 – 169). Staff costs are shown below:

	YEAR ENDED 31 MARCH	
	2020 £M	2019 £M
Wages and salaries	**27**	27
Social security costs	**5**	5
Other pension costs	**3**	2
Share-based incentives	**5**	6
Total	**40**	40

Directors' emoluments disclosures are provided in the Directors' Remuneration Report on pages 100 to 120 and in Note 9 of the consolidated financial statements.

No deferred tax assets have been recognised in respect of tax losses of £341 million (2019 – £341 million) as there is uncertainty as to whether taxable profits against which these assets may be recovered will be available.

10. RETIREMENT BENEFIT OBLIGATIONS

Plan information

The Company participates in a defined benefit plan together with another subsidiary company, Tate & Lyle Industries Ltd. Refer to Note 29 of the consolidated financial statements for details of the £930 million bulk annuity insurance policy 'buy-in' completed for the main UK scheme. The plan is closed to new entrants and future accruals. The Company has 310 pensioners and deferred pensioners out of a total membership of circa 5,000 (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 (2019 – £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 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, the previously agreed core funding contributions of £18 million per year has ceased and any funding triggers linked to the Company's financial strength, payable into the secured funding account, are now limited to the residual costs of the scheme. The Company will continue to fund the UK plan administration costs.

For further details on the defined benefit plan see Note 29 in the consolidated financial statements.

11. CHANGE IN ACCOUNTING POLICIES

IFRS 16 Leases

The Company has adopted IFRS 16 Leases from 1 April 2019 using the modified retrospective approach. The Company has not restated comparatives for the 2019 financial year as permitted. The reclassifications and the adjustments arising from the new leasing standard are therefore recognised in the opening balance sheet on 1 April 2019.

The Company has recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 2.1%. The associated right-of-use assets were measured on a retrospective basis, as if the new rules had always been applied and are included in property, plant and equipment.

As at the date of initial application of IFRS 16 the Company recognised right-of-use asset of £9 million and lease liability of £11 million, and the reversal of accrual under IAS 17 of £2 million resulting in no impact to opening reserves.

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- Reliance on previous assessments of whether leases are onerous
- Accounting for operating leases, with a remaining lease term of less than 12 months as at 1 April 2019, as short-term leases, and
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

The total cash outflow for leases in the year ended 31 March 2020 was £2 million.

12. EVENTS AFTER THE BALANCE SHEET DATE

There are no post balance sheet events requiring disclosure in respect of the year ended 31 March 2020.


Judy
TATE & LY

I have always been energized by using science to create ingredients that show up every day in products in stores, and that make people's lives better. It makes it especially easy to tell my kids what we do at Tate & Lyle!

Dr Judy Whaley
Senior Vice President, R&D
Hoffman Estates, Illinois, USA

CONTENTS

USEFUL INFORMATION

IN THIS SECTION

Group five-year summary

	2016 £M	2017 £M	2018* £M	2019 £M	2020 £M
					YEAR ENDED 31 MARCH
Results summary					
Continuing operations					
Revenue	2 355	2 753	2 710	2 755	**2 882**
Adjusted operating profit	188	264	300	305	**331**
Amortisation of acquired intangible assets	(11)	(12)	(12)	(11)	**(11)**
Exceptional items	(50)	(19)	2	(58)	**(24)**
Operating profit	127	233	290	236	**296**
Adjusted net finance expense*	(23)	(25)	(27)	(26)	**(28)**
Net retirement benefit interest expense	(6)	(7)	(5)	–	**–**
Net finance expense	(29)	(32)	(32)	(26)	**(28)**
Share of profit after tax of joint ventures and associates	28	32	28	30	**28**
Profit before tax	126	233	286	240	**296**
Income tax expense	(5)	22	(23)	(59)	**(51)**
Profit for the year from continuing operations	121	255	263	181	**245**
Profit for the year from discontinued operations	42	1	2	–	**–**
Non-controlling interests	–	–	–	–	**–**
Profit for the year attributable to owners of the Company	163	256	265	181	**245**
Adjusted profit before tax	193	271	296	309	**331**

* Restated as the Group now includes net retirement benefit interest and associated tax in its alternative performance measures. For the 2018 year presented above net retirement benefit interest is separated however adjusted net finance expense as restated was £32 million. Years prior to 2018 have not been restated.

	2016 £M	2017 £M	2018 £M	2019 £M	2020 £M
					AT 31 MARCH
Employment of capital					
Goodwill and intangible assets	390	401	360	342	**340**
Property, plant and equipment	926	1 061	965	982	**1 190**
Other assets	23	30	37	59	**63**
Working capital (including provisions and non-debt derivatives)	323	394	385	401	**409**
Net pension (deficit)/surplus	(208)	(139)	18	24	**(203)**
Net assets held for sale (excluding cash included in net debt)	5	–	–	–	**–**
Net operating assets	1 459	1 747	1 765	1 808	**1 799**
Investment in joint ventures and associates	85	96	85	102	**91**
Net debt	(434)	(452)	(392)	(337)	**(451)**
Net tax liability	(81)	(59)	(91)	(84)	**(40)**
Total net assets	1 029	1 332	1 367	1 489	**1 399**
Capital employed					
Called up share capital	117	117	117	117	**117**
Reserves	911	1 215	1 250	1 372	**1 282**
	1 028	1 332	1 367	1 489	**1 399**
Non-controlling interests	1	–	–	–	**–**
Total equity	1 029	1 332	1 367	1 489	**1 399**

Per share information	2016	2017	2018*	2019	2020
Earnings per share continuing operations:					
• basic (pence)	26.1p	55.0p	57.0p	39.2p	**52.8**
• diluted (pence)	25.9p	54.2p	56.1p	38.6p	**52.1**
Basic earnings per share total operations:					
• reported (pence)	35.1p	55.2p	57.4p	39.2p	**52.8**
• adjusted basic (pence)	34.9p	47.9p	50.3p	52.8p	**58.6**
Diluted earnings per share total operations:					
• reported (pence)	34.8p	54.4p	56.5p	38.6p	**52.1**
• adjusted diluted (pence)	34.7p	47.1p	49.4p	52.0p	**57.8**
Dividends per ordinary share (pence)	28.0p	28.0p	28.7p	29.4p	**29.6**
Closing share price at 31 March (pence)	578.0p	764.5p	544.6p	725.8p	**656.0p**
Closing market capitalisation at 31 March (£million)	2 706	3 580	2 550	3 399	**3 073**

Business ratios	2016	2017	2018*	2019	2020
Interest cover (times)[1]	10.7x	13.9x	9.4x	11.6x	**–**
Operating profit before exceptional items divided by net finance expense					
Net debt to EBITDA (times)[1]	1.2x	0.9x	0.9x	0.8x	**0.9x**
Net debt divided by pre-exceptional EBITDA					
Gearing[3]	42%	34%	29%	23%	**32%**
Net debt as a percentage of total net assets[2]					
Adjusted operating margin	7.9%	9.6%	11.1%	11.1%	**11.5%**
Adjusted operating profit as a percentage of revenue[2]					
Return on capital employed	11.3%	14.3%	16.2%	17.1%	**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]	1.3x	2.0x	2.0x	1.4x	**1.8x**
Adjusted basic earnings per share divided by dividends per share[2]	1.2x	1.7x	1.8x	1.8x	**2.0x**

1 Following the refinancing of the revolving credit facility in the year (refer to Note 24) 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. Years prior to the 2018 financial year have not been restated here and are calculated based on the applicable covenant definition. 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.

* Restated as the Group now includes net retirement benefit interest and associated tax in its alternative performance measures. Years prior to 2018 have not been restated.

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 pounds sterling were as follows:

	YEAR ENDED 31 MARCH	
	2020 £1 =	2019 £1 =
Average rates		
US dollar	**1.27**	1.31
Euro	**1.14**	1.13
Year-end closing rates		
US dollar	**1.25**	1.30
Euro	**1.13**	1.16

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 2020 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	**2020 £M**	FX £M	2020 AT CONSTANT CURRENCY £M	UNDERLYING GROWTH £M	2019 £M	CHANGE %	CHANGE IN CONSTANT CURRENCY %
Revenue	**2 882**	(65)	2 817	62	2 755	5%	2%
Food & Beverage Solutions	**162**	(5)	157	14	143	13%	10%
Sucralose	**63**	(2)	61	–	61	4%	1%
Primary Products	**158**	(5)	153	5	148	7%	3%
Central	**(52)**	1	(51)	(4)	(47)	(10%)	(9%)
Adjusted operating profit	**331**	(11)	320	15	305	9%	5%
Net finance expense	**(28)**	1	(27)	(1)	(26)	(7%)	(4%)
Share of profit after tax of joint ventures	**28**	(1)	27	(3)	30	(8%)	(9%)
Adjusted profit before tax	**331**	(11)	320	11	309	7%	4%
Adjusted income tax expense	**(59)**	1	(58)	7	(65)	9%	11%
Adjusted profit after tax	**272**	(10)	262	18	244	11%	8%
Adjusted diluted EPS (pence)	**57.8p**	(1.7)p	56.1p	4.1p	52.0p	11%	8%

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]
+44 (0)121 415 0235
(for calls from outside the UK)

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
E-mail: 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 20-minute delay.

FINANCIAL CALENDAR

2020 Annual General Meeting	23 July 2020
Announcement of half-year results for the six months to 30 September 2020	5 Nov 2020[1]
Announcement of full-year results for the year ending 31 March 2021	27 May 2021[1]
2021 Annual General Meeting	29 July 2021[1]

DIVIDENDS PAID ON ORDINARY SHARES DURING THE YEAR ENDED 31 MARCH 2020

PAYMENT	DIVIDEND DESCRIPTION	DIVIDEND PER SHARE
31 July 2019	Final 2019	20.8p
3 January 2020	Interim 2020	8.8p

	2020 FINAL	2021 INTERIM	2021 FINAL
Announced	21 May 2020	5 November 2020[1]	27 May 2021[1]
Payment date	31 July 2020[2]	6 January 2021[1]	6 August 2021[1,2]

1 Provisional date.
2 Subject to approval of shareholders.

DIVIDENDS PAID ON 6.5% CUMULATIVE PREFERENCE SHARES

Paid each 31 March and 30 September.

CAPITAL GAINS TAX

The market values on 31 March 1982 for the purposes of indexation up to April 1998 in relation to capital gains tax of Tate & Lyle PLC shares then in issue were:

Ordinary share of £1 each	201.00p
Equivalent value per ordinary share of 25p	50.25p
6.5% cumulative preference share	43.50p

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

Acidulants
Ingredients such as citric acid that are used to add a 'sour' taste to food and soft drinks and to act as a preservative.

Adjusted free cash flow
Adjusted 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.

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.

B

Bio-PDO™
Multi-purpose monomer propanediol made from corn (as opposed to being made from a petrochemical source). Used in cosmetics, detergents, carpets and textiles.

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.

Commodities
Commodities include US ethanol and co-products.

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 2020 performance at actual exchange rates and at constant currency exchange rates have been included in the additional information on page 198.

Continuing operations
Operations of the Group excluding any discontinued operations (as defined separately).

Co-products
Corn gluten feed, corn gluten meal and corn oil.

Corn gluten feed
The largest co-product, used in animal feed for dairy and beef cattle.

D

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.

DOLCIA PRIMA® Allulose
Low-calorie sugar that offers a superior, new taste experience.

G

Greenhouse gas (GHG)
Any of the following: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6).

H

High fructose corn syrup
High fructose corn syrup is widely used as a substitute for sugar in North America. Also called isoglucose in Europe.

K

KRYSTAR® Crystalline Fructose
A nutritive corn based sweetener.

N

Natural
A 'natural' description usually refers to a food ingredient that is present in nature and has been minimally processed. However, interpretations vary according to the different legal and regulatory landscape in different countries.

New Products
New Products are products in the first seven years after launch.

O

Operating profit (also referred to as profit before interest and tax (PBIT))
Sales less net operating expense.

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.

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.

Sucralose
A reportable segment and part of the Food & Beverage Solutions division.

T

TASTEVA® M Stevia Sweetener
A zero-calorie sweetener made from stevia.

TEXTURLUX® Personal Care Additives
A range of bio-based polymers for use in skin creams, lotions, gels, serums, hair products and other personal care formulations.

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

TRADEMARKS

SPLENDA® and the SPLENDA® logo are trademarks of Heartland Consumer Products LLC.

DEFINITIONS

In this Annual Report:

- 'Company' means Tate & Lyle PLC
- 'Tate & Lyle', 'Group', 'we', 'us' or 'our' means Tate & Lyle PLC and its subsidiaries
- 'Gemacom' means Tate & Lyle Gemacom Tech Indústria e Comércio S.A.
- 'Almex' means Almidones Mexicanos SA
- 'Bio-PDO' means DuPont Tate & Lyle Bio Products Company, LLC
- 'during the year' means during the financial year ended 31 March 2020.

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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