TATE & LYLE

HEALTHIER, TASTIER **FOOD.**

ANNUAL REPORT 2021

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

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DOWNLOAD THE FULL ANNUAL REPORT 2021

Download at **www.tateandlyle.com**

EVERY DAY, ACROSS THE WORLD, MILLIONS OF PEOPLE ENJOY PRODUCTS CONTAINING OUR INGREDIENTS.

Our purpose of *Improving Lives for Generations* inspires us to work with our customers to deliver sweetness, mouthfeel, fortification and stabilisation to food and drink, making people's favourite products even better.

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Our **purpose** is why we do what we do…

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it helps shape our **strategy** and our priorities…

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and creates better outcomes for all our **stakeholders.**

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LIVING OUR PURPOSE

OUR PURPOSE OF **IMPROVING LIVES FOR GENERATIONS** IS WHY WE DO WHAT WE DO. IT GUIDES EVERY ACTION WE TAKE AND EVERY DECISION WE MAKE.

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

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

TATE & LYLE

DECEMBER 2020

IMPROVING LIVES FOR GENERATIONS

Introducing our purpose

OUR PURPOSE

In December 2020, we published our purpose booklet explaining our purpose and what it means to us.

Download at **www.tateandlyle.com/purpose**

SUSTAINABLE DEVELOPMENT GOALS

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

We focus on five of the UN SDGs which most closely align to our purpose and where we can have most impact.

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

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

OUR THREE PURPOSE PILLARS

SUPPORTING HEALTHY LIVING

Supporting healthy living is at the heart of what we do and where our purpose has the biggest impact on the world. Our goal of helping our customers make healthy food tastier and tasty food healthier drives the development of new ingredients and solutions which in turn helps us grow our business.

2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

IMPROVING NUTRITION

ENCOURAGING BALANCED LIFESTYLES

PROMOTING PERSONAL WELLBEING

BUILDING THRIVING COMMUNITIES

We think about community in its broadest sense. Our employees are part of the Tate & Lyle community and we are also part of the communities of other stakeholders we work with such as our customers, suppliers and partner organisations. We're also part of the local communities where we live and work.

2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY

PREVENTING HUNGER

SUPPORTING EDUCATION

PROGRESSING EQUITY, DIVERSITY AND INCLUSION

CARING FOR OUR PLANET

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

2 ZERO HUNGER
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

CLEANER AIR

USING WASTE BENEFICIALLY

USING LESS WATER

SUPPORTING SUSTAINABLE AGRICULTURE

SUPPORTING HEALTHY LIVING

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

MAKING TASTY FOOD HEALTHIER

We removed 1.8 million tonnes of sugar – equivalent to 7.1 trillion calories – from people's diets this year, thanks to our low-calorie and no-calorie sweeteners such as sucralose, DOLCIA PRIMA® Allulose, and TASTEVA® M Stevia Sweetener, and our fibres such as PROMITOR® Soluble Fibre and STA-LITE® Polydextrose.

1.8m

tonnes of sugar removed from people's diets

> Our sugar reduction initiatives help address public health challenges like diabetes and obesity.
>
> **Dr Kavita Karnik**
> Global Head, Nutrition and Regulatory Affairs

SHARING NUTRITION KNOWLEDGE

In Brazil, we partnered with our customer Nestlé, and local nutrition education platform Nutrição em Pauta, to deliver free online seminars for customers and health professionals on the many benefits of dietary fibre. The course, developed and delivered by leading academics in nutrition, received great participation and feedback.

6,000

people joined our online seminars in Brazil on the many benefits of dietary fibre

BUILDING THRIVING COMMUNITIES

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

CARING FOR OUR COMMUNITIES

In January, in honour of Dr. Martin Luther King Jr.'s birthday, colleagues from our Black Employee Network phoned elderly people living alone or homebound across Chicago through our partnership with the charity My Block, My Hood, My City. As well as having a chat, our support included food parcels and PPE for those in need of extra help.

1,600

meals provided to elderly people living alone or homebound across Chicago

> We want everyone in our communities to have the opportunity to achieve their potential.
>
> **Jennifer Walker**
> Director, Global Community Relations

FEEDING OUR NEIGHBOURS

We provided 1.7 million nutritious meals to people in need in our local communities this year – 700,000 as part of our annual donation programme, and 1 million additional meals to provide relief during the pandemic. We work closely with 25 food bank partners worldwide, not just through donations but by packing food parcels, hosting food drives, and delivering meals through mobile pantries.

1.7m

nutritious meals provided to people in our local communities

TRANSFORMING YOUNG LIVES

We were excited to join other organisations in the UK including the National Health Service to help launch FastFutures, a learning and skills programme to increase the employability of young people from disadvantaged backgrounds. Through FastFutures, 2,000 people aged 18-22 received mentorship and job-seeking coaching, and interacted with leaders from participating organisations, including our Chief Executive.

2,000

people aged 18-22 received mentorship and coaching through FastFutures in the UK

CARING FOR OUR PLANET

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

INVESTING TO ELIMINATE COAL

Since 2008, we've reduced greenhouse gas emissions from our operations by 25%. We're now in the middle of a multi-year investment programme of over US$150 million to reduce emissions further, targeting an absolute reduction of 30% (from 2019) by 2030. Key to this is eliminating coal from our operations by 2025. We're currently replacing coal boilers in our US plants in Decatur, Illinois and Lafayette, Indiana.

25%

reduction in greenhouse gas emissions from our operations since 2008

> Working together with Tate & Lyle, we are finding environmentally responsible solutions for waste.
>
> **Brian Furrer**
> President, Bio Town Ag, Indiana, USA

USING WASTE BENEFICIALLY

Our target is to beneficially use all the waste we generate by 2030. But some sites have already got there. In repurposing its waste products, our citric acid plant in Santa Rosa, Brazil not only avoids sending waste to landfill but also supports local farmers and improves the land. The site's processes produce highly nutritious organic waste. We supply local farmers with this valuable material, helping them to reduce their environmental impact.

100%

of the waste generated at our Santa Rosa plant in Brazil is beneficially used

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 and solutions.

TWO GLOBAL BUSINESS DIVISIONS

FOOD & BEVERAGE SOLUTIONS

We use smart science and technology to develop innovative ingredients and solutions that deliver sweetness, mouthfeel, fortification and functionality to a wide range of foods and beverages. Our extensive portfolio includes:

- Sweeteners
- Texturants
- Health and wellness ingredients
- Stabilisers

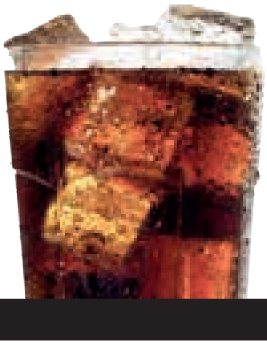
Read more on pages **32 to 35**

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 **36 to 39**



SUPPORTED BY TWO GLOBAL TEAMS

INNOVATION AND COMMERCIAL DEVELOPMENT

We develop new products through a growing innovation pipeline. We connect leading-edge science and research 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 **40 and 41**

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 **42 and 43**

ROBUST FINANCIAL PERFORMANCE

Year ended 31 March 2021

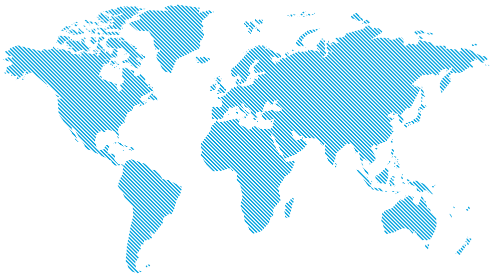
GLOBAL REACH

30
We have plants, labs, offices and sales teams in over 30 countries

4,400
We employ around 4,400 employees worldwide

140
We serve customers in more than 140 countries

1.5m
We process around 1.5 million 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 personal care products.

GROUP STATUTORY RESULTS

Revenue

£2,807m

2021	£2,807m
2020	£2,882m
2019	£2,755m

Profit before tax

£283m

2021	£283m
2020	£296m
2019	£240m

Diluted earnings per share

53.8p

2021	53.8p
2020	52.1p
2019	38.6p

Net debt[1]

£417m

2021	£417m
2020	£451m
2019	£337m

ALTERNATIVE PERFORMANCE MEASURES

Adjusted diluted earnings per share[2]

61.2p

2021	61.2p
2020	57.8p
2019	52.0p

Return on capital employed[2]

17.2%

2021	17.2%
2020	17.5%
2019	17.1%

Adjusted profit before tax[2]

£335m

2021	£335m
2020	£331m
2019	£309m

Adjusted free cash flow[2]

£250m

2021	£250m
2020	£247m
2019	£212m

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[1] Net debt is not itself defined by IFRS. It comprises line items that are IFRS-defined terms. See Note 27.

[2] 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.

STRONG RESULTS FROM EXCEPTIONAL EFFORT

Gerry reports on an exceptional year and how, through the tremendous efforts of our people across the world, Tate & Lyle has kept focused on the longer term, while dealing with the challenges of the year.

I was writing my statement last year just as Covid-19 was taking hold across the world. At the time, I expressed my confidence in Tate & Lyle's ability to prosper whatever the circumstances, because of the commitment, quality and decency of our people. That confidence was fully vindicated as colleagues in our plants, labs and offices came together in the most difficult circumstances and in the most inspiring ways. My Board colleagues and I are truly grateful, because we know that the outstanding performance achieved this year has required exceptional efforts by all our people to deliver strong financial, operating and strategic progress but also in looking after each other, our communities and our customers.

I would also like to thank our leadership team who have been exemplary in providing clear direction while supporting and encouraging everyone, from the smallest to the largest of our sites. Keeping people informed, connected, and focused on what's most important, has been both difficult and essential. In my view, Nick's frequent virtual town halls, smaller café meetings, personal emails and videos set the standard for caring and thoughtful communication during an unprecedented crisis. And I must thank my Board colleagues for their contribution too. We have been more engaged with management than ever this year, and we got much closer to the wider team through our own virtual interactions. We hosted regional virtual cafés open to all employees and some special sessions on key topics. For example, Dr Ajai Puri and Kim Nelson held an inspiring session on equity, diversity and inclusion, which was very well received. These conversations have become much more urgent for us all as the pandemic has amplified the inequity in society, and the Board and leadership team have united in progressing equity, diversity and inclusion as a critical priority.

OUR PURPOSE – A POWERFUL MOTIVATOR

Nick and his team said from the start of the pandemic that we must be guided by our purpose, with our first imperative being to keep our people and communities safe and well. What came through loud and clear from our virtual conversations was just how anchoring this purpose message has been for our people. When everything outside is confusing and uncertain, our purpose confirms a set of beliefs and an enduring direction in all circumstances. It reminds our people, whether working in plants with unsettling and difficult constraints, or working at home on their screens, that what they are doing is really important, and not just for today.

TACKLING CLIMATE CHANGE

Covid-19 has shown that humanity is just a subset of a bigger, complex natural ecosystem which is inherently fragile. It has also accelerated the world's focus on environmental, social and governance issues because it has sensitised us to our own vulnerability and the consequences of what we do. Tackling the climate change crisis and protecting our natural resources for future generations is probably the most significant long-term challenge facing the world today. As a business with an integral role in the food supply chain, we recognise our responsibility to play our part and during the year we set new and ambitious targets for 2030 in areas such as waste, water, agriculture and greenhouse gas emissions. Importantly, our Scope 1 and 2 and Scope 3 greenhouse gas emissions reduction targets were validated by the Science Based Targets initiative and align with the goals enshrined in the Paris Agreement.

INVESTING TO DELIVER OUR STRATEGY

We also expanded our product portfolio and geographic footprint through two acquisitions, a stevia (natural sweetener) business in China and a tapioca-based texturant business in Thailand, both of which I was fortunate to have visited before travel restrictions came into force. These are important strategic developments in a number of ways. They diversify our raw material supply, expand our presence in the higher growth Asian markets, and broaden our sweetener and texturant solutions portfolio for customers globally. I must congratulate our management team for completing these acquisitions while working remotely, without compromising any aspect of our due diligence. The strategic progress we have made over the last few years has enabled the Board, as we announced in April 2021, to explore the potential to separate our two businesses, about which Nick expands in his report on the following pages. The Board is fully engaged in this important process and discussions are ongoing.

> This year has shown that, whatever the world throws at us, our people will find a way to prosper.
>
> **Gerry Murphy**
> Chair

THANKING DEPARTING BOARD MEMBERS AND WELCOMING NEW COLLEAGUES

Two outstanding non-executive directors, Anne Minto and Dr Ajai Puri, are retiring from the Board this year as they have now served for nine years. Anne has upheld the highest standards of governance through her stewardship of the Remuneration Committee, while Ajai's continuing education of the Board on scientific and regulatory developments has been exemplary. We will miss them both for their specific expertise and their contributions to the wider Board agenda.

As we bid farewell to Anne and Ajai, I am delighted to welcome John Cheung and Patrícia Corsi to the Board. John is our first non-executive director to be based in Asia since I became Chair, and his wealth of expertise in the food and beverage industry in the region will be invaluable as we grow our Asian business. Similarly, Patrícia is our first Latin American non-executive director and brings extensive experience in this important growth market as well as expertise in global marketing, digital and brand development.

I am also delighted to welcome Vivid Sehgal to the Board. Vivid joined us as Chief Financial Officer Designate in March before becoming Chief Financial Officer in April. His extensive financial, commercial and transactional experience will be of great benefit to the Board and Tate & Lyle.

Vivid replaces Imran Nawaz who has accepted a new external CFO role. Imran steered our finances expertly during his time with us, particularly during the pandemic, helping to ensure we finished the year in a stronger financial position than we started. On behalf of the Board, I would like to thank Imran and wish him well in his future endeavours.

STAYING FOCUSED ON OUR SHAREHOLDERS, MAINTAINING OUR PROGRESSIVE DIVIDEND POLICY

Notwithstanding our emphasis on protecting the interests of our broader stakeholders during this extraordinary year, the Board has retained its focus on our shareholders. We were sorry that, in accordance with public health restrictions, we had to hold a closed AGM in 2020. We very much hope that this year we'll be able to meet again the many shareholders who like to join us in person.

We recognise the importance of dividends to our shareholders and, despite considerable uncertainty during the year, we maintained our interim dividend. Given the robust performance over the full year the Board is recommending an increase in the final dividend of 5.8% to 22.0 pence per share, bringing the total dividend for the year ended 31 March 2021 to 30.8 pence, an increase of 4.1%. This increase brings dividends to a level consistent with the Board's progressive dividend policy, notwithstanding the pandemic.

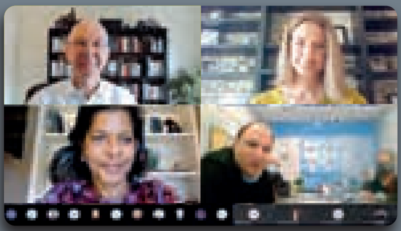
IN CONCLUSION

It has been a very demanding year for all of us, both personally and professionally, and we still face continuing uncertainties. But despite everything, our business has continued to flourish. The agility and resilience of our people, along with the commitment, quality and decency I've already mentioned, reassures me that, whatever the world throws at us, Tate & Lyle will find a way to prosper.

Gerry Murphy
Chair

CONNECTING WITH COLLEAGUES DURING LOCKDOWN

This year, the Board went virtual, connecting with employees across the business through regional virtual cafés open to all. They were very positively received and, because of the informal setting, with everyone in their own homes, in many ways it actually made engagement easier because people were more comfortable asking questions. The sessions were recorded and shared over the Company's intranet for those who couldn't join.



PURPOSE-LED PERFORMANCE

Nick reflects on an unprecedented year in every sense – from how the world's been turned upside down, to how our team has responded, looking after each other and our communities, keeping our operations running and our customers served.

HIGHLIGHTS

Adjusted profit before tax

+6%

in constant currency

Adjusted diluted earnings per share

+12%

in constant currency

Food & Beverage Solutions adjusted operating profit

+12%

in constant currency

- Food & Beverage Solutions delivered strong revenue and profit growth
- Sucralose saw robust demand
- Primary Products profit higher, benefiting from record year of Commodities profits
- Productivity programme supporting operational efficiency and investment in growth
- Balance sheet further strengthened
- 2030 sustainability and 2025 equity, diversity and inclusion targets on track

It's been a year like no other and the way our people have responded, and what they have achieved, has been nothing short of inspirational. Our results this year show a strong, agile and resilient business, with a purpose that permeates across the organisation and a strategy that is delivering consistent growth. Given the huge personal and professional challenges of the Covid-19 pandemic, with our office-based colleagues working from home and smaller crews operating our plants, I can honestly say I haven't seen anything more remarkable in over 30 years of working in business. I am both humbled by and proud of what the team has achieved this year – and more confident than ever in the future of Tate & Lyle.

ROBUST PERFORMANCE

Being in the food industry, we are an essential business in the countries we operate in, and during the pandemic, all our manufacturing facilities have remained operational. Demand closely correlated to the imposition and easing of lockdowns in our largest markets of North America and Europe. At the start of the year, in April and May, with lockdowns in place in both regions, we saw a significant reduction in demand for our ingredients used in products for out-of-home consumption, partially offset by stronger in-home consumption. From June onwards, demand improved as lockdowns eased, although as we finished the year, out-of-home demand remained below pre-pandemic levels. In the higher growth markets of Asia and Latin America, demand improved in China from the second quarter of the financial year as it emerged from lockdown, while in Latin America demand slowed as lockdowns were imposed.

Despite all these challenges, Primary Products increased adjusted operating profit by 5%, helped by a record year of Commodities profits; and Food & Beverage Solutions delivered another year of strong performance with revenue up 6% and adjusted operating profit 12% higher. Overall, Group adjusted profit before tax was up 6%, and adjusted diluted earnings per share were 12% higher, benefiting from a lower effective tax rate.

What these results show is the continuing strength of our strategy, and the importance of our 'Sharpen, Accelerate, Simplify' priorities in supporting performance, as detailed on page 16. I'd like to highlight two areas in particular: first, a tremendous effort from our Global Operations team, whose focus on efficiency delivered another US$37 million in productivity benefits. This means we have delivered US$124 million towards our target of achieving productivity benefits of US$150 million over the six years to March 2024. And second, we continued to make progress on our strategy. I'm delighted that we succeeded in completing two important strategic acquisitions, funded by the free cash flow generated in the year, and that New Products grew by an impressive 21% to £133 million. We also finished the year in a more robust financial position and with a stronger balance sheet. Despite all the challenges of the global pandemic, in my view, we achieved more this year than in any of my seven years at Tate & Lyle.

> Our purpose has guided us throughout the year, supporting our commitment to our communities, customers and to each other.

Nick Hampton
Chief Executive

PURPOSE: OUR NORTH STAR IN A TURBULENT YEAR

At the start of the year, we set out four clear priorities: to look after our colleagues and communities; strengthen our relationships with customers; continue to progress our strategy; and maintain our financial strength. In determining these priorities, we were guided by our purpose of *Improving Lives for Generations*, which has been our north star in how to handle an uncertain and constantly changing environment.

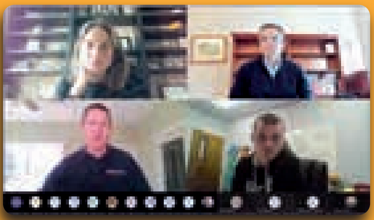
When the pandemic hit, we said our decisions must be led by the science and the data. And with the data being different in every location, this meant putting the safety of our people in the hands of those on the ground – our local leadership – guided by principles set by our Global Pandemic Response Team. We trusted our local leaders to make plans based on the circumstances at their location, and they stepped up to the task. During the year we've had only three small outbreaks of Covid-19 infection at our sites, with just a handful of people involved, all of whom recovered well. But safety is about more than just not catching the virus – it's about people's wellbeing, and that was hugely challenged by the pressures of lockdown and people's individual personal circumstances.

People's mental health and wellbeing has been very high on our agenda all year. In times of high stress and uncertainty, people look to their leaders for reassurance and guidance. So, while we expected our local leaders to take responsibility in a practical way to decide what was best for their own teams, it was essential that they felt guided and supported too. At the start of the pandemic I called every single plant manager to ask them two questions. Are people safe, and do you have what you need? People saw that we meant what we said – safety was our priority, and that we would support our people in whatever way they needed. Throughout the year, as a leadership team, we made sure we communicated clearly with our people and stayed as visible as possible.

One of the ways we kept in touch was through our virtual cafés. Our IT team did a great job rolling out MS Teams, a video meetings tool, across the organisation in a matter of weeks in March and April, enabling people to work from home and, crucially, stay connected with each other. And that was a big plus for me too this year. While it's been tough not being able to get out to our offices, labs and plants and meet with colleagues, through our virtual cafés, in many ways I've felt more connected than ever with our people. This year I did something I've never done before: I got the opportunity to talk to every single employee in the Group. And the format of virtual cafés was more conducive to people being open and honest with each other at every level – no doubt helped by the personal aspect of seeing inside each other's homes, meeting families and pets too. I know I speak for the whole leadership team in saying that I feel I understand our people and their challenges far better now than I did before the pandemic.

CREATING OUR OWN CAFÉ CULTURE

Virtual cafés – time out for an informal chat – popped up across the business, to great success. Colleagues found themselves sitting at a virtual table with the Chief Executive, and often other members of the leadership team too. The cafés became an important way to connect with people during lockdown. During the year, through these cafés, every colleague in Tate & Lyle had the opportunity to talk directly to the Chief Executive and ask him questions.



OUR THREE PRIORITIES SUPPORTING BUSINESS PERFORMANCE

Our financial results continue to reflect the good progress we're making in delivering on our strategic 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 working together
- Growing our customer project pipeline
- Becoming the 'go to' company for reformulation and sugar reduction

Examples in the year

- Developed bespoke customer webinars on topics such as sugar reduction and plant-based ingredients
- Accelerated launch of online customer tutorials, such as our Sweetener and Fibre Universities
- Launched new Nutrition Centre digital hub, including clinical research and health data

12%

Increase in value of new business pipeline 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
- Working with start-ups

Examples in the year

- New Product revenue increased by 21%
- 13 New Products launched from innovation pipeline including clean label and stevia solutions
- Completed acquisitions of stevia and tapioca businesses

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 3%
- Investment in new gas-fired boiler in Decatur, Illinois, USA
- Simplified organisation of customer-facing teams

US$124m

Total productivity benefits delivered in the first three years of productivity programme

Supporting our local communities
We are an active member of the communities where we live and work. Many of these communities suffered real hardship during the pandemic and so we did everything we could to support them in their time of need. We significantly increased the donations and support we gave to our food bank partners around the world, which helped provide 1.7 million nutritious meals for people in need in our local communities. We donated PPE to family members who were frontline workers, and found new ways to support our communities, such as taking our school education and mentoring programmes online and working on helplines to support elderly people living alone during the pandemic.

Keeping connected with our customers
Our focus on serving our customers was a thread that ran through everything we did this year. We were inspired by knowing that we were keeping the all-important food supply chain going, whether that was making food and beverage ingredients or, for our industrial starches, meeting the increased demand for packaging materials as people shopped online. I think we surprised even ourselves with just how ambitious and agile we could be, and nowhere was this more evident than the creative ways we kept connected with our customers. These included our technical people using video technology to see inside our customers' operations to help optimise their production. Or our logistics team finding ways to accommodate rapidly fluctuating demand for products by rethinking delivery systems and schedules. Or holding virtual tasting sessions for customers with prototypes being prepared and sent out in advance. By having an absolute focus on serving our customers at their time of need, by introducing new and innovative ways of working, and by thinking creatively, we have strengthened our relationships with our customers this year.

> Progressing equity, diversity and inclusion is a key priority for us both within our company and in our local communities.

Building a more inclusive culture
Our purpose has made us more open with each other and better able to transparently address challenges and opportunities within equity, diversity and inclusion. I believe people are at their best when they feel they can be themselves and businesses are at their best when everyone can be seen, heard and valued. This is why progressing equity, diversity and inclusion is a key priority for us both within our company and in our local communities. To unlock the power and potential of diverse perspectives, we believe our teams in each site, lab and office must reflect the local communities we call home. We've already set a target for gender parity in leadership roles by 2025.

I've been deeply moved and inspired to action by the conversations happening across Tate & Lyle, particularly amongst our Employee Resource Groups, with our Black employees in the US creating our Black Employee Network during the summer. I'm proud of our work to foster psychological safety which allows our people to feel they can share their lived experiences so openly and honestly. Our people and these sentiments underpin our work on expanding our equity, diversity and inclusion ambitions with a tangible action plan, guided by our Chief Equity, Diversity & Inclusion Officer, who joined us in April 2021. We know that inclusion requires cultural change and equity requires systemic change, both of which will take time and effort, and for people to be accountable. We are not yet where we want to be and remain committed to prioritising equity, diversity and inclusion as a major focus in the years ahead. We can and will make change happen.

TACKLING THE CLIMATE CHALLENGE

Another key area of focus for us is sustainability and caring for our planet. Covid-19 has, if anything, put the climate emergency even more front and centre, as it has woken us all up to systemic risk and the interconnectedness of the modern world. It's clear that time is running out to make the changes needed to halt climate change and enable societies to continue to prosper. For that reason, in July, together with many other CEOs, I was delighted to be a signatory of the Science Based Targets initiative's 'Recover Better' statement, urging governments across the world to address climate change in their Covid-19 recovery plans.

> We are in the middle of a multi-year investment programme of over US$150 million to significantly reduce greenhouse gas emissions and eliminate coal from our operations.

One of the things I'm most proud of this year is our announcement in May 2020 of our purpose commitments. These included ambitious 2030 targets to reduce water use, support sustainable agriculture and beneficially use all the waste we generate, as well as challenging, science-based targets to reduce our absolute greenhouse gas (GHG) emissions. In our purpose booklet published in December 2020, we talked about the tangible progress we're making to meet these targets.

To support the delivery of our GHG emissions targets, we are in the middle of a multi-year capital investment programme totalling more than US$150 million to significantly reduce GHG emissions and increase our efficiency. This includes replacing coal boilers in our US plants in Decatur, Illinois and Lafayette, Indiana and constructing a biomass boiler in Santa Rosa, Brazil. When this programme is complete, our Scope 1 and 2 GHG emissions will be up to 20% lower and we will have eliminated coal from our operations. We continue to operate our sustainable corn programme in the US Midwest – the only one of its kind in our industry – in line with our commitment to maintain sustainable acreage equivalent to the amount of corn we buy, currently 1.5 million acres. This is essential to our Scope 3 carbon emissions target because the growing of corn represents the largest proportion of the emissions coming from our value chain – and it also supports farmers' livelihoods, and so contributes to our purpose pillar of building thriving communities.

OUR 2020 HEROES

2020 was a year of incredible challenges. Given the exceptional performance of so many people across the Company, we launched a special '2020 Heroes Awards' to recognise those people who had gone above and beyond in supporting their colleagues, our communities and customers during the pandemic. We asked everyone to nominate their colleagues that most deserved gratitude and recognition and we received 575 nominations for individuals and teams. We whittled all these deserving submissions down to 45 nominees, and 30 eventual winners. These winners are shown on the divider pages in this report to celebrate and recognise their outstanding contribution. We're hugely grateful for their hard work, dedication, care and compassion.

Read more on pages **30, 78, 132, 200**

TEAM AWARD

Not all heroes stand alone, and often the biggest impact occurs when a team of dedicated people comes together to make a change. Because of this, we wanted to recognise a group of US colleagues who were nominated many times for setting up and co-leading our Black Employee Network, and for having such a positive impact on equity, diversity and inclusion at Tate & Lyle. They are:

OUR 2020 HEROES

CASELL RANDLE
US National Account Manager (home-based)

DERRICK WILLIAMS
Recruiting Manager, Hoffman Estates, Illinois

DONALD COLE
Senior Legal Counsel, Hoffman Estates, Illinois

MELINDA WHITE
HR Manager, Dayton, Ohio

MONICA CLARK
Senior Legal Counsel, Hoffman Estates, Illinois

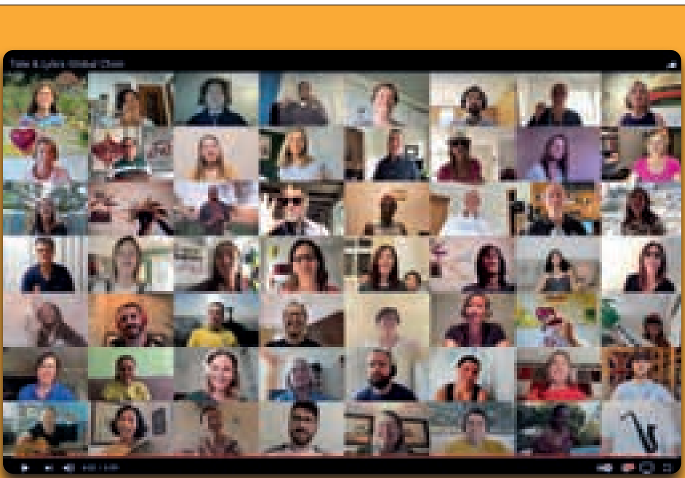
Responding to demand for more plant-based diets

The context for our focus on the planet is wider than simply reducing our environmental impact. Nearly everything we make at Tate & Lyle starts life in the natural world, and the increasing demand for plant-based diets is a trend we are well placed to meet. Corn is by far our largest agricultural raw material, but we are diversifying our portfolio by investing in other crops such as stevia and tapioca. As I mentioned earlier, I'm delighted that, despite the challenges of being in lockdown, we were able to complete two acquisitions this year without any lessening of our due diligence – and welcome two new businesses into Tate & Lyle. In November, we completed the acquisition of the outstanding majority shareholding in Sweet Green Fields, a global stevia business with a production facility in Eastern China, and in February, we completed the acquisition of an 85% shareholding in Chaodee Modified Starch Co., Ltd, a well-established tapioca starch manufacturer in Thailand.

NEW APPOINTMENTS TO SUPPORT OUR GROWTH PLANS

Both the businesses we acquired this year are in Asia, which is a market where we see significant growth potential. In October, I reorganised my leadership team, with Andrew Taylor, previously President of Innovation and Commercial Development (ICD), moving into a new role of President, Asia, Middle East, Africa and Latin America, based in Singapore. These markets have common themes and challenges and focusing on them in this way under Andrew's leadership will allow us to take advantage of the opportunities they present. Andrew's move meant welcoming Victoria Spadaro Grant as our new President of ICD. She comes with 30 years' experience of innovation and R&D in the food and beverage industry, and brings an essential customer perspective to our team.

We also welcomed our new Chief Financial Officer (CFO), Vivid Sehgal, who took on the role in April 2021. Vivid brings a wealth of experience in financial and operational leadership in global companies, and we are already seeing the benefit of his expertise. Of course, welcoming Vivid was due to the departure of Imran Nawaz, who has made a huge contribution as CFO and been a great support to me during his years with Tate & Lyle. I'd like to thank him for everything he's done to strengthen our financial position, particularly in this really difficult year.



THANK YOU FOR THE MUSIC

The Tate & Lyle Global Choir was formed to keep people connected and improve mental health during the pandemic. Colleagues from 21 countries answered the call, many of them discovering the joys of group singing for the first time. The choir, which meets every week, recorded two songs which can be seen and heard on our YouTube channel and website.

EXPLORING OPPORTUNITIES TO SEPARATE THE TWO BUSINESSES

In April 2021, following speculation in the media, we issued a statement confirming that we are exploring the potential to separate our Food & Beverage Solutions and Primary Products businesses through the sale of a controlling stake in Primary Products to a long-term financial partner. This transaction, if concluded, would create two businesses – Tate & Lyle, focused on Food & Beverage Solutions and a global leader in sweetening, mouthfeel and fortification, and Primary Products, a leader in plant-based products for the food and industrial markets, alongside a new investor with a strong appetite to develop and grow the business.

As shown in this report, we continue to successfully execute our strategy and remain confident in the future growth prospects of the Company. However, the Board believes that if a transaction of this nature were to be completed, it would enable Tate & Lyle and the new business to focus their respective strategies and capital allocation priorities and create the opportunity for enhanced shareholder value. During the year, we incurred £19 million of exceptional costs, principally for external advisors, for work performed in relation to this potential transaction.

As at the date of this report, discussions are ongoing. There can be no certainty that a transaction will be concluded, and we will make further announcements when appropriate. Any transaction, if concluded, would be subject to shareholder approval.

OUTLOOK FOR 2022 FINANCIAL YEAR

For the year ending 31 March 2022, despite the continuing impact of the Covid-19 pandemic, we expect:

- Food & Beverage Solutions to deliver another year of progress
- Sucralose to see further modest pricing pressure
- In Primary Products, Sweeteners and Starches to return to growth as out-of-home consumption recovers and Commodities profits to be significantly lower
- Further productivity benefits

With overall positive momentum, we expect growth in Group adjusted operating profit before Commodities to be in the mid-single digit range in constant currency. Reflecting significantly lower Commodities profits and an increase in the adjusted effective tax rate, Group adjusted diluted earnings per share are expected to be lower than the prior year in constant currency.

A BRIGHT FUTURE IN AN UNCERTAIN WORLD

Tate & Lyle has had a strong year, weathering the pandemic and finishing the year in a more robust financial position than when we started. It's tempting to talk about a post-pandemic world, but it's clear that we'll be living with Covid-19 for at least the coming financial year, and we'll probably be living with its effects for years to come. There is much that we still don't know about what that world will look like, but we do know the pandemic has heightened people's awareness of the importance of a healthier diet and lifestyle. Our high-quality portfolio and technical capabilities in sweetening, mouthfeel and fortification which help reduce sugar, calories and fat, and add fibre to food and drink, mean we are well-positioned to meet this growing trend. Covid-19 has also accelerated our own journey towards being a more agile, ambitious and compassionate company with more contemporary ways of working. We must strive to maintain these positive attributes as the world opens up.

Looking with a wider lens, I certainly hope the pandemic will be a tipping point for positive change and lead to a more compassionate and less divided society. Our people have shown this year how a powerful purpose can inspire them to do extraordinary things and, through their hard work, we are emerging stronger from the pandemic. I am more confident than ever in the long-term growth potential of Tate & Lyle.

Nick Hampton
Chief Executive

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, many of which have been accelerated by the pandemic.

GLOBAL TRENDS AND COVID-19

The Covid-19 pandemic has caused major changes to the way we live, as well as having a direct impact on our health. We still don't know how permanent these changes will be, but the increase in online shopping, more flexible working practices and a greater awareness of personal hygiene and health are just some of the trends expected to stay. Some of the factors which were driving changes in people's lifestyles before the pandemic, such as population growth, urbanisation, climate change and the greater use of technology, are still with us and in some ways been accelerated by it. Lockdown measures have also had a major impact on the way we eat and drink. The majority of people have been eating their meals at home, whereas previously many visited cafés, pubs or restaurants for snacks and meals. While some of the lockdown measures have now been relaxed either partially or wholly, the change in behaviour due to lockdowns has the potential to have a longer-term impact on our lives and our understanding of the relationship between diet and health.

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, a situation made worse by lockdowns. People are 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. It is estimated that there are approximately 463 million adults in the world living with diabetes, growing to 700 million by 2045[1].

Healthcare costs are rising over the longer term, placing health services in many countries under increased pressure. In the UK, for example, the government estimates that the costs for the National Health Service attributable to overweight and obesity will increase from £6.1 billion to £9.7 billion by 2050, with wider costs to society estimated to reach £49.9 billion per year[2]. Overconsumption of sugar is seen as a major concern, and 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 still struggle to find enough nutritious food to eat every day[4]. And this is likely to rise as the economic consequences of the pandemic play out over the next few years.

Convenience and home cooking

Before the pandemic, the growth in the middle class, especially in Asia Pacific, and people's more hectic lifestyles, were causing a long-term shift towards greater convenience and time-saving ways of eating. As the world emerges from the pandemic, convenience will remain important, but the pandemic has undoubtedly had an impact on food purchasing and consumption behaviour. For example, people are snacking 50% more often than before lockdown across the UK, Spain, Brazil and France[5]. And home cooking has increased dramatically, causing the reversal of a long-term trend away from eating desserts[5]. There has clearly been a shift in behaviour but as the world opens up the extent to which these changes will be adopted permanently is yet to be seen.

Climate change and plant-based foods

The global pandemic has shone a light on the interconnectivity between maintaining a healthy natural world and living in thriving societies. Concern for our planet and its natural resources, particularly the need to tackle climate change, is increasing rapidly and this concern is affecting people's food choices in many ways. 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. And it's not just the food that's important – environmental concerns mean that the packaging needs to be sustainable too.

THE OPPORTUNITY FOR TATE & LYLE

For food companies like Tate & Lyle, these global trends present both opportunities and risks. This year, we have had to be agile to adapt to changing consumer needs as people moved away from eating in restaurants and bars to buying more food from retail outlets to eat at home. As a plant-based ingredients business, the combination of increasing awareness of climate change and the recognition of the importance of a healthy lifestyle is a particular opportunity. Inspired 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 to 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 in 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] www.gov.uk.
[3] Obesity Evidence Hub, 2019.
[4] FAO: The State of Food Security and Nutrition in the World 2019.
[5] Kantar, 2020.
[6] Population Reference Bureau, 2020.
[7] World Health Organization, 2016 data.
[8] FMCG Gurus, January 2021.
[9] Our World in Data, 2020.

SNAPSHOT OF TRENDS

25%
estimated increase in global population by 2050[6]

39%
of adults worldwide aged 18 or over are overweight[7]

60%
of people are more concerned about their immune health due to the pandemic[8]

26%
of global greenhouse gas emissions come from food production[9]

> People are snacking more often than before lockdown and home cooking has increased dramatically.
>
> **Susanna Palatucci**
> Global Head of Health and Wellness, Innovation and Commercial Development

WHAT WE DO

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

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 **40 and 41**

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 businesses, 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 **42 and 43**

CUSTOMERS

We collaborate with, and provide ingredients and solutions to, our customers, large and small, in more than 140 countries.

WE PARTNER AND SELL

Food & Beverage Solutions
We have strong technical knowledge of the interplay between sweetness, mouthfeel, fortification 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 **32 to 35**

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 quality, service and price.

Read more on pages **36 to 39**

EVERYTHING WE DO IS UNDERPINNED BY…

Our purpose
Improving Lives for Generations

Our priorities
- Sharpen
- Accelerate
- Simplify

THE VALUE WE CREATE FOR OUR STAKEHOLDERS

FOR SHAREHOLDERS
We balance investing in growth with paying an attractive dividend.

£408m
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.

£133m
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.

£347m
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.

1.7m
meals given to people in need in our local communities[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.

25%
reduction in Scope 1 and 2 greenhouse gas emissions since 2008

[1] Year ended 31 March 2021.

Our values
- Safety
- Integrity
- Respect

Our behaviours
- Partnership
- Agility
- Execution

HOW WE DELIVER VALUE

Our strategy is to deliver top-line 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 an 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 some common customers, and we manage both businesses to optimise returns for shareholders. The challenges of managing through the pandemic have highlighted the strength of our strategy, as shown by our resilient performance during the year.

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 beverages in our network of applications labs. 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, fibres and stabilisers, 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.

- **Sweetening:** Our understanding of sweeteners, built over many years, and our broad portfolio have given us unique expertise in sweetening, and sugar and calorie reduction in particular. Our sweeteners and fibres help reduce sugar and calories without compromising the taste and texture consumers know and want.
- **Mouthfeel:** Our starches add body, lengthen shelf-life and replace fat while preserving the texture and mouthfeel people want.
- **Fortification:** Our fibres offer a range of nutritional and functional benefits, alongside exceptional digestive tolerance.
- **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 packaging 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 with 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

IMPROVING LIVES FOR GENERATIONS

SUPPORTING HEALTHY LIVING

BUILDING THRIVING COMMUNITIES

CARING FOR OUR PLANET

CLEAR STRATEGY

FOOD & BEVERAGE SOLUTIONS

Top-line 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 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

KEY PERFORMANCE INDICATORS

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

CHANGES TO KPIs IN 2021

There have been no changes to our KPIs other than, from this year, we began measuring progress against our long-term purpose targets and commitments announced in May 2020.

◊ LINK TO REMUNERATION

These KPIs are used in determining executive directors' annual bonuses and for long-term incentive plans. Our safety KPIs and progress against our purpose targets are also taken into account when determining performance against the strategic non-financial component of annual bonuses.

DELIVERING OUR STRATEGY

Food & Beverage Solutions – volume◊

3%

Performance in 2021
Volume grew 3%. During the pandemic demand for foods consumed in-home drove growth in both North America and Europe of 4%, and in Asia, Middle East, Africa and Latin America of 2%.

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◊

6%

Performance in 2021
Revenue increased by 6%, driven by higher volume and good price and mix management, which included strong growth in New Product revenue.

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, ◊]

12%

Performance in 2021
Adjusted operating profit was 12% higher, driven by revenue growth, good operational performance and cost discipline.

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

How we calculate it
In constant currency, excluding Sucralose.

Primary Products – profit[1, 2]

5%

Performance in 2021
Adjusted operating profit was 5% higher, with good operational efficiency, cost discipline and a record year of profits in Commodities.

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 and growing markets.

How we calculate it
In constant currency.

Group adjusted profit before tax[1, ◊]

6%

Performance in 2021
Adjusted profit before tax increased by 6% with strong revenue and profit growth from Food & Beverage Solutions, strong cost management and record Commodities profits 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.

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[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.

[2] Adjusted operating profit.

DELIVERING FOR OUR SHAREHOLDERS

Adjusted diluted earnings per share[1,◊]

12% ▲

Performance in 2021
Adjusted diluted earnings per share increased by 12% in constant currency, benefiting from the adjusted effective tax rate in the year being 360 basis points lower at 14.3%.

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]

£3m ▲

Performance in 2021
Reflecting the impact of increased earnings mitigated by higher corn prices and a strong focus on generating cash, especially important this year to maintain our financial strength during the pandemic.

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,◊]

30bps ▼

Performance in 2021
Lower, mainly due to the short-term impact of acquisitions completed in the year.

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]

0.1x ▼

Performance in 2021
The net debt to EBITDA ratio was slightly lower at 0.8 times due to earnings growth and lower net debt as we focused on maintaining our financial strength in the pandemic.

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]

14% DECREASE

Lost-time rate[3]

5% DECREASE

Performance in 2020
Our recordable incident rate improved with the number of accidents in the year down from 52 to 42. The lost-time rate also improved. These improvements are 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.

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3 Measured by calendar year.

PURPOSE TARGETS AND COMMITMENTS

In 2020, we set out targets and commitments for the next 10 years to live our purpose. This shows how we are progressing against these targets.

SUPPORTING HEALTHY LIVING

Improving nutrition

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

Performance in 2021

We benefited from a strong performance from our PROMITOR® fibres and stevia sweeteners along with sales of Sucralose. 1.8 million tonnes of sugar is equivalent to 7.1 trillion calories.

How we calculate it

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

Encouraging balanced lifestyles

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

Performance in 2021

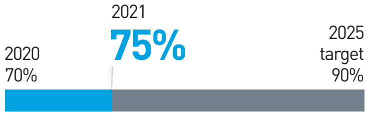
While some programmes were cancelled due to the pandemic, we still managed to support many health education and physical activity programmes across the world.

How we calculate it

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

Promoting 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.



Performance in 2021

Supporting the physical and mental wellbeing of our colleagues during the pandemic is a key priority, and we are pleased they recognised this, as shown by the improvement in this year's survey results at 75%, compared with 70% last year.

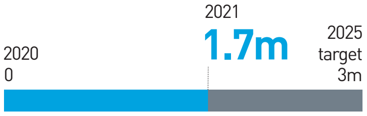
How we calculate it

Percentage of colleagues who agree that Tate & Lyle actively supports their health and wellbeing in our annual employee survey.

BUILDING THRIVING COMMUNITIES

Preventing hunger

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



Performance in 2021

Our annual programme provided 700,000 meals this year, and we donated an extra one million meals to help people in need during the pandemic.

How we calculate it

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

Supporting education

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

Performance in 2021

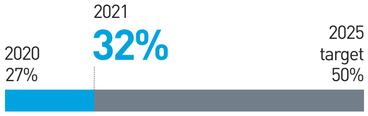
With many schools closed during the pandemic, we moved our support online, continuing to mentor students and give food science demonstrations. We also continued giving educational grants and bursaries.

How we calculate it

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

Progressing equity, diversity and inclusion

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



Performance in 2021

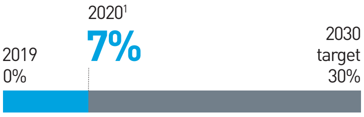
We made solid progress in the year with a number of senior roles filled by women, including our new President of Innovation and Commercial Development.

How we calculate it

Percentage of women who hold leadership roles, defined as the top three employee bands. This year the total number of roles in these bands was 60, of which 19 were held by women.

CARING FOR OUR PLANET

Scope 1 and 2 greenhouse gas emissions
By 2030, we'll have delivered a 30% absolute reduction in our Scope 1 and 2 greenhouse gas emissions, with an ambition to reach a 20% reduction by 2025.



Performance in 2020
Reduction was driven mainly by our US plants in Decatur, Illinois and Lafayette, Indiana starting to transition away from coal, and the greater use of renewable energy in our plant network.

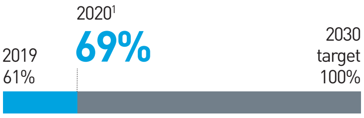
How we calculate it
Percentage absolute reduction in Scope 1 and 2 greenhouse gas emissions.

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

Performance in 2021
The small reduction primarily came from our sustainable agriculture programme. Our main focus this year was identifying projects and building partnerships to reduce Scope 3 emissions in the future.

How we calculate it
We receive data from Truterra LLC, our partner in our sustainable agriculture programme, and other third parties across our value chain.

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



Performance in 2020
We made good progress mainly through our large corn wet mills in the US working with local partners to use more of our waste to generate energy or as nutrients on local farms.

How we calculate it
Percentage of waste generated by our sites that is beneficially used.

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

Performance in 2020
We made solid progress reducing water use. However, our main focus this year was identifying projects to make material reductions in future years.

How we calculate it
Percentage reduction in water use intensity across our operations.

COMMITMENTS

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

Eliminate use of coal
We committed to eliminating the use of coal in our operations by 2025. The capital investment projects needed to replace our coal-fired boilers with natural gas-fired boilers are underway and we are on track to deliver this commitment.

Support sustainable agriculture
We committed to maintaining sustainable acreage equivalent to the volume of corn we buy globally each year, currently 1.5 million acres, and through partnerships accelerate the adoption of conservation practices.

We achieved the 1.5 million acres goal this year, and more information about the programme can be found on page 65.

BASELINE

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

MORE INFORMATION

You can find more details about our sustainability performance on pages 60 to 65 of this Report. Further information on the education, meals and healthier lifestyles programmes we support can be found in the Community Involvement section on pages 54 and 55. Information on our employee wellbeing programmes is in the People section on pages 50 to 53.

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[1] Measured by calendar year.

OUR 2020 HEROES

2020 was a year of incredible challenges. Given the exceptional performance of so many people across the Company, we launched a special '2020 Heroes Awards' to recognise those people who had gone above and beyond in supporting their colleagues, our communities and customers during the pandemic.

We asked everyone to nominate their colleagues that most deserved gratitude and recognition and we received 575 nominations for individuals and teams. We whittled these deserving submissions down to 45 nominees, and 30 eventual winners.

These winners are shown on the divider pages in this Report to celebrate and recognise their outstanding contributions.

Read more online at **www.tateandlyle.com**

ZHIJUN ZHAO
EHS Manager, Nantong, China

For leading the Journey to EHS Excellence and Covid-19 response at our fibre plant in Nantong, China. Zhijun engages all Nantong employees in creating a safety culture.

ARCHI QUDDUS
Investor Relations Officer, London, UK

For bringing people together across Tate & Lyle by forming the Global Choir, giving people a real boost during lockdown.

CLINT DAVIDSON
Process Technician, Loudon, Tennessee, USA

For taking over production of a key ingredient during the pandemic, ensuring we continued to serve our customers.

CONSUELO ABBRUZZESE
Application and Technical Service,
Buenos Aires, Argentina

For staying closely connected with a key customer during the pandemic, strengthening our relationship and positioning us as a trusted partner.

ROB DAVIES
Logistics Team Leader, Mold, UK

For jumping in to take on an IT role, ensuring that within 24 hours our teams in Mold were able to work from home – all while doing his regular job.

KERSTIN WERNER
Category Development Manager, Europe,
Soups, Sauces and Dressings Category,
Lübeck, Germany

For her resilience in delivering our 'Plant Power' customer conference – moving the event twice before finally taking it online for customers in Europe with great results.

REVIEW OF THE YEAR

IN THIS SECTION

DELIVERING TOP-LINE GROWTH

Andrew reflects on another strong year for Food & Beverage Solutions, and his new role leading our Asia, Middle East, Africa and Latin America business.

PARTNER AND SELL

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

SWEETENERS

- Replace sugar
- Reduce calories
- Match sweetness
- Optimise taste

TEXTURANTS

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

HEALTH AND WELLNESS INGREDIENTS

- Replace sugar to reduce calories while maintaining taste
- Add nutrition through fibre fortification

STABILISERS

- Improve shelf-life
- Provide stability

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

OUR YEAR

WHAT'S BEHIND THE GREAT RESULTS THIS YEAR?

In this challenging year, we kept the team moving forward with a very clear message: keep people safe, support customers, keep the business going. That's the playbook we've been running all year. By doing that, and by staying close to our customers we've delivered great results, and I'm incredibly proud of how our people responded. I believe our purpose is a key reason why we grew our business strongly this year. Our goal of supporting healthy living by making food and drink healthier and tastier really motivates our people, and it's what our customers and consumers want. The last four or five customer CEO conversations I've had have all started with our purpose – it's only afterwards that we start talking about what we're going to do. And yet our purpose is about more than just what we make and sell. I think of *Improving Lives for Generations* as the glue that holds us together. Even though customer demand held up, it was incredibly tough to deliver, and when things got tough, our purpose guided us and kept us on track.

WHAT WILL THE TWO ACQUISITIONS BRING TO THE BUSINESS?

The two acquisitions we made this year are both in Asia, and I'm very excited to have them in our portfolio. Stevia (our acquisition in China) is very important to us because it's the sugar reduction ingredient of choice in many applications, while tapioca (our acquisition in Thailand) is the starch of choice across much of our higher growth Asian markets. We are delighted to welcome our new colleagues in these businesses to the Tate & Lyle family.

> This year our people proved just how agile they can be and, in doing so, deepened our relationships with our customers.
>
> **Andrew Taylor**
> President, Asia, Middle East, Africa and Latin America

OUR MARKET

WHAT CHANGES ARE YOU SEEING IN THE MARKET?

We are certainly seeing some short-term shifts as a result of the pandemic; for example there's a move by consumers to core brands, people are cooking and eating a lot more at home, and demand from the food service sector is much lower. The timing for when this returns to pre-pandemic levels is still not clear.

What is clear is that the pandemic has accelerated people's desire to eat and drink more healthily, and we are well-positioned to benefit from that trend.

We are also seeing demand for ingredients that reduce cost as people look for better value without compromising taste. With our wide reformulation expertise, we're well placed to help with this shift. The sustainability of our ingredients is also increasingly important, so the work we're doing on caring for our planet, particularly around sustainable agriculture, is a key priority.

OUR FUTURE

HAS THE PANDEMIC CHANGED HOW CONSUMERS VIEW FOOD?

To some extent, yes. We've all seen, sadly, that many of those who suffered most from Covid-19 had key risk factors, such as diabetes. Before the pandemic, people mostly understood that what you ate affected your health, but the pandemic has really shown people the importance of 'getting healthy' and 'staying healthy'. That's why I believe the trend for sugar and calorie reduction is set to grow even further as we emerge from the pandemic as consumers look for healthier choices when they eat and drink. Taking sugar and calories out of food, while still making it taste great, is a key expertise for us and that's why I am excited by what's ahead.

WHAT DOES YOUR NEW ROLE HEADING UP ASIA, MIDDLE EAST, AFRICA AND LATIN AMERICA MEAN FOR THE FUTURE?

My role was created to accelerate our growth in some of the most dynamic markets in the world. While food is inherently local, our customers in these markets have similar consumer, technical and operational challenges which we can address better as one region. These markets require fast and decentralised decision-making, because that's how our customers operate, and that's the customer-centric approach we are developing in these regions.

WHAT ARE YOUR PRIORITIES FOR THE COMING YEAR?

Continue to deliver top-line growth, integrate our two acquisitions and get even closer to our customers so we remain their partner of choice, building on the great work the team did this year. Customers work with us because of our technical expertise in sweetening, mouthfeel and fortification, the wide range of solutions we offer and our focus on innovation.

This year, we have also shown we can be fast and agile, and that we are totally committed to serving their needs. It's been amazing to see what our people have achieved in incredibly challenging circumstances – working at home, educating their kids, worrying about family and friends and doing their day job. Despite all this, they've found creative ways to meet customers, ship samples to them, and find Covid-safe ways of interacting. And it's also brought us all closer together as people. I look back with a lot of pride and look forward with a lot of confidence.

OUR RESULTS

Volume

+3%

Revenue

+6%

in constant currency

Adjusted operating profit

+12%

in constant currency

YEAR ENDED 31 MARCH CONTINUING OPERATIONS	2021 VOLUME CHANGE
Volume	
North America	**4%**
Asia, Middle East, Africa and Latin America	**2%**
Europe	**4%**
Total	**3%**

YEAR ENDED 31 MARCH CONTINUING OPERATIONS	2021 £M	2020 £M	CHANGE %	CONSTANT CURRENCY CHANGE %
Revenue				
North America	**485**	470	3%	6%
Asia, Middle East, Africa and Latin America	**269**	263	2%	7%
Europe	**216**	209	3%	2%
Total	**970**	942	3%	6%
Adjusted operating profit	**177**	162	10%	12%

SUCRALOSE

YEAR ENDED 31 MARCH CONTINUING OPERATIONS	2021 £M	2020 £M	CHANGE %	CONSTANT CURRENCY CHANGE %
Volume			0%	
Revenue	**151**	161	(6%)	(2%)
Adjusted operating profit	**55**	63	(12%)	(9%)

STRONG TOP-LINE GROWTH

Volume increased by 3% with revenue 6% higher in constant currency at £970 million. Stronger customer demand for ingredients used in packaged and shelf-stable foods for consumption in-home more than offset reduced demand for ingredients used in food and drink consumed out-of-home. Momentum built as the year progressed, benefiting from growing demand for healthier food and beverages that are lower in sugar and calories, with cleaner labels and added fibre and a gradual recovery in out-of-home consumption. Good mix management further contributed to revenue growth.

Adjusted operating profit was 12% higher in constant currency at £177 million with good operational performance and strong cost discipline. The effect of currency translation decreased revenue by £26 million and adjusted operating profit by £4 million.

As explained earlier, we completed two acquisitions during the year. In November 2020, we acquired the outstanding 85% interest in the global stevia sweetener solutions business of Sweet Green Fields. In February 2021, we acquired an 85% holding in Chaodee Modified Starch Co., Ltd, a tapioca business based in Thailand. These acquisitions broaden our customer offering, strengthen our sweetener and texturant platforms and expand our presence in the higher growth Asian markets.

SUPPORTING CUSTOMERS AND HEALTHY LIVING

Through our unique product and application expertise in sweetening, mouthfeel and fortification, we work with our customers to help them create the next generation of consumer products. In 2018 we launched the TEXTURE-VANTAGE® education programme designed to help our customers navigate the science of texturants. This suite of tools included 'Texture University' – free online tutorials open to food formulators worldwide. With the onset of the pandemic, we wanted to give our customers more online support, and so we accelerated the launch of our Sweetener and Fibre Universities over the last year. Our three Universities have attracted many thousands of attendees worldwide and are another way we live our purpose of *Improving Lives for Generations*.

During the year, to increase our focus on building our business and presence in higher growth markets, we created a new single Asia, Middle East, Africa and Latin America region. This comprises the regions previously reported as Asia Pacific, Latin America and Middle East and Africa (formerly part of Europe, Middle East and Africa). Note 5 provides the divisional results for the year ended 31 March 2021 using the previous disclosure model.

North America

Top-line momentum continued with volume 4% higher. The Covid-19 pandemic caused significant changes in demand patterns earlier in the year with strong demand for in-home consumption offset by weaker out-of-home demand. The North American market for food and beverages saw low single-digit growth in the year benefiting from stronger in-home consumption. A focus on customer service and good performance across categories such as beverage and confectionery and nutrition and bakery helped us grow ahead of the market.

Revenue in constant currency was 6% higher at £485 million, benefiting from good mix management with strong growth from clean label starches, stevia sweeteners and our fibre portfolio. Strengthening out-of-home consumption and good commercial performance saw revenue growth accelerate as the year progressed.

Asia, Middle East, Africa and Latin America

Volume was 2% higher with a weaker first half due to the pandemic and strong growth in the second half. Revenue increased by 7% in constant currency to £269 million helped by good price and mix management. Asia saw high single-digit revenue growth, while in Latin America, constant currency revenue growth benefited from US dollar-based pricing, with the region delivering double-digit revenue growth.

In Asia, revenue growth was strong in China, where the pandemic recovery started earlier, and in Australia and New Zealand, while revenue was slightly lower in South East Asia. In Latin America, revenue grew strongly in Brazil where pandemic restrictions were less stringent, with Mexico slightly lower due to lockdowns. Across Latin America, new front-of-pack labelling rules are leading to increased reformulation opportunities with customers, particularly to reduce sugar. In Middle East and Africa revenue was in line with the prior year, reflecting the impact of the pandemic mainly in the first half, and increased focus on credit risk management.

Europe

Volume was 4% higher with revenue 2% higher in constant currency at £216 million. Volume growth reflected solid demand for in-home consumption offset by weaker out-of-home demand. Revenue grew more slowly than volume as strong texturant demand impacted mix with customers looking for bulking and cost reduction in foods. This was mitigated by higher stevia and clean label texturants revenue as well as the benefit of increased revenue from higher-grade maltodextrin, used in categories such as baby food, following the opening of additional capacity at our facility in Slovakia.

New Products

Revenue from New Products (products launched in the last seven years) increased by 21% in constant currency to £133 million, representing 14% of Food & Beverage Solutions revenue, up from 12% in the prior year. Acquisitions, particularly the Sweet Green Fields stevia business, helped to accelerate New Product revenue growth.

Our texturants platform delivered strong double-digit revenue growth driven by high demand for our Non-GMO and CLARIA® line of functional clean label starches. Revenue from the sweeteners platform also delivered strong double-digit growth, particularly in stevia and allulose, as sugar and calorie reduction across categories such as beverage, dairy, confectionery and bakery remained an important focus for customers and consumers. Revenue was lower in the health and wellness platform reflecting reduced consumption in the sports nutrition category due to Covid-19 lockdowns.

SUCRALOSE

Robust demand

Sucralose volume was in line with the prior year with customer orders slightly higher in the second half despite continued softness in beverages consumed out-of-home. Revenue in constant currency decreased by 2% to £151 million reflecting customer mix and pricing pressure. We expect further modest pricing pressure to continue in the 2022 financial year.

Adjusted operating profit at £55 million was 9% lower in constant currency reflecting de-leverage from lower revenue and one-off production costs. Currency translation decreased revenue by £6 million and adjusted operating profit by £2 million.

EXPANDING OUR PORTFOLIO THROUGH ACQUISITION

In November 2020, we acquired the stevia business, Sweet Green Fields. This brought us an extensive portfolio of stevia sweetener solutions – one of the world's fastest growing low-calorie sweeteners – and a production facility in China and a fully integrated supply chain. Then, in February 2021, we completed the acquisition of an 85% shareholding in Chaodee Modified Starch, offering a range of tapioca-based texturant solutions from a production facility in Thailand. Both acquisitions broaden our portfolio, expand our customer offering, strengthen our sweetener and texturant platforms, enhance our technical capabilities, and expand our presence in the Asia market.

AGILITY AND RESILIENCE IN A TOUGH YEAR

Jim discusses how Primary Products managed through a very difficult year and reacted quickly to a rapidly changing business environment.

PARTNER AND SELL

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, 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

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

OUR YEAR

AT THE START OF THE YEAR, LOCKDOWNS IN THE US CAUSED MAJOR DISRUPTION TO YOUR MAIN MARKETS – HOW DID YOU DEAL WITH THAT?

It was an extraordinary time. All the things you can't control shifted from one extreme to another and back again – not just in the US as a whole, but from state to state. And so two words come to mind – agility and resilience. Our people had to adjust incredibly quickly under very challenging circumstances to keep each other safe, keep our business running and serve our customers' changing needs. While demand for our sweeteners was lower due to the reduction in the out-of-home soft drinks market, and office and school closures meant demand for our paper starches was also down, our packaging starches grew strongly as online shopping boomed. And, with more people cooking at home, we saw higher demand for corn oil.

HOW DID YOU SUCCEED IN SERVING CUSTOMERS, DESPITE LOCKDOWN AND RESTRICTED TRAVEL?

We rapidly switched to video meetings and virtual interactions, which actually led to more face-time with customers because we didn't have to travel. We also went virtual to provide operational support. In our industrial starch business, for example, we are in many cases an extension of our customers' plant engineering team, helping them optimise their processes while using our products. Throughout the year, there are multiple examples of our people solving customer manufacturing issues remotely using video technology, with our technical service teams working from home partnering with customer teams in their plants to make recommendations, tweak starch input variables, and help troubleshoot problems. For those few essential on-site visits, we worked in partnership with our safety and pandemic response teams to implement Covid-safe customer visit protocols, so our

> We rapidly switched to virtual meetings which actually led to more face-time with customers.
>
> **Jim Stutelberg**
> President, Primary Products

people could go onto our customers' sites and could help them safely and effectively. And our customers really valued our can-do attitude – one of our largest customers, for example, awarded us preferred supplier status for the first time. I'm incredibly proud of how the team kept each other safe and took care of our customers in what was a very difficult year.

THE TEAM STAYED INCREDIBLY FOCUSED DESPITE THE CHALLENGES. WHAT KEPT THEM GOING?

Our purpose of *Improving Lives for Generations* is the starting point for everything we do, and, at a leadership level, we proved that through the pandemic. We were totally clear that the number one priority was to keep people safe and healthy, mentally as well as physically. Seeing this focus on our purpose in action was so important for our people. Our purpose also caused us to reflect on those parts of our communities hardest hit by lockdowns. For example, our Black Employee Network, which I'm proud to sponsor, had the idea of marking Martin Luther King Day by getting volunteers to phone elderly folks in Chicago, check they had food in their pantries, and if not, order it for them. We also spent time helping to pack and deliver food parcels for our food bank partners. There are still millions of people in the world, including in the US, who aren't sure where their next meal is coming from, and the economic effects of the pandemic have only made that worse. Helping prevent hunger is totally aligned with our purpose, and our efforts are something I feel really good about.

OUR MARKET

THE MARKET CHANGED SIGNIFICANTLY THIS YEAR – DOES THAT AFFECT YOUR LONGER-TERM STRATEGY IN PRIMARY PRODUCTS?

A lot has changed – some of it is temporary, while some will drive more permanent changes that we'll need to consider. And we don't have all the answers now – no one does. How quickly will out-of-home consumption recover? How will the move to home working affect our paper starches? Will the trend for online shopping move even faster? But then, our strategy has always been about asking these kinds of questions, analysing our markets, and planning for many scenarios. If anything, the pandemic has emphasised just how important our strategy is – optimising product and customer mix, driving operational efficiencies through our continuous improvement programme, and driving long-term value creation by being very intentional about identifying new and profitable end-markets for our products, whether that's with new customers or for new uses.

OUR FUTURE

WHAT DOES THE FUTURE HOLD?

We've learnt so much this year. We've found new, smart and efficient ways of working, and we've learnt how effective we can be in a non-traditional working model, with some people at home, some at plants, some doing both. These learnings will last far beyond the pandemic. We've also learnt a lot about ourselves, about just how agile and resilient we are, which will serve us well in the years ahead. We've also learned the power of focusing on what's important. One area that I am passionate about is sustainability. All the products we make are plant-based and we take our responsibility to look after our natural resources very seriously. When I look at the co-generation project in Lafayette, Indiana, USA which will significantly drive down greenhouse gas emissions at that site, and our industry-leading sustainable corn programme with Truterra LLC, it gives me great pride. And looking ahead we can do more, such as helping people move out of plastic and into paper-based packaging, and increasing the use of bio-based products. These things matter to our customers and they matter to us. We have some big challenges for sure, but our agility and resilience this year have shown we have the team and the capabilities to succeed.

OUR RESULTS

Volume	Revenue	Adjusted operating profit
(5%)	(2%) in constant currency	+5% in constant currency

YEAR ENDED 31 MARCH CONTINUING OPERATIONS	2021 VOLUME CHANGE
Volume	
North American Sweeteners	**(7%)**
North American Industrial Starches	**(6%)**
Total Primary Products	**(5%)**

YEAR ENDED 31 MARCH CONTINUING OPERATIONS	2021 £M	2020 £M	CHANGE %	CONSTANT CURRENCY CHANGE %
Revenue	**1 686**	1 779	(5%)	(2%)
Adjusted operating profit				
Sweeteners and Starches	**109**	133	(18%)	(13%)
Commodities	**49**	25	87%	98%
Total Primary Products	**158**	158	(1%)	5%

RESILIENT PERFORMANCE

Volume was 5% lower with sweetener volume 7% lower and industrial starch volume 6% lower, both reflecting the impact of the Covid-19 pandemic. Revenue at £1,686 million decreased by 2% in constant currency, reflecting lower volume mitigated by improved mix and higher Commodities revenue where co-product prices were higher. Adjusted operating profit was 5% higher in constant currency at £158 million. Currency translation decreased revenue by £59 million and adjusted operating profit by £9 million.

Adjusted operating profit in Sweeteners and Starches was 13% lower in constant currency. Actions to reduce costs across the business, especially in operations, and further productivity benefits were successful in mitigating some of the impact of lower volume. Adverse US winter weather increased costs by £6 million in the last months of the year. Profit for the year also benefited from transactional foreign exchange in Latin America of £3 million. In the prior year, adjusted operating profit included profit of £7 million from a non-core, savoury ingredients business closed during that year. Commodities adjusted operating profit at £49 million was £26 million higher in constant currency.

Sweeteners

Volume was 7% lower reflecting reduced out-of-home consumption (representing around 30% of sweetener consumption) as lockdowns in North America impacted consumer consumption patterns in the early part of the year. The pandemic also impacted consumption in Mexico, with export volume lower. As the year progressed, out-of-home consumption began to recover but demand remains below pre-pandemic levels.

SPECIALIST STARCHES SUPPORT ONLINE SHOPPING BOOM

During the pandemic, people all over the world have been shopping more online, driving huge demand for packaging. As part of our long-term strategy to move from declining to growing markets, we've been shifting our focus from printing and writing paper to packaging, and this really helped this year with the volume of our starches used in packaging up by 19%. And it's not just for cardboard boxes, we've also seen growth in speciality packaging – packaging that in itself conveys a marketing message, like the high-quality boxes for high-end technology products. These require specialist starches, and customers come to us for our technical expertise, and for the sustainability and recyclability of our starches which support the sustainability credentials of their packaging.

The 2021 calendar year bulk sweetener pricing round was more competitive than in previous years delivering slight unit margin compression which we expect to mitigate with our continuing productivity programme.

Industrial Starches
Volume was 6% lower reflecting lower demand for paper, partially mitigated by stronger demand for packaging.

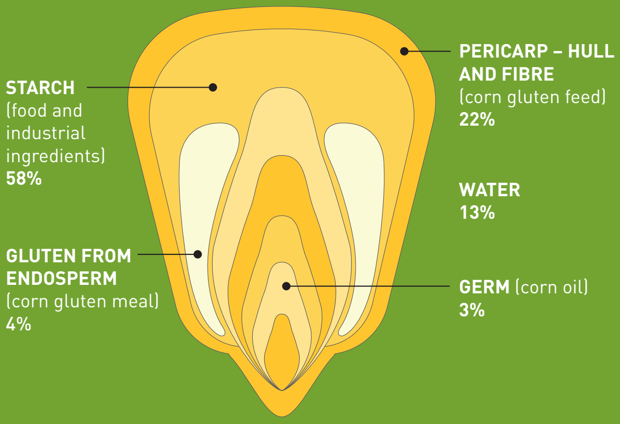
The pandemic resulted in lower demand from the printing and writing paper industry following the closure of many schools and offices. Demand for printing and writing paper improved later in the year but remains below pre-pandemic levels. In packaging, demand was higher, benefiting from increased online shopping. Our strategy over recent years to diversify away from the printing and writing paper market towards other markets such as packaging helped to mitigate the impact of these changes.

Commodities
Commodities delivered a record year with adjusted operating profit of £49 million, £26 million higher in constant currency. Co-product recoveries were significantly higher benefiting from good market conditions including increased market demand and strong prices across our co-products, and in particular for corn oil prices.

USING EVERY BIT OF THE CORN KERNEL

Nothing is wasted in the corn wet milling process. Brad Morrison, Director, Global Raw Materials 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.'



PURPOSE AT THE HEART OF INNOVATION

Victoria joined Tate & Lyle in November 2020. Here she shares her initial impressions about the business and reviews ICD's year.

THINK AND CREATE

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

- Research and development
- Solution innovation
- Platform management
- Nutrition
- Regulatory
- Open innovation
- Global marketing
- Process technologies

New Products revenue

£133m

Increase in value of innovation pipeline

+18%

Patents granted

57

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 YEAR

HOW HAVE YOU FOUND JOINING TATE & LYLE DURING LOCKDOWN?

I'm amazed at how well it's gone despite only having met in person a few of the people I work with! And that's because of the calibre of people at Tate & Lyle, and how they've integrated me into the team. The breadth of talent across the whole company is outstanding. There is a real mix of experience and backgrounds which brings a lot of diverse thinking and makes the business vibrant and interesting. The other thing that I've found inspiring is the absolute focus on safety, more so than I've experienced before. And not just safety at work, but also driving safely and safety at home. That really speaks to the care people have for each other.

HOW HAS ICD SUPPORTED OUR PURPOSE, IMPROVING LIVES FOR GENERATIONS, THIS YEAR?

Our purpose is at the heart of what we do, inspiring us to improve lives all day, every day. In particular, it's about supporting healthy living, and whether it's through the launch of our Sweetener and Fibre Universities during the year, or our online webinars, we are constantly looking for new ways we can support our customers. This close relationship with our customers is also helping to deliver results with a 21% growth (in constant currency) in revenue from New Products this year.

As well as looking after the present, ICD's role is to design what the future looks like. And in line with our purpose we need to do that in a sustainable way. The ingredients we design, the processes we design – everywhere we have an impact we need to consider sustainability. That's why I'm particularly pleased about our new acquisitions this year. With stevia and tapioca, we're not only diversifying the raw materials we use, but also providing more plant-based options for our customers and, in turn, helping consumers have healthier, more balanced diets.

> Our passion is to help our customers develop delicious and nutritious products, while ensuring we are respectful of the planet we live in.
>
> **Victoria Spadaro Grant**
> President, Innovation and Commercial Development

OUR MARKET

HOW HAS COVID-19 AFFECTED THE MARKET THIS YEAR?

I'd point to three key things. One is a polarisation between premium and value. With more people eating at home during lockdown, we saw an increase in some premium sectors. At the same time, with others worried about their jobs or struggling financially, there was also an increase in demand for affordable food – such as smaller pack sizes of favourite products. The second is a resurgence of established, traditional brands. In times of crisis, many people revert to brands they trust. With pressure on supply chains and retailers having trouble keeping their shelves full – whether online or in stores – many food companies rationalised by reducing the number of products they offer. As a result, there was less desire to innovate and customer launches slowed down. Customer innovation will increase as we move beyond the pandemic, but it won't happen overnight. The third trend is again two opposites – indulgence and wellbeing. As we come out of the pandemic, we'll see people wanting to celebrate and indulge while, at the same time, Covid-19 has made people realise the importance of a healthy diet to wellbeing. And that's set to continue.

WITH FEWER CUSTOMER LAUNCHES AS A RESULT OF COVID-19, HOW HAS THE ICD PIPELINE SUCCEEDED IN GROWING?

Our innovation pipeline is fuller than ever and grew in value by 18% during the year. That's because we collaborate very closely with our customers throughout the innovation process, and our solutions and technical expertise give them what they need – low-calorie, reduced-sugar, clean label, non-GM and plant-based options. I'm particularly proud of the nutrition team's launch this year of our new digital Nutrition Centre. It offers expert insights, research and educational tools for customers, scientists, health professionals – in fact anyone who's interested. It's an open platform which is rare in our industry, and so, I believe, it shows Tate & Lyle as a thought leader in the field, while helping us develop even closer relationships with customers.

OUR FUTURE

WHERE DO YOU SEE OUR BIGGEST OPPORTUNITIES?

Customers must be our focus, and food and beverages our obsession. The team has worked really hard to find creative ways to help customers during lockdown, and we've got closer to them as a result. As we come out of the pandemic, we need to capitalise on those relationships and make sure we're even more customer-focused than before. And we need to step up how we think about food, to become even more focused on the end product. Food is about taste, wellbeing, conviviality – if we can demonstrate more of that, we'll have an even greater meeting of minds with our customers.

TATE & LYLE NUTRITION CENTRE: SHARING OUR RESEARCH

The Tate & Lyle Nutrition Centre is a new online hub launched in February 2021. Developed by our Global Nutrition Team, the Centre makes it easy for customers, scientists, health professionals and consumers to access authoritative research on ingredients that can help address formulation and public health challenges. As well as technical papers, visitors can find articles on topics from keto diets to gut health to immunity, plus easy-to-understand infographics and videos.

Kavita Karnik, Global Head, Nutrition & Regulatory Affairs at Tate & Lyle, said: 'With our new Centre, we have made it easier for our customers and the wider industry, as well as peers in the nutrition and science world, to access high-quality research content that informs product development, adds to the evidence base, and supports healthy living.'

Addressing Brazil's fibre gap with Nestlé

Welcome to the Nutrition Centre

Read more online at www.tateandlyle.com/nutrition-centre

FINDING SOLUTIONS DESPITE UNCERTAINTY

Melissa talks about how the team has worked to meet the rapidly changing needs of both Food & Beverage Solutions and Primary Products, and their customers.

SOURCE AND MANUFACTURE

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

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

OUR YEAR

DESPITE ALL THE CHALLENGES, IT HAS BEEN A SUCCESSFUL YEAR – HOW DID YOU DO IT?

The team, the team, the team!
In operations, circumstances change all the time, so you have to be solutions finders with a can-do attitude. The pandemic caused a lot of change very quickly, but the team kept positive, and repeatedly found solutions for keeping each other safe and our customers served while continuing to deliver our ambitious sustainability and productivity programmes. Throughout the year our fundamental principles of working as partners, supporting one another and our customers, have been front and centre, alongside our guiding light – our purpose. And, since our plants are often at the heart of their local communities, it was no surprise to see our teams supporting family members on the frontline with access to critical PPE as well as organising help for local food banks.

HOW DID YOU KEEP PEOPLE SAFE WHILE STILL RUNNING THE PLANTS?

We acted early. Most challenging was the incredible uncertainty – no one knew what was coming; no one knew the full extent of the consequences of the virus. So, at a global level, we put together a set of principles based on science and data, while empowering site leaders and their pandemic teams to use local data, in real-time, to adjust their response within those principles, and always with the core aim of keeping each other safe while maintaining operations and the essential service of providing food ingredients to our customers. We said we would be cautious – and we were. We said we'd need to learn and build as the year progressed – and we did. Our local leaders really made the difference by localising our response – it had to be that way, because Covid-19 affected every country, every state, every town differently.

> I'm extremely proud of how our team has played its part in supporting the food supply chain during the pandemic.
>
> **Melissa Law**
> President, Global Operations

CUSTOMER DEMAND CHANGED ALMOST OVERNIGHT – HOW DID YOU DELIVER?

With large-scale processing plants it's not easy to react quickly to production changes, but the work we've done over the last few years to improve our agility and productivity helped us navigate the year well. And our operations team already had a winning mindset: one that continuously looks for better ways to serve our customers with quality product while ensuring the safety of our people and our communities. We realised quickly that we had to work differently to maintain strong customer service, so we used technology and new ways of working to find solutions, efficiently and effectively, and our customers really appreciated that.

YOU SET SOME AMBITIOUS LONG-TERM ENVIRONMENTAL TARGETS AT THE START OF THE YEAR – WHAT PROGRESS HAVE YOU MADE?

It's all on track! Of course, when the pandemic hit we had to pause some capital projects, such as our new co-generation system in Lafayette, Indiana, USA to assess how to continue construction work safely, but we soon got them up and running again. We continued to support 1.5 million acres of sustainable corn through our sustainable agriculture programme, and we continued investing in our Journey to Environment, Health and Safety (EHS) Excellence, because nothing less than excellence in EHS and quality across our operations will do.

OUR FUTURE

HOW WILL YOU INTEGRATE THE NEW ACQUISITIONS?

I'm excited because they further diversify our portfolio of plant-based food ingredients, while having manufacturing capabilities that enhance our own. We already had a relationship with the stevia business in China, but we now have the opportunity to scale it to serve a much larger global customer base and accelerate new product development. The tapioca facility in Thailand complements our US-based manufacturing capabilities and allows us to establish ourselves as a major supplier in Asia. I am excited about the investment plans that include increasing the supply of new products for Food & Beverage Solutions.

WHAT HAVE YOU LEARNT THIS YEAR THAT YOU'LL BE TAKING FORWARD?

Not so much a learning, but a good reminder this year has been the critical role that operations plays with respect to keeping essential goods and services available – and our team was right at the centre of keeping food on the tables of families around the world. The pandemic also accelerated our acceptance and use of technologies to maintain operations without losing connectivity to our business partners and our customers. Finally, the pandemic has helped us all to confront more directly the reality of the inequalities that still remain in our society. This led us to take a closer look at what we can do to change them. As a Champion for both our Women's and our Black Employee Networks, I am pleased with the progress we've made in increasing the participation of under-represented people in operational and engineering roles over the past several years. But we need to do more, not only to progress a wider equity, diversity and inclusion agenda, but to ensure our operations reflect the communities around us. We are not where we want to be yet but, inspired by our purpose, I am confident we can and will make it happen.

COVID-19 PROTOCOLS

Local site leadership teams know their plants better than anybody, so they had autonomy to make Covid-compliant arrangements for their own sites, in line with guidance from the Global Pandemic Response Team.

When it came to social distancing, some sites had to make significant changes to the configuration of control rooms, to ensure operators could work safely apart from each other; while in other areas, taped-out areas on the floor were enough. Many of our sites introduced rotating work schedules to keep people safely distanced while making sure we had enough people on site to run operations.

Some procedures, though, are universal. For example, everyone had their temperature taken before entering a facility, and we set up sanitation stations at every location.

DRIVING RESULTS IN A PURPOSEFUL WAY

From our new Chief Financial Officer, Vivid Sehgal, who joined Tate & Lyle in March 2021.

FINANCIAL HIGHLIGHTS

Adjusted diluted earnings per share

+12%

in constant currency

Adjusted free cash flow

£250m

increase of £3 million

Return on capital employed

17.2%

decrease of 30bps

Vivid talks about the year, why he joined and shares his first impressions along with some thoughts for the year ahead.

FIRST IMPRESSIONS

WHAT ATTRACTED YOU TO TATE & LYLE?

The purpose of *Improving Lives for Generations* is one of the main reasons I joined. We help our customers improve people's lives by making food and drink healthier and that's something I believe passionately in. And the Company has many other outstanding attributes: a strong growth profile with an emphasis on innovation; a healthy balance sheet with opportunities for both organic and inorganic growth especially in emerging markets; a strong Board and management team; and a genuine focus on inclusion and respect. Tate & Lyle is a company that really lives and breathes its purpose. In short, the Company seemed very aligned to my own personal values.

WHAT HAVE YOU OBSERVED IN YOUR FIRST FEW MONTHS?

Thankfully, that things were exactly as I thought they would be! And I don't say that lightly. I've worked in different businesses over 30 years and it's great to work for a company with a strong business model and that's so thoughtful in how it operates. And by that I mean that the purpose of the Company really does permeate how we operate and what we are trying to achieve. And, at Tate & Lyle, the finance function is a real partner to the business, challenging how the Company operates and adding value, and I'm delighted to be able to contribute to that.

OUR YEAR

COULD YOU COMMENT ON TATE & LYLE'S FINANCIAL POSITION?

I've been fortunate to come into a company with strong financial discipline. It is also prudent – doing the pension 'buy-in' the 2020 financial year to save cash while protecting people's pensions, for example; or raising debt at record low interest rates this year in case it was needed (which it wasn't!). But it also knows when and where to invest, such as completing two acquisitions funded by the free cash flow generated in the year. As a result, the balance sheet remains strong.

GIVEN THE DECLINE IN OUT-OF-HOME CONSUMPTION, HOW HAS TATE & LYLE ACHIEVED SUCH STRONG RESULTS?

At first glance, it looks like Primary Products was hit by the impact of lockdowns on the out-of-home market, and that Food & Beverage Solutions made up for it. But there's far more to it than that. Food & Beverage Solutions was also affected by the reduction in out-of-home consumption through exposure to the food service market, such as restaurants and bars. If you look at the detail, you'll see that Primary Products, while helped by a very strong performance from Commodities, also benefited from the strategy it has pursued for a number of years around diversifying its product portfolio and targeting new and growing markets. Similarly, in Food & Beverage Solutions, the strategy of focusing on creating health and wellness solutions is paying off as people are increasingly looking for healthier options when they eat and drink. We also can't forget the tremendous contribution from Global Operations for delivering above and beyond on the productivity and cost agenda as well as great flexibility to keep customers served. It really has been a Group-wide team effort, which is fantastic to see.

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

WHERE ARE YOU INVESTING CAPITAL AND WHY?

There are two key areas – growth and sustainability, which together will enable a strong future for the Company. As I mentioned, on the growth side, Tate & Lyle made two acquisitions this year, and I'm delighted to be able to contribute my experience in this area as we integrate those acquisitions and look for new opportunities. On the sustainability side, Tate & Lyle is in the process of a multi-year investment of more than US$150 million to reduce greenhouse gas emissions and improve operational efficiency. This is all part of delivering our commitment to eliminate the use of coal in our operations by 2025, and to reduce our absolute Scope 1 and 2 greenhouse gas emissions by 30% by 2030.

LOOKING AHEAD

WHAT POSITIVES WILL YOU TAKE FORWARD FROM THIS PANDEMIC YEAR?

From what I've observed, right across Tate & Lyle, people have adapted amazingly well to the move to working from home for office-based staff and, for plant-based staff, the move to smaller crews and new working protocols. One cultural shift that's been very beneficial is the devolving of decision-making throughout the business. Local managers have had to make more decisions and people have had to trust each other to get things done – and they did. The finance team had to work harder to keep controls strong, and to make sure nothing went wrong, and to change the way they worked since the simple act of being in a room with each other wasn't possible. While we're all looking forward to being in the office together – and I can't wait to meet my team in person! – the creativity, agility and flexibility the team has shown, and this stepping up to take responsibility, are things I'd certainly like to see more of in the coming year.

WHAT EXCITES YOU MOST ABOUT THE FUTURE AND YOUR NEW ROLE?

Tate & Lyle is emerging from the pandemic in a position of real strength. Not only has the Company done a great job of delivering what it said it would do over the last few years, but the business itself, with its focus on health and wellness solutions, has strong opportunities for growth, especially in the higher growth markets of Asia, Middle East, Africa and Latin America. But more than that, the companies of the future are, I believe, those that want to do the right thing, and that have a strong purpose guiding who they are and what they do. Taking care of people is a hallmark of a strong company, and Tate & Lyle not only takes care of its own, but extends this attitude of care beyond the walls of the Company and into its local communities and wider society. A Company that's not just about driving results, but driving them in a good and sustainable way – what could be better than that?

CAPITAL ALLOCATION FRAMEWORK

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

INVEST IN ORGANIC GROWTH

↓

INVEST IN ACQUISITIONS, JOINT VENTURES, PARTNERSHIPS

↓

MAINTAIN A PROGRESSIVE DIVIDEND POLICY

↓

RETURN SURPLUS CAPITAL TO SHAREHOLDERS

SUMMARY OF FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021 (AUDITED)

YEAR ENDED 31 MARCH[1] CONTINUING OPERATIONS UNLESS STATED OTHERWISE	**2021 £M**	2020 £M	CHANGE %	CONSTANT CURRENCY CHANGE %
Revenue	**2 807**	2 882	(3%)	1%
Adjusted operating profit				
– Food & Beverage Solutions	**177**	162	10%	12%
– Sucralose	**55**	63	(12%)	(9%)
– Primary Products	**158**	158	(1%)	5%
– Central	**(51)**	(52)	1%	-%
Adjusted operating profit	**339**	331	2%	7%
Net finance expense	**(30)**	(28)	(7%)	(9%)
Share of profit after tax of joint ventures	**26**	28	(6%)	7%
Adjusted profit before tax	**335**	331	1%	6%
Exceptional items	**(42)**	(24)	(69%)	(73%)
Amortisation of acquired intangible assets	**(10)**	(11)	5%	4%
Profit before tax	**283**	296	(4%)	1%
Income tax expense	**(30)**	(51)	39%	40%
Profit for the year	**253**	245	3%	10%
Earnings per share (pence)				
Adjusted diluted	**61.2p**	57.8p	6%	12%
Diluted	**53.8p**	52.1p	3%	10%
Cash flow and net debt				
Adjusted free cash flow	**250**	247		
Net debt	**417**	451		

[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.

Sales from continuing operations of £2,807 million were 3% lower than the prior year (1% higher at constant currency). On a statutory basis, profit before tax from continuing operations decreased by £13 million to £283 million reflecting increased profit from operations more than offset by a higher exceptional charge of £42 million (2020 – charge of £24 million).

Statutory diluted earnings per share from continuing operations increased by 1.7 pence to 53.8 pence due to the impact of increased earnings and a lower effective tax rate of 10.9% (2020 – 17.1%), mitigated by higher net exceptional charges.

Adjusted profit before tax from continuing operations at £335 million was £4 million higher than the prior year (6% in constant currency). Adjusted diluted earnings per share from continuing operations increased by 3.4 pence to 61.2 pence (12% 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 1% lower (in line with the prior year in constant currency). This reflected continued strong discipline on overhead costs but was largely offset by higher self-insurance costs and additional costs incurred as we adapted to new ways of working during the pandemic and positioned the Group to exit the pandemic a stronger business.

NET FINANCE EXPENSE AND LIQUIDITY

Net finance expense at £30 million was 7% higher. This reflected lower interest income on cash balances, the loss of non-cash finance income following the 'buy-in' of the main UK defined benefit pension scheme during the prior year and the issue of US$200 million of US private placement debt in August 2020, which was issued to increase the Group's access to liquidity.

In May 2020, we extended the maturity of our committed but undrawn US$800 million revolving credit facility by one year to 2025. Then, in March 2021, we extended US$700 million of this facility by a further year to 2026. The pricing of this facility is linked to the delivery of our 2030 environmental targets for Scope 1 and 2 greenhouse gas emissions, water use and beneficial use of waste. As set out above, in August 2020, we issued US$200 million in US private placement debt comprising US$100 million 2.91% notes maturing in 2030 and US$100 million 3.01% notes maturing in 2032.

As a result, we have strong liquidity headroom with access to US$1.3 billion through cash on hand and a committed and undrawn revolving credit facility. Leverage remains low with a net debt to EBITDA ratio at 31 March 2021 of 0.8x (0.6x on a covenant basis).

SHARE OF PROFIT AFTER TAX OF JOINT VENTURES

The Group's share of profit after tax of joint ventures of £26 million was 6% lower (7% higher in constant currency), reflecting a weakening of the Mexican peso. In Almex, the Group's joint venture in Mexico, weaker sweetener demand was offset by transactional foreign exchange benefit of £4 million. In DuPont Tate & Lyle Bio Products (Bio-PDO™) weaker demand for high-performance textiles and cosmetics, both impacted by the pandemic, saw volume and profits lower than the prior year.

EXCEPTIONAL ITEMS

The Group recorded a net exceptional charge of £35 million, comprising £42 million of exceptional items included in profit before tax and a £7 million credit included as an exceptional item within tax. Such items principally included the following:

- £20 million of restructuring charges (£12 million cash costs and £8 million non-cash costs) for the previously announced simplification and productivity programme.
- £19 million of costs (all cash costs), principally for external advisors, for work performed in exploring the potential to separate the Food & Beverage Solutions and Primary Products businesses.
- A £3 million net charge related to historical legal matters in the US, including income recorded for the favourable settlement of an insurance claim.
- The exceptional credit of £7 million within tax related to the release of an uncertain tax provision in the US, which had been recorded at the time of the Group's exit of Sucralose manufacturing in Singapore. At that time, the costs arising from the closure of Singapore and the associated tax were recorded as exceptional items.

The exceptional cash outflows for the period were £32 million, comprising £19 million of cash outflows related to charges recorded in the current period and £13 million of cash outflows resulting from exceptional costs recorded in the prior years.

In the prior year, the Group recorded a net exceptional charge of £24 million which comprised £19 million of restructuring costs related to the productivity programme and a £5 million charge related to the decision to exit a small non-core savoury business.

The Group is in the third year of a six-year programme to generate productivity benefits of US$150 million by 31 March 2024. For the first half of the year the Group reported spend of US$22 million. US$12 million of this has now been classified as spend relating to the potential separation of the two businesses and as such the total spend for the year on productivity projects other than this was US$15 million (£12 million). This brings the total to date to US$48 million. We now expect to spend less than the previously announced estimate of around US$75 million in delivering the targeted benefits of US$150 million.

CASH FLOW AND NET DEBT

	YEAR ENDED 31 MARCH[1] 2021 £M	2020 £M
Adjusted operating profit from continuing operations	**339**	331
Adjusted for:		
Adjusted depreciation and adjusted amortisation[2]	**165**	161
Share-based payments charge	**8**	14
Changes in working capital and other non-cash movements	**(24)**	2
Net retirement benefit obligations	**(8)**	(21)
Capital expenditure	**(152)**	(166)
Net interest and tax paid	**(78)**	(74)
Adjusted free cash flow	**250**	247

	AT 31 MARCH 2021 £M	2020 £M
Net debt	**417**	451

[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] Total depreciation of £148 million (2020 – £145 million) and amortisation of £33 million (2020 – £35 million) less £6 million (2020 – £8 million) of accelerated depreciation recognised in exceptional items and £10 million (2020 – £11 million) of amortisation of acquired intangible assets.

TAXATION

The adjusted effective tax rate was 14.3% (2020 – 17.9%). The rate was lower than the prior year reflecting the release of certain tax provisions following expiry of statute of limitations as well as recognition of certain tax credits in the US.

Given the release of certain tax provisions noted above we now expect the adjusted effective tax rate for the year ending 31 March 2022 to be higher than the year ended 31 March 2021.

The reported effective tax rate (on statutory earnings) was 10.9% (2020 – 17.1%), this was lower than the adjusted effective tax rate due to the impact of the factors highlighted above and the impact of the £7 million tax credit recorded as an exceptional item.

EARNINGS PER SHARE

Adjusted basic earnings per share increased by 6% (12% in constant currency) to 61.9 pence and adjusted diluted earnings per share at 61.2 pence were 6% higher (12% in constant currency). Statutory diluted earnings per share increased by 1.7 pence to 53.8 pence reflecting the items above and higher exceptional charges in the year.

DIVIDEND

The Board is recommending a 1.2 pence or 5.8% increase in the final dividend to 22.0 pence (2020 – 20.8 pence) per share, bringing the full year dividend to 30.8 pence per share (2020 – 29.6 pence), an increase of 4.1%. This increase brings dividends back to a level consistent with the Board's progressive dividend policy, notwithstanding the pandemic.

The final dividend is subject to approval by shareholders at the AGM on 29 July 2021. Subject to shareholder approval, the final dividend will be due and payable on 6 August 2021 to all shareholders on the Register of Members on 25 June 2021. 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 £250 million (2020 – £247 million). The increase of £3 million reflects higher adjusted earnings, lower capital expenditure and lower retirement benefit contributions following the 'buy-in' of the main UK pension scheme in the prior year, partially offset by the impact of higher corn prices on working capital. Capital expenditure of £152 million (2020 – £166 million) included investment in our Lafayette and Decatur plants in the US to further reduce our greenhouse gas emissions and increase operational efficiency at each site.

We expect capital expenditure for the 2022 financial year to be between £180 million and £200 million reflecting both a step up in Food & Beverage Solutions growth capacity and investment related to acquisitions.

Net debt at 31 March 2021 of £417 million was £34 million lower than at 31 March 2020. This movement mainly reflects the strong net cash flow generated from operating activities and the favourable translation impact of the weaker US dollar on US dollar-denominated debt, partially offset by exceptional cash flows of £32 million, investments to acquire businesses totalling £62 million and dividend payments of £137 million.

At 31 March 2021, the Group held cash and cash equivalents of £371 million and had a committed, undrawn revolving credit facility of US$800 million until 2025 (of which US$700 million has been extended to 2026). Net Debt to EBITDA ratio was 0.8 times (31 March 2020 – 0.9 times). On a covenant-testing basis, Net Debt to EBITDA ratio was 0.6 times, which was significantly lower than the covenant ratio of not greater than 3.5 times, demonstrating continued 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.

At 31 March 2021, the Group's retirement benefit obligations are in a net deficit of £140 million (31 March 2020 – net deficit of £203 million). The largest component of the net deficit relates to schemes in the US that are by their nature unfunded schemes (e.g. US post-retirement medical benefit scheme).

The net deficit decreased by £63 million, due to higher returns of £30 million on plan assets in the US funded plans and reductions in retirement benefit obligations in the US of £21 million, due to changes in actuarial assumptions. Additionally, US dollar denominated plans showed a foreign exchange translation benefit of £20 million.

The main UK plan was subject to a 'buy-in' in the prior year and therefore the significant increase in obligations due to a lower discount rate and the impact of higher inflation was largely offset by an increase in the value of the 'buy-in' insurance policy. As a result, the balance sheet for the UK plans remained broadly consistent with the prior year.

In the year ended 31 March 2021, pension contributions were £14 million lower than the prior year as a result of cessation of contributions to the main UK scheme following the 'buy-in'.

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 29.

GOING CONCERN

The Directors are satisfied that the Group has adequate resources to continue to operate as a going concern for the foreseeable future and that no material uncertainties exist with respect to this assessment. In making the assessment, the Directors have considered the Group's balance sheet position and forecast earnings and cash flows for the period from the date of approval of these financial statements to 31 March 2023. The business plan used to support the going concern assessment (the 'Base case') is derived from Board-approved forecasts together with certain downside sensitivities.

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

At 31 March 2021, the Group has significant available liquidity, including £371 million of cash and US$800 million (£579 million) of committed and undrawn revolving credit facility, none of which matures before March 2025. In addition, none of the Group's existing financing matures during the going concern assessment period, with the earliest maturity being in the year ending 31 March 2024. During the year, the Group demonstrated its ability to raise new finance despite the uncertainties of the Covid-19 pandemic, raising US$200 million of new private placement debt in August 2020, with 10-year and 12-year tenors at 2.91% and 3.01%, respectively.

The Group has only one debt covenant requirement which is to maintain a Net Debt to EBITDA ratio of not more than 3.5 times. On the covenant-testing basis this was 0.6 times at 31 March 2021. As set out below, for a covenant breach to occur it would require a profound reduction in Group profit. Such reduction is considered to be extremely unlikely.

As described elsewhere in the Annual Report, the Group's performance has demonstrated resilience to the challenges of Covid-19, with revenue, profit and cash flow growth being delivered during the year ended 31 March 2021. None of the scenarios modelled in the Directors' 'worst case scenario' in the Group's two most recent going concern assessments (30 September 2020 and 31 March 2020) have come to fruition to any degree.

In concluding that the going concern basis is appropriate, the Directors have modelled the impact of a 'worst case scenario' to the 'Base case' by including the same three plausible but severe downside risks also used for the Group's viability statement, being: 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 slower recovery from the impact of the Covid-19 pandemic. In aggregate, such 'worst case scenario' does not result in any material uncertainty to the Group's going concern assessment and the resultant position still has significant headroom above the Group's debt covenant requirement.

In addition, the Directors have calculated a 'reverse stress test', which represents the changes that would be required to the 'Base case' in order to breach the Group's debt covenant. Such 'reverse stress test' shows that the forecast Group profit would have to be reduced to almost zero in order to cause a breach. Finally, the Group has and continues to demonstrate its ability to operate all of its manufacturing facilities safely in the current environment.

Having reviewed the 'worst case scenario' and 'reverse stress test', the Directors consider that there is no reasonable scenario in which available liquidity could be exhausted or the Group's debt covenant could be breached. Accordingly, there is no reasonable basis under which the Group would not be a going concern.

AMAZING DEEDS, SPIRIT AND PERFORMANCE FROM ALL OUR PEOPLE

Laura Hagan, Chief Human Resources Officer, shares how our people have gone above and beyond during the many challenges of the last year whilst continuing to transform our business, including embracing new ways of working with ease.

> It's been a privilege to lead our People Function this year – I continue to be inspired by our people and their individual and collective achievements – we are all excited about the future at Tate & Lyle. What a great platform to move forward with our agenda.
>
> **Laura Hagan**
> Chief Human Resources Officer

In times of crisis, the values that were always there become amplified and very visible. I am so impressed by the way our people responded to all the challenges presented globally from Covid-19. In a year like no other, our people lived our culture, values and beliefs.

Guided by our purpose of *Improving Lives for Generations*, we moved quickly to articulate a set of clear priorities for our people – keeping each other safe and supported in and outside work, working together to prioritise the operations of our plants and supply chain – and so delivering to our customers. We felt confident if we put our people first, the rest would follow successfully.

Last year we said we wanted our culture to be pacier, adaptable and more ambitious – and the pandemic spurred us to do this almost overnight. Key to this was how local leaders and managers, especially those at the front line of our operations, immediately knew how best to lead, communicate and keep things running. And the reality of the pandemic was different in every location, and ever-changing. It was vital local leaders and their teams were able to make the right decisions, quickly, for the circumstances they were facing. They did this without hesitation: reorganising safety protocols, ways of working and shift patterns for different and multiple teams – letting the Global Pandemic Response Team know what was working and what help they needed on a daily basis.

Our commercial and innovation teams also adapted. When you are not able to meet your customers in person, you use technology and ingenuity to continue discussions – realising our customers were also adapting to very different demand scenarios and uncertain futures too! In some ways, our teams felt closer to our customers and enjoyed the speed and efficiency of organising remote meetings. Another way of working that we will keep going forwards.

Our office-based staff around the world switched seamlessly to working at home – helped by the speed of response from our technology team – our people felt supported and productive from the very early days of the pandemic. Our functional leaders followed the examples being set from the front line: keep our people safe and customers served. And we were all pitched into each other's homes by many video meetings.

Despite all of this, it wasn't always easy. We were determined to recognise and actively support our people's wellbeing. For many of our people, this last year has been a relentless challenge – working at home, living with uncertainty and isolation for some, the joys and 'head in hands' moments of home-schooling children from pre-school to older teenagers. For some, it's also been a time of family grief and loss. We've remained compassionate and supportive.

FOCUS ON WELLBEING

Home and working lives merged, blurred together like never before. Although not meeting people face-to-face, we felt very connected to each other through technology, with the ubiquitous interruptions of delightful children, animals of all varieties and a sense of life beyond the office.

We made practical support available. But it was more important than that: regular check-ins, team socials, external learning and inspiration too. We ensured our diverse population were supported – our plant and lab employees continued to work in difficult conditions – trying to balance operations with keeping safe, and our office-based employees working at home, some for the first time.

As we entered 2021, it was important to give our people a break – we asked people to take a 'Wellbeing Day' – not holiday or formal leave, but a chance for people to shut down their screens or equivalent and have a day to do something for themselves. Throughout the pandemic we also offered a confidential employee assistance programme which provided many services including in-person and virtual counselling for our employees and their loved ones to get help with life's difficulties.

And we experienced joyful moments – the Tate & Lyle Global Choir was a great example – more connection in our global leadership group and the resilience and growth built in our teams as they stepped up to the challenge of 2020.

SHINING A SPOTLIGHT ON EQUITY, DIVERSITY AND INCLUSION

The open, honest and personal culture we've seen emerge this year has also allowed our people to be far more candid about things we could do better at Tate & Lyle. A key one is equity, diversity and inclusion. Global events in 2020 led us to have much more open and honest conversations. This has been a real highlight for me this year: the way the dialogue about equity, diversity and inclusion grew so powerfully across the Company. We discussed the importance of building a trusting and open environment in which everyone has a voice, developing a more diverse workforce which reflects the local communities we call home, and redesigning our core organisational policies and practices to promote equitable advancement, retention and reward. Personally, I've found these conversations humbling and inspiring and I am so proud that our teams have increasingly felt safe to truly share their lived experiences.

I remain resolute that an inclusive environment and culture is a fundamental prerequisite to commercial success and continuing to be a purpose and people-led business. I am proud to be working with our Chief Equity, Diversity & Inclusion Officer, Lauren von Stackelberg – together, alongside the Board and the Executive Committee, we undertake to shift the dial and play an important role.

STEPPING UP OUR VIRTUAL COMMUNICATIONS

Communication with our people was essential and we moved to informal, frequent and local conversations. Virtual cafés were a regular part of our working days and weeks, particularly in the first few months of the pandemic. People wanted reassurance, information and a chance to ask questions. And it wasn't just the virtual cafés, our leaders stayed connected with regular check-ins, asking 'how are you?' and spending time with their teams away from the day-to-day of intense business operations. The feedback from many of our colleagues through impromptu internal social media posts and feedback via our regular pulse surveys, was very positive and underlined how much more connected they felt to the leadership team.

REWARDING AND RECOGNISING PEOPLE IN CHALLENGING TIMES

Fair, performance-based remuneration is fundamental to people's motivation, and our incentive arrangements are based on both Group and individual performance measures. We ensure our packages are fair by benchmarking them regularly against the market. We continued to invest in our teams on the front line and so maintained the usual salary investment in plant-based operational roles, in recognition of the importance of their contribution. Beyond the usual annual salary review, we wanted to recognise those who had worked so hard to keep our business running during the pandemic, particularly in our plants, and so we gave special recognition bonuses to our frontline staff. However, given the level of uncertainty in the market, we froze salaries for senior management and our managers in our bonus schemes. We resumed our normal approach to salary reviews for all staff in April 2021.

For us, recognition is about far more than pay. This takes many forms, from localised recognition moments in team meetings, through to large events which recognise truly exceptional behaviour. Given the exceptional performance of so many people across the Company, we launched a special '2020 Heroes Awards', to recognise those people who had gone above and beyond in supporting their colleagues, communities and our customers through the pandemic. We had a fantastic number of nominees – 575 from across the business, with 30 eventual winners. The event itself, a simple virtual event, to say thank you to our winners around the globe was incredibly moving. The level of commitment, dedication and extraordinary achievement that shone through was both inspiring and humbling for those involved. Our winners, and what they did, are included on various pages across this report.

OUR PEOPLE

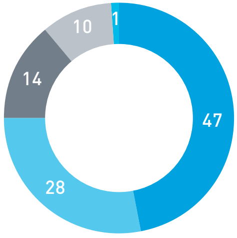
Employee profile
(as at 31 March 2021)

4,441

(2020: 4,218)

Employees by geography (%)

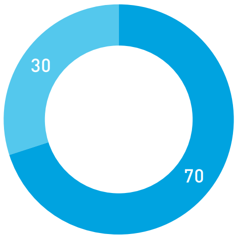
■ North America
■ Europe
■ Asia Pacific
■ Latin America
■ Middle East and Africa



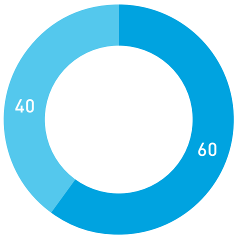
Gender diversity (%)
as at 31 March 2021

■ Men
■ Women

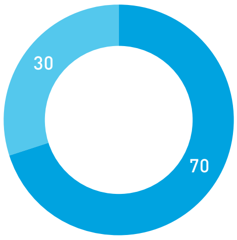
Board



Executive Committee

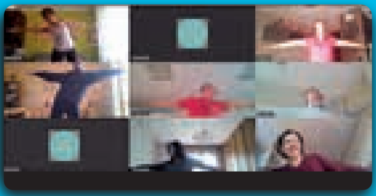


All employees



SUPPORTING OUR COLLEAGUES AND THEIR MENTAL HEALTH

We talk about 'the Tate & Lyle family' and it's no empty phrase. Caring for our people is central to our purpose, and this year we have worked hard to ensure that our people prioritise their own wellbeing, and the physical and mental health of each other. For example, wellbeing was formally made part of our 'Journey to EHS Excellence' programme in all sites, we strongly encouraged use of free counselling for our employees and their loved ones via our global Employee Assistance Programme, and regularly reminded our teams to ask for help and take space where they needed it. We focused on helping each other, and it has been encouraging to see our teams come together around the world with colleagues organising themselves into yoga, coffee, singing, walking and running groups, or volunteered to become Mental Health First Aiders at their local sites.



EMPLOYMENT POLICY

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.

DEVELOPING TALENT AND ENHANCING LEADERSHIP SKILLS

2020 saw a total revolution in our development offerings and coverage as we pivoted from a largely face-to-face training environment to a purely digital one. Our Global Leadership Programme cohort became our test group and completed their programme virtually, with full completion. After the positive feedback from this group, we created a new virtual learning suite, for both leaders and managers, starting with a coaching module that was rolled out to our top 100 leaders, including our Executive Committee.

For our broader employee population, we significantly extended both coverage and usage of learning provision. Having experienced limited take-up of our previous digital skills platform, which had dwindled to around 25 users per month, we wanted to democratise and extend learning throughout the organisation, offering Just in Time skills training geared to employees' unique needs. We launched LinkedIn Learning in August, with over 16,000 courses on almost every business topic imaginable available, in seven languages. We are delighted that we are already achieving high levels of engagement with the platform with over 650 active users spending on average just under 90 minutes per month online.

DOING BUSINESS WITH INTEGRITY – OUR CODE OF ETHICS

We are proud of our values and expect everyone at Tate & Lyle, and all who work with us, to act in accordance with these standards. We set out what this means in our Code of Ethics, available in 10 languages. Central to our Code is a profound respect for human rights. The Code is publicised widely across the Group and is promoted through online training for everyone and face-to-face training for particular areas of risk. 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, were 57 compared with 70 in 2020. We believe this drop is due to many people working from home, and far fewer interactions in person. We investigate every concern raised, but we sometimes have multiple calls about the same issue. As a result, the number of concerns we investigated this year was 49. We treat any concern raised as whistleblowing which means it is reviewed independently by our Head of Ethics and Compliance.

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, equity, 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-slaverystatement.

IN SUMMARY

Looking ahead, we are emerging from the pandemic a stronger, more connected and compassionate business with our purpose very much at the forefront. And we've many things to look forward to; meeting people in person, visiting our sites around the world – spending time reconnecting and exchanging new views. Many are talking about the 'new normal' – I'd like to think we will create our own path forward, with greater resilience and ability to change, and our ingenious people will continue to work together for the success of Tate & Lyle.

CODE OF ETHICS

Central to our Code is a profound respect for human rights – particularly health and safety, which is our highest priority.

- 10 languages
- 97% of employees trained on the Code
- 95% of employees (who require it) completed online competition law training with 331 high-risk employees participating in live competition law training
- 98% employees (who require it) trained in human trafficking

DRIVING INCLUSIVE CHANGE

Our new Chief Equity, Diversity & Inclusion Officer, Lauren von Stackelberg, who joined Tate & Lyle in April 2021, talks about our ambitions, shares why she joined and her first impressions.

WHAT ATTRACTED YOU TO TATE & LYLE?

When you work in equity, diversity and inclusion, authenticity and accountability are paramount. I was drawn to Tate & Lyle by the courage of their people's convictions and their heartfelt honesty. It was evident the Company is investing long-term in equity, diversity and inclusion not simply because it's the right thing to do, but because their purpose demands it. Like many of our employees, Tate & Lyle's purpose, *Improving Lives for Generations*, resonated with my personal purpose to make the world a better place than I found it. And doing equity, diversity and inclusion work at Tate & Lyle will allow me, and us, to do just that.

ALLIES IN PROGRESSING OUR CULTURE

We want equity, diversity and inclusion to be at the heart of our culture. Our Ally Training is instrumental to this. This year we trained more than 228 employees, including our Executive team, on how to be an ally. This training empowered many employees to begin their inclusion learning journeys and to take personal ownership of our equity, diversity and inclusion agenda.

HOW WAS OUR PROGRESS LAST YEAR?

Tate & Lyle's year was marked by accelerated impact, driven by our employees' and leaders' great intentions and mindsets. We witnessed first-hand the power and potential of our employees' energy to make change happen alongside their personal willingness to change. This led to our growing Employee Resource Group footprint, the increasing reach of our Ally Training Programme, and progress towards our gender parity goal in leadership roles.

- **Employee Resource Groups and Allies** Our Employee Resource Groups play an important role in connecting under-represented groups across the Company, prioritising support and solidarity, and cultivating a sense of belonging at Tate & Lyle. We have three groups – Professional Women's Network, LGBTQ+ Network and, launched this year, Black Employee Network. To magnify the impact of these important communities, we launched Ally Training to create 'allies' – people who use their influence to support those who experience unequal treatment.
- **Binary gender diversity** We are pleased with the representation of women on our Board (36%) and Executive Committee (44%) as at the date of this Report. But we still have much to do at the next level, hence our target for gender parity in leadership roles by 2025. We define leadership roles as the top three employee bands. We made solid progress in the year, increasing the number of women in leadership roles from 27% to 32%. We have 136 senior managers, including statutory directors, of whom 24% (33) are women. Looking ahead, areas of focus include our senior plant management where we lack representation of women. We are committed to measuring and reporting our progress and to expanding our representation goals.
- **Gender pay gap reporting** Although we are below the legislative threshold for UK gender pay reporting, we voluntarily publish details of our gender pay gap on our website annually. Using the UK government's methodology, our median gender pay gap for UK employees was 3.2% (2020 – 15%). We expect this gap to narrow even further as we increase the number of women in leadership roles to achieve our target of gender parity by 2025.

WHAT ARE TATE & LYLE'S AMBITIONS AND KEY PRIORITIES?

Our future potential is reflected in our decision to expand our nomenclature to now refer to this work as Equity, Diversity & Inclusion (ED&I). We think about this as driving equity as our impact, by fostering local diversity as a fact, and conscious inclusion as an act. We have an opportunity and an obligation to ensure our progress is both interpersonal and institutional by weaving ED&I into our culture and purpose. The pillars we will focus on in the future are:

- **Talent:** Ensure the diversity of our workforce reflects the local communities we call home
- **Culture:** Educate all to achieve the ED&I competence and confidence needed to create and sustain an inclusive culture where diversity thrives, unlocks innovation and maximises our business' global growth
- **Systems:** Integrate ED&I into core organisational policies and practices to promote equitable advancement, retention and reward
- **Society:** Listen to, speak to and serve society by promoting ED&I progress for our customers, communities and supply chain

We want equity, diversity and inclusion to be at the heart of our culture. That is why we aspire for all our employees to be seen, heard and valued, and for our teams to reflect the local communities we call home. We are committed to making change happen.

ADAPTING TO MEET CHANGING NEEDS

Rowan talks about how our people took to heart the importance of keeping our communities safe, well and cared for during a challenging year.

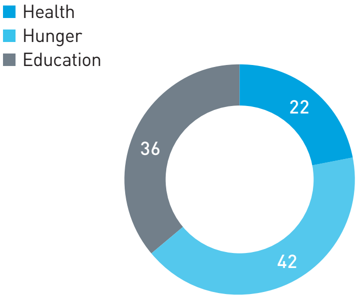
HOW WE INVEST IN OUR COMMUNITIES

In the year ended 31 March 2021, cash community spend and charitable donations amounted to

£752,000

(2020 – £443,000)

Areas of focus (%)



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. For our employees, community involvement is fundamental to who we are. The overall aim of our programme is to build stronger, healthier communities where we live and work, and to focus on those areas where we can make the 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.

These three areas are part of our purpose targets and commitments, with our performance reported on page 28.

Our partners include registered charities, educational institutions and non-governmental organisations that meet our high standards for delivering services and results. Our plan and budget for community involvement are developed and approved as part of our annual operating plan process.

OUR YEAR

This year has been like no other. Community support is about adapting to whatever is most needed, and so we stepped up our funding for our community partners to ensure they received the help they needed at a time of great uncertainty.

As part of our annual programme, we support 25 food banks across the world. They told us early on in the pandemic that they were seeing significantly higher demand, mostly from families who had never had to use a food bank before. So we decided to make extra donations totalling US$200,000, which together with our annual programme helped to provide around 1.7 million meals for people in need. We also provided PPE for employees' family members who were frontline workers.

The pandemic meant we had to adapt many of our programmes and find creative ways to continue supporting our communities. With schools closed during lockdown, we moved our traditional classroom support onto virtual platforms with teams in Latin America, the UK and the US taking part in virtual mentorship programmes for students of all ages. In Argentina, Brazil, Colombia and the US, we made sure vulnerable children got their school meals through a combination of mobile food trucks, school pantries and backpack programmes. In Chicago, volunteers took part in a programme to make calls to elderly people living alone or homebound to ensure they had access to health support and had enough food to eat. Some of the activities we usually support didn't happen because of lockdown – the London Youth Games, for example – and we aim to re-engage with these programmes in the year ahead.

The pandemic was challenging in so many ways, but one positive outcome has been a real strengthening of local community spirit and togetherness. Thanks to the inspirational and selfless work of colleagues across the world, we helped our communities get through this very challenging time and will continue to do so in the months and years ahead.

> Colleagues stepped up and masked up to support our local communities during the pandemic, improving lives at a time of real need.
>
> **Rowan Adams**
> Executive Vice President, Corporate Affairs

HIGHLIGHTS OF THE YEAR

HEALTH

We supported health, nutrition and wellbeing programmes for more than

40,000

people across the world

> Our sincerest thanks for your partnership in a time where our most vulnerable families face the greatest need for health and hygiene supplies.
>
> **Fundo Social de Solidariedade**
> **Santa Rosa, Brazil**

Examples

- **United Way** Supporting wellbeing programmes in US and Mexico
- **Secours Populaire Français** Providing women and students with vouchers to access hygiene essentials in Lille, France
- **Decatur Staley Striders** Providing healthy recreation and physical activities in Decatur, Illinois, USA

HUNGER

We helped people in need in our local communities by providing

1.7 million

nutritious meals through our food bank and charitable partners

> We are deeply grateful for your support, helping us provide meals to people in desperate need.
>
> **Cradle of Hope**
> **Johannesburg, South Africa**

Examples

- **GoodTruck Brasil** Delivering meals to people via a mobile kitchen in São Paulo, Brazil
- **Northern Illinois Food Bank** Sponsoring and helping pack 49,000 holiday meal boxes for hungry families in Illinois, USA during the festive period
- **Cradle of Hope** Providing thousands of meals to people in South Africa during the pandemic

EDUCATION

We gave educational support and mentorship opportunities to more than

14,000

students of diverse ages and backgrounds

> Your funding gives our teachers the supplies they need for hands-on STEM lessons.
>
> **Public Schools Foundation of Tippecanoe County**
> **Lafayette, Indiana, USA**

Examples

- **FastFutures** Programme in the UK helping students from disadvantaged backgrounds increase their skills and employability
- **MENTOR** Provision of school books and supplies in Lübeck, Germany
- **STEM-based grants** Provided to schools in our local communities across the US, adapted this year for virtual learning and teacher support

MAINTAINING GOOD PROGRESS

Given Covid-19, our priorities this year were to keep people safe whatever their circumstances, to keep our operations running and our customers served. Our people rose to the challenge, enabling us to make good progress with many of the things we'd planned, including our sustainability commitments.

RISING TO THE CHALLENGES OF COVID-19

From the outset of the pandemic, our priorities were clear – keep our people safe, keep our operations running and serve our customers. We established a Global Pandemic Response Team to develop, co-ordinate and carry out our plans, as well as local response teams at every site. These local teams were empowered to make decisions on the ground depending on local circumstances. This local ownership was essential because infection rates and lockdown rules varied enormously from country to country, state to state and even town to town. Our improved safety performance this year is testament to our people's commitment, dedication and how they care for each other. Feedback from employees in our site assessments and pulse surveys was overwhelmingly positive – they feel proud to work for Tate & Lyle because they believe the Company genuinely cares about them. For more on our Covid-19 response and our performance on health and safety, see pages 58 and 59.

NEW 2030 ENVIRONMENTAL TARGETS

In May 2020, we announced ambitious new environmental targets for 2030, reflecting the increasing urgency to combat climate change. These included targets for greenhouse gas (GHG) emissions at our facilities and across our value chain, waste, water and sustainable agriculture. Our Scope 1 and 2 and Scope 3 GHG emissions reduction targets were validated as science-based by the Science Based Targets initiative (SBTi). This means that, by meeting our 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. In setting these new targets, we didn't lose sight of the need to achieve our 2020 targets for GHG emissions and waste to landfill, both of which we exceeded. For more on our environmental work, see pages 60 to 65.

GOOD PROGRESS ON J2EE

Because our people responded well to the challenges of the pandemic, and because of the systems and processes we already had in place through our Journey to Environment, Health and Safety (EHS) Excellence (J2EE) programme, we were able to make progress in many of the areas we had planned for the year. 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 protocols and passing through a series of stages, or tollgates (seven in total), with the help of colleagues who champion a particular aspect of EHS culture (element owners). Passing a tollgate involves a rigorous assessment carried out by internal EHS experts.

> Our improved safety performance this year is testament to our colleagues' commitment, dedication and how much they care for each other.
>
> **Jan-Jaap van der Bij**
> Senior Vice President, Global Environment, Health, Safety, Quality and Security

This year we integrated our food safety and product quality processes into J2EE, as well as the work we do on the security of our sites. Particularly at our smaller sites, many of the people who manage quality and security are also responsible for EHS, so it made sense to incorporate those aspects into J2EE as well. In practice, this means we've added requirements around quality and site security to our tollgate assessments. Sites must meet these additional requirements to pass to the next stage.

Despite the Covid-19 situation making programmes and assessments more difficult, and with quality and security requirements added, our sites nonetheless achieved another year of good progress on our J2EE. By the end of March 2021, 39 sites had passed tollgate 1, 34 sites tollgate 2, 26 sites tollgate 3, and nine sites tollgate 4. We were particularly pleased that two passed tollgate 5. We also encourage employees to tell us about any EHS concerns they may have, no matter how large or small. This year, they raised 4,969 concerns, and over 73% were addressed within our target of 30 days. This was 8% fewer than 2019, due to so many people having to work from home as a result of Covid-19.

EHS SYSTEMS AND GOVERNANCE

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. In 2020 our EHS management system was certified to ISO 14001 and ISO 45001. This feeds into our global EHS policy (available on www.tateandlyle.com), which sets out a number of principles designed to keep our people and environment safe, along with a consistent set of requirements.

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. Gensuite was quickly adapted to include Covid-19 tracking and reporting this year, helping our teams on the ground manage quarantine and other issues on site. 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. We added a special Covid-19 section to this communication this year.

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

In normal years, 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. Due to Covid-19, these visits could not take place this year, but instead Nick Hampton, our Chief Executive, and Melissa Law, our President, Global Operations, ran special virtual cafés with our operations team.

J2EE AIMS

- To build a strong, sustainable EHS culture
- To keep people safe and 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 while ensuring compliance with applicable regulations
- To minimise our environmental footprint

PUBLIC REPORTING

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

ASSURANCE

AECOM has independently verified selected environmental data from pages **60 to 64.** Their Independent Verification Opinion is at **www.tateandlyle.com/purpose/caring-for-our-planet**

We report EHS data by calendar year.

HEALTH AND SAFETY

The safety and wellbeing of our people – all those who work at our sites, whether employees or contractors – has always been our primary concern. So when Covid-19 hit, the message from leadership was first and foremost to keep people safe. With smaller crews operating in our plants and many people working at home during lockdown, it was no surprise that the mental health aspect of people's safety was high on our agenda. We discuss wellbeing, and the initiatives we put in place due to Covid-19, in the People section on pages 50 to 53; here we discuss health and safety in terms of the safety work at our sites covered by our J2EE.

RESPONSE TO THE PANDEMIC

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

These principles – and the need for people to take personal responsibility – became even more important during the pandemic as we brought in new Covid-safe protocols and ways of working at each site. We acted early and quickly, setting up a Global Pandemic Response Team led by our Senior Vice President, Global Environment, Health, Safety, Quality and Security (EHSQS). We set out clear guidelines for people to apply to their local situations, based on local data (e.g. infection rates), guided always by the principle that people's safety was paramount. The Chief Executive spoke to every plant manager across the world to offer his support and guidance.

Our local leaders everywhere stepped up and took responsibility for the local response, which was no small task, considering the complexities of working out how to staff and operate a manufacturing plant 24/7 while avoiding spreading infection. We quickly brought in measures like wearing face masks, creating employee 'bubbles' and social distancing. We also changed the shift handover process so that people didn't need to interact face-to-face and, when necessary, ensured employees quarantined (on full pay). We were also quick to roll out MS Teams, a video conferencing programme, which enabled many plant and operational people to work from home while staying connected with and supporting those people still on site. Another area we focused on was site security – with fewer people on site, this was more important than ever. All our manufacturing sites remained operational throughout the pandemic – by keeping our people safe, we were also able to keep our operations running and our customers served.

A key part of how we managed through Covid-19 was the openness and humanity we showed each other, with the tone set from the top. The stress on our people was tremendous, particularly on those who were home-schooling or looking after relatives who were ill, shielding or quarantining. Our HR teams handled calls day in, day out, reassuring and advising colleagues that staying at home, staying safe and not risking infecting others was the right thing to do. In total, around 11% of our workforce contracted Covid-19 during the year ended 31 March 2021, with only three small outbreaks at our sites (between five and 10 people), and thankfully no employees were seriously ill or died as a result. However, very sadly, a cleaning contractor at our facility in Mexico City caught Covid-19 away from our premises and passed away.

COVID-19 STATISTICS

Year ended 31 March 2021

- 497 (11%) of our workforce (employees and contractors) tested positive
- 2,014 people quarantined, either from testing positive, waiting for test results, returning from visiting a high-risk area, or from potential infection from direct contact with someone else testing positive
- Three small outbreaks (5-10 people) at our sites (all recovered)

2020 SAFETY PERFORMANCE[1]

Perhaps because Covid-19 reminded us all of the paramount importance of safety, we saw a good improvement in our lagging safety indicators – although having fewer people on site may also have contributed to this. Our recordable incident rate improved by 14%, with the number of incidents down from 52 in the 2019 calendar year to 42 this year. The lost-time rate was down by 5%. Within this, though, our contractor rate was higher, despite fewer injuries, because, due to Covid-19, contractor hours were 18% down on the previous year. In terms of leading indicators, we had nine potentially severe events (PSEs), up from six in 2019 (see below for more information).

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[1] 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.

Responding to potentially severe events

When major, severe or potentially severe events (PSEs) do occur, the site manager reports them to our Incident Review Board (IRB). The IRB is led by the Senior Vice President, Global EHSQS, 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?

This work continued unchanged during Covid-19, with the IRB meeting virtually. Any resulting actions are tracked to completion by our Global Incident Investigation Process Manager. During 2020, the IRB considered nine PSEs, including a number of fires which were extinguished effectively and spills which were contained. We shared the results and action plans with all our plants to ensure everyone learnt the lessons – also virtually. Our ongoing work on safety particularly benefited from our hiring of full-time safety engineers at all our major plants in 2019.

Ongoing maintenance and investment
Despite the restrictions of the pandemic, we continued to deliver our maintenance and continuous improvement programmes. In many ways this was more important than ever – because it's what ensures our operations are safe and efficient. A key project that continued was our investment in demolishing old, potentially unsafe structures at our manufacturing sites, such as stacks, grain silos and coal conveyer belts. This represents a US$22 million investment over three years and we expect the work to be completed in the summer of 2021.

OUR 10 LIFE-SAVING PRINCIPLES

For high-risk operations, as part of our J2EE, we developed 10 life-saving principles to prevent serious injury or loss of life. Each principle defines the critical behaviours expected of leaders and employees to ensure their own safety and that of their teams.

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

PERFORMANCE IN 2020

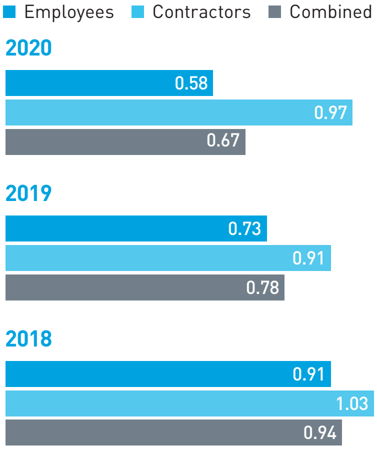
Leading indicator – PSEs

9

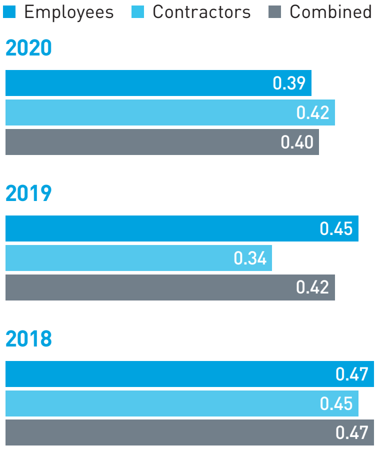
Potentially severe events (PSEs) are events or incidents which could have resulted in a major or severe incident.

(2019 – 6)

Recordable incident rate[1]



Lost-time rate[2]



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

Number of incidents combined

42

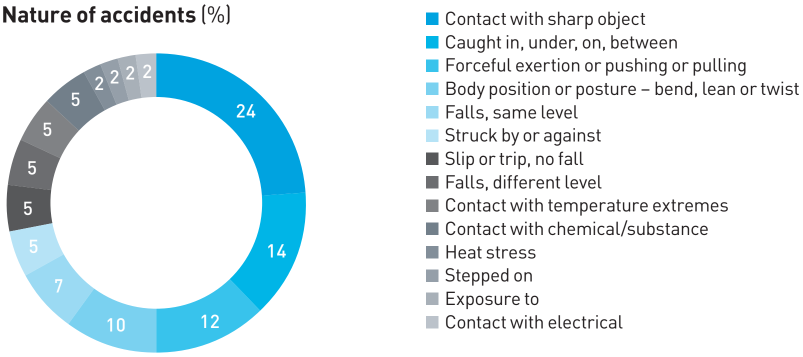
(2019 – 52)

Number of lost-work and restricted work cases combined

25

(2019 – 28)

Nature of accidents (%)



ENVIRONMENT

The pandemic has dominated the agenda for governments, businesses and societies everywhere this year. As we recover from the pandemic, the world is focusing increasingly on using the opportunity to rebuild economies and societies in a way that is sustainable and addresses the climate change emergency – a 'green' recovery. In this context, our purpose commitments, including ambitious environmental targets for 2030, which we launched in May 2020, were timely. Our environmental targets are particularly relevant because nearly everything we make begins life in the natural world, whether it's a kernel of corn, a cassava root or a leaf of stevia. So it's all the more important that we take care of the planet for its own health and the future health of our business.

We measure our environmental footprint in four main areas which are the focus of our 2030 targets: cleaner air; using waste beneficially; using less water; and supporting sustainable agriculture. This year we report progress against our 2030 targets for the first time, as well as reporting the final results of the reduction targets we set for 2020 using a 2008 baseline for greenhouse gas (GHG) emissions and waste to landfill. Our progress in both has been encouraging. We also began reporting for the first time against the Task Force on Climate-related Financial Disclosures (TCFD), as set out on pages 66 and 67.

HOW WE DEVELOPED OUR TARGETS AND COMMITMENTS

In setting our new targets, rather than starting from where we are, we looked at where we felt 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 GHG emissions reduction targets more tangible, they are based on absolute rather than intensity reduction, and have been validated as science-based by the Science Based Target initiative (SBTi), in line with the goals of the Paris Agreement on Climate Change.

Our commitment to promote sustainable agriculture is fundamental to our overall ability to meet our targets because of the significant proportion of our environmental impact that comes from corn growing. That is why we've committed to ensuring we support sustainable farming of the equivalent corn acreage that we buy each year – currently 1.5 million acres. And we're proud to be leading the industry with this initiative as the first corn wet miller to make this kind of commitment. 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 also signalled our commitment to our environmental targets by 'going green' with the refinancing of our US$800 million revolving credit facility in May 2020, the pricing of which is linked to us achieving targets relating to our Scope 1 and 2 GHG emissions, water use and waste.

A PURPOSEFUL APPROACH TO THE ENVIRONMENT

The capital investments we're making in our plants, such as co-generation systems and biomass 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. Despite the challenges of Covid-19 and with many people working at home or in more testing circumstances in our plants, we've seen a real shift this year with people far more engaged around environmental issues. For example, in April 2020, our first global 'virtual' event held in lockdown recognised Earth Day, which saw many people connecting around environmental issues, often including their families. Society's focus on climate change has certainly contributed to colleagues' increasing interest, but the work we are doing on our new targets to protect the environment, and our purpose-led culture, are also important factors. As we start to move beyond the pandemic, we believe we'll see this awareness and commitment continuing, to the benefit of our environmental performance overall.

CARING FOR OUR PLANET

Carbon footprint

- By 2030, we'll have delivered a 30% absolute reduction in our Scope 1 and 2 greenhouse gas 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 greenhouse gas emissions.
- By 2025, we'll have eliminated coal from 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.

HOW WE MANAGE ENVIRONMENTAL RISK

Our global EHS management system includes:

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

CLEANER AIR

Our target for 2020 was to reduce greenhouse gas emissions (Scope 1 and 2) from our energy use by 19% per tonne of production from a 2008 baseline. We've exceeded that target, and our final result for 2020 was a 25% reduction, with the largest contribution coming from our Loudon, Tennessee and Sagamore, Indiana plants transitioning out of coal in 2016 and 2014, respectively. While achieving this target was important, our focus shifted this year to our new, more challenging, science-based targets for 2030, and particularly the work to ensure a thoroughly robust 2019 baseline for measuring our Scope 3 emissions.

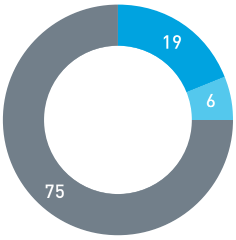
OUR TOTAL CARBON FOOTPRINT – ESTABLISHING A ROBUST BASELINE

In 2020, with the support of an external expert, we analysed the carbon footprint throughout our value chain to ensure that the 2019 baseline for our Scope 3 emissions is as accurate as it can be. This matters not just for the accuracy of our metrics, but also because it's the basis for deciding what programmes we should be developing to make the biggest contribution to emissions reduction. As a result of our analysis, we can now account for 98% of our Scope 3 emissions. We have also restated our 2019 Scope 3 baseline, having emitted 6,754,000 tonnes of CO_2e in 2019. Therefore, the 2019 baseline for our total carbon footprint is 27% of our carbon emissions from Scope 1 and 2 (energy used by our sites), with 73% from Scope 3 (indirect emissions).

> All our facilities, regardless of size, have annual targets for air quality, waste and water that contribute to our global targets. Getting everyone involved helps us build a culture of continuous environmental improvement.
>
> **Sara Leeman**
> Global Environmental Lead

Construction of our new natural gas-fired heat and power system in Lafayette, Indiana, USA.

Our 2020 total carbon footprint (%)



■ Scope 1 **19%**[1]
Direct emissions from our sites
■ Scope 2 **6%**[1]
Indirect emissions from the energy we buy
■ Scope 3 **75%**[2]

The components of our Scope 3 emissions are:

45%	goods and services we buy (mostly corn)
37%	use of our ingredients (mostly by customers)
10%	fuel and energy related activities (not in Scope 1 or 2), investments, end-of-life treatment of sold products, employee commuting and business travel
6%	downstream transportation
2%	upstream transportation

[1] Independently verified by AECOM and included in its assurance opinion.
[2] Subject of AECOM's work to define our Scope 3 emissions in 2019/20; excluded from their assurance opinion.

A GOOD START FOR OUR GREENHOUSE GAS EMISSIONS TARGETS

In the first year of our new 2030 targets, we made a good start. Our target for Scope 1 and 2 GHG emissions is an absolute reduction of 30% by 2030, and this year we achieved a 7% reduction. This was mostly due to our plants in Lafayette, Indiana, and Decatur, Illinois, beginning to transition out of coal and the greater use of renewable energy in our plants. Our target for Scope 3 emissions is an absolute reduction of 15% by 2030, and this year we achieved 0.5% reduction (having emitted 6,721,000 tonnes of CO_2e). We are developing Scope 3 GHG reduction projects in key categories that contribute significantly to our Scope 3 footprint, for example transport and goods and services such as packaging and agricultural products. Building partnerships with our suppliers, customers and other stakeholders across our value chain will be key to delivering our Scope 3 target.

CLEANER AIR CONTINUED

INVESTING TO ACHIEVE OUR TARGETS

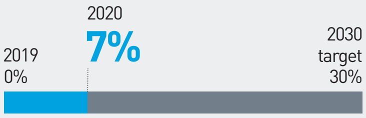
We will achieve a significant proportion of our Scope 1 and 2 reduction target through our multi-year capital investment programme totalling more than US$150 million. This programme not only benefits our local communities by improving air quality, but also makes our plants more efficient. They include replacing coal boilers in our plants in Decatur, Illinois and Lafayette, Indiana, both in the US, and constructing a biomass boiler in Santa Rosa, Brazil. These projects will reduce our GHG emissions by up to 20% and eliminate coal from our operations. We continued to make good progress with these projects during the year, thanks to the actions of our teams on the ground who worked hard to develop Covid-safe protocols, ensuring work could continue alongside the essential everyday working of the plants. And, we were delighted that our Lafayette plant along with our Loudon, Tennessee plant, received Energy Star certifications from the US Environmental Protection Agency again this year. These are awarded each year for outstanding energy efficiency performance, and our two plants are the only corn wet mills in the US to receive them.

HIGHLIGHTS OF GOOD PRACTICE

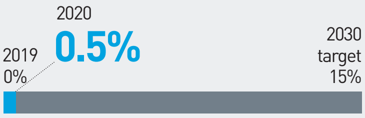
Investments are not the only route to meeting our targets. Other essential contributions come from the ongoing, everyday efforts of our employees in making continuous improvements to our operations. And here again, despite having to run our plants under challenging conditions during the pandemic, our teams worked hard to keep us on track. For example, in Nantong, China, our team switched a heat source from a fossil fuel to steam, which reduced Scope 1 emissions at the site by 65% while also saving costs. And, at our Van Buren, Arkansas, US site, the team reduced overall energy usage by 7%. This excellent result came from our operators managing processes better, thanks to greater awareness and training.

PROGRESS AGAINST 2030 TARGETS

By 2030, we'll have delivered a 30% absolute reduction in our Scope 1 and 2 greenhouse gas emissions, with an ambition to reach a 20% reduction by 2025.[1]



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



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

PERFORMANCE AGAINST 2020 TARGETS

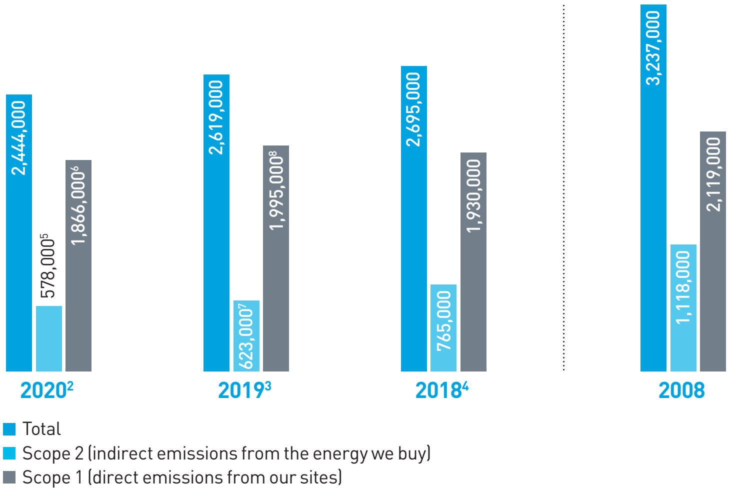
Energy use[1]
Gigajoules

2020[2]	36,444,000
2019[3]	37,643,000
2018[4]	37,254,000
2008	37,459,000

Energy use intensity[3]
Gigajoules per tonne of production

2020	4.94
2019	4.96
2018[4]	4.87
2008	5.10

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



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[1] While we usually exclude our London Head Office from these figures because its environmental impact is negligible, we have included it here to meet the UK's Streamline Energy and Carbon Reporting (SECR) requirements.
[2] UK use represents 0.016%.
[3] UK use represents 0.014%.
[4] Restated to reflect the sale of our Kimstad, Sweden facility in 2019.
[5] UK emissions represent 0.052%.
[6] UK emissions represent 0.003%.
[7] UK emissions represent 0.052%.
[8] UK emissions represent 0.004%.

USING WASTE BENEFICIALLY

Most of our waste is organic matter that comes from the manufacturing process at our four large corn wet mills in the US and our two citric acid plants in the US and Brazil. In most cases, it can be beneficially used, for example to generate energy or as nutrients for local farms. This allows us to improve not only our own environmental impact, but that of the communities around us too.

EXCEEDING OUR 2020 WASTE TARGET

Our first waste target for the years up to 2020 (from a 2008 baseline) was to reduce waste to landfill by 30%. We were delighted that we exceeded our target, with a 37% reduction. This was helped by significantly decreasing waste generated at our Loudon, Tennessee plant. By pressing water out of the organic solids from our process water, we were able to reclaim those nutrients for our feed co-product, diverting it from landfill and adding value to our products.

GOOD PROGRESS TOWARDS OUR 2030 WASTE TARGET

Our new 2030 waste target is broader in scope. Where our 2020 target focused on minimising landfilled waste, our 2030 target considers all waste generated by our operations to ensure that 100% has a beneficial use. We have an ambition to hit 75% by 2025. Our 2019 baseline was 61% beneficial use, and this year, we made good progress, reaching 69%.

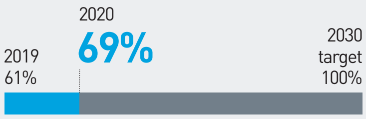
In 2020, we've focused on expanding our relationships with local partners and identifying new opportunities to beneficially use our main waste streams primarily through land application, renewable energy generation, animal nutrition and composting.

HIGHLIGHTS OF GOOD PRACTICE

While our large US corn wet mills and our citric acid plants generate the bulk of our waste, all our sites, no matter how large or small, have a role to play in achieving our target. Each site has an annual target for waste management and reduction. Some already beneficially use nearly all the waste they generate, while many have taken other small actions to improve their environmental performance, engaging employees to make positive environmental choices, including switching from single-use plastic, such as coffee and water cups, to more sustainable alternatives. For example, our London, UK office switched from paper towels to hand dryers in the toilets, and eliminated single-use cups. Another small but effective change was the installation of a rubbish crusher at our Noto, Italy site, which compresses cardboard and paper waste, making it easier for it to be recycled.

PROGRESS AGAINST 2030 TARGET

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



PERFORMANCE AGAINST 2020 TARGET

Waste to landfill

Tonnes per 1,000 tonnes of production

LOCAL WASTE SOLUTIONS

Teams at our Lafayette and Sagamore plants in Indiana, USA have played a major part in transforming the way we manage our waste. Working with local agribusiness Bio Town Ag, they've ensured that the key waste streams from these two plants are beneficially used. Our partnership benefits us both as they use what we cannot use to make compost for local farms and gardens, to provide nutrition and bedding for its livestock, and as renewable energy sources for its anaerobic digester that generates electricity for the local grid.

USING LESS WATER

Corn wet milling is a water-intensive process and many of our plants are located close to rivers or lakes. Water is a shared resource, which means we need to ensure our use is sustainable not only for ourselves but for our local communities as well.

Our new target, to reduce our water use by 15% per unit of production by 2030, is perhaps the most challenging of our new environmental targets. So it's encouraging that, in this first year of setting this target, and while we're working on identifying bigger projects, we still made solid progress, reducing water use by 1%. This was due entirely to engaging our people around the importance of the target, and their efforts to improve our processes despite the constraints of the pandemic on ways of working. Our teams are now looking at where they're using water, the inputs and outputs, with a view to finding further efficiencies.

PILOTING WATER RECYCLING TECHNIQUES

Following a two-year global project to assess water risks and opportunities, we've been working to determine the investments we will need to make at our large corn wet milling plants to get us to our target. Because we make ingredients for the food industry, quite rightly there are stringent regulations over how water can be recycled and reused. So an important part of our work has been to determine what we can and can't do with recycled water. To support this in a practical way, we have been testing a mobile water filtration device, devised by our ICD team, to pilot recycling techniques. We've tested the device on different production streams at various plants to see how they work and therefore what projects would be feasible at full scale. From this work, and larger scale filtration testing, we are assessing capital projects which will enable us to meet our water use reduction target.

In the meantime, we've made good progress at some sites in improving the quality of discharged water, and also recycling water. At our Decatur, Illinois corn wet mill, we added new filtration membranes in 2020 to the wastewater treatment process that have reduced effluent solids by over 90%. This improves both the quality of water leaving the site and enables us to reuse the water produced.

A SECONDARY BENEFIT OF ELIMINATING COAL

Eliminating coal from our operations by 2025 will also help us towards achieving our water reduction target. At our Lafayette, Indiana plant, the emissions from burning coal require a lot of 'scrubbing' – using considerable quantities of water to clean the emissions – before they can be released into the air. Emissions from natural gas production don't need to be 'scrubbed', and so that will save water too.

PROGRESS AGAINST 2030 TARGET

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

PERFORMANCE IN 2020

Water use
Cubic metres per tonne of production

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

SAVING WATER WITH SEAL POTS

A seal pot is a system that enables the water required to cool and lubricate pumps to be reused. Installing 53 new seal pots on our pumps at our plant in Sagamore, Indiana, US, together with adjustments to dryer sanitation schedules, reduced the plant's water consumption by over 26 million gallons.

SUPPORTING SUSTAINABLE AGRICULTURE

SUSTAINABLE CORN AT SCALE

Corn is by far the largest agricultural raw material we buy. Our sustainable agriculture target therefore focuses on corn, namely to maintain sustainable acreage equivalent to the volume of corn we buy globally each year, currently 1.5 million acres, and through partnerships to accelerate the adoption of conservation practices. This commitment is fundamental to our overall ability to meet our Scope 3 greenhouse gas emissions reduction target because of the significant proportion of our climate impact that comes from growing corn. And so, 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 first achieved our target in 2019, when we succeeded in enrolling 1.5 million acres of corn in the US Midwest in our sustainable agriculture programme with Truterra LLC, the sustainability business of Land O'Lakes, a leading US resource stewardship solutions provider. The first of its kind in our industry, this programme aims to help farmers understand the impact conservation practices will have on their fields and their profitability, and to support farmers in adopting them. Our target has wider significance too because sustainable agricultural practices aren't just about their environmental impact – they're about supporting farmers' livelihoods and local communities.

We're also active members of the US Corn Refiners Association and Field to Market, the US alliance for sustainable agriculture which helps define, measure and promote sustainability in US agriculture, particularly for row crops such as corn. Our partnership with Truterra continues to be the largest registered continuous improvement project with Field to Market. We also work closely with key customers to enable them to meet their responsible sourcing commitments and realise their climate change goals.

Second year of results of our corn programme with Truterra

In practical terms, the Truterra^{TM} platform establishes the environmental sustainability baseline for each acre in the programme, working with the farmers to understand the data and make informed decisions on how conservation practices could improve soil and water quality, and their impact on field profitability. The programme has been running for three years and continues to support 1.5 million acres, more than 22,000 fields and over 1,800 growers. While we have 1.5 million acres in the programme, we report results from 'retained acres' which are those acres that were in the programme in 2019 and 2020. Retained acres in 2020 were 1.24 million, representing an 86% grower retention rate.

While having a programme of this size has its advantages, it also has its challenges, not least driving change on such a large scale, especially during the Covid-19 pandemic which made working directly with farmers more difficult, although we made the best use we could of virtual meetings. The results from retained acres in 2020 bear this out, with a modest improvement during the year:

- Greenhouse gas emissions reduced by 2%, equivalent to removing 2,430 cars from the road.
- Soil quality improved by 2%, as measured by the Soil Conditioning Index, while topsoil erosion reduced by 1%.
- Nitrogen use efficiency continues to be considered advanced within the industry at 0.93 pounds of nitrogen per bushel of corn, a 1% increase from 2019.

This year's work has given us a better understanding of the challenges growers face, and we are shifting our focus to place conservation agronomists to work directly with growers to accelerate change. To date, along with the Truterra network, NGOs and our customers, we have placed five conservation agronomists within our enrolled acres.

SUPPORTING SUSTAINABLE STEVIA

Following our acquisition of the stevia business, Sweet Green Fields, in November 2020, we launched a stevia grower outreach programme in China in partnership with NGO Earthwatch and support from Nanjing Agricultural University. The programme was developed following the 2019 assessment of the impact of our stevia supply chain which identified several opportunities for improvement in farming practices. The programme's focus is to help stevia growers in China minimise their environmental impact and gain greater economic benefit from the farming of this leaf which is used to produce a low-calorie sweetener. The programme has begun by training small-scale farming families in Dongtai, Eastern China, to modernise farming practices and achieve sustainability accreditation for their stevia over time.

SUPPLIER AUDIT PROGRAMME

Aside from focusing on sustainable agriculture, we are looking closer at our entire supply chain. This year, we are developing a wider supplier audit programme to monitor all our suppliers on sustainability issues – not just environmental, but key corporate social responsibility topics as well. We also began developing a risk assessment to help us prioritise which suppliers to focus on and where, so we concentrate our audit programme on the areas of highest risk.

PROGRESS AGAINST 2030 TARGET

Support 1.5 million acres of sustainable corn equivalent to the volume of corn we buy globally each year.

1.5m

acres maintained

> Our sustainable agriculture programme, with its focus on environmental impact as well as livelihoods, is the perfect blend of two pillars of our purpose: caring for our planet and building thriving communities.
>
> **Anna Pierce**
> Director, Sustainability

INTRODUCTION

We are pleased to present our first report under the Task Force on Climate-related Financial Disclosures (TCFD) framework. As recommended by the TCFD, we have set out key disclosures around four areas that represent the core elements of how organisations operate: governance, strategy, risk management, and metrics and targets. These areas are interlinked and inform each other.

GOVERNANCE

The Board has responsibility for oversight of our sustainability strategy, including climate change. The Board considers climate-related matters when reviewing and guiding core components of commercial strategy, such as business plans, annual budgets, and major capital expenditure.

Our Chief Executive, Nick Hampton, is responsible for the Group's preparedness and response to climate-related risks and opportunities. He is directly supported in that task by our President of Global Operations, our Executive Vice President of Corporate Affairs, and the Executive Vice President General Counsel, who has executive responsibility for risk management, including climate change.

Our Environmental, Health and Safety (EHS) Advisory Board, which includes our Chief Executive and an external expert, reviews the progress of our environmental programme and supporting goals, including those related to climate change. It meets quarterly and reports to the Board at least twice a year.

Sitting within Global Operations, our dedicated EHS function develops and manages our environmental programme, interacting and working with stakeholders throughout our value chain to accelerate positive action. The function holds regular meetings with members of the Executive Committee to discuss our environmental programme and our approach to climate change, including progress against our climate-related targets. Updates on progress are also provided to the Board and the EHS Advisory Board at least twice a year.

The Risk Committee, a sub-committee of the Executive Committee, oversees the operation of our enterprise risk framework, including risk management policies and practices. The Committee reviews updates from an internal working group established in 2020 to align processes and disclosures more fully with the TCFD recommendations. The Committee updates the Board at least annually.

STRATEGY

Potential impacts of climate risks and opportunities

In line with TCFD principles, during the year we worked with climate change and sustainability specialists from AECOM to conduct a comprehensive climate change risk assessment to better understand potential impacts from physical climate risks and the transition to a low-carbon economy.

The assessment considered risks and opportunities over three time horizons, and exposure to potential physical and low-carbon transition impacts under greenhouse gas and temperature scenarios (i.e. Representative Concentration Pathways) modelled by the Intergovernmental Panel on Climate Change. In line with our risk management criteria, potential financial materiality was determined by considering the likelihood of the hazard occurring and the nature and magnitude of its impact on the business.

Physical risks

Potential physical risks were considered over the short-term (2020-2039), medium-term (2040-2059) and long-term (beyond 2060).

- **Production facilities:** In the short term, the potential risks most likely to impact certain production facilities include more frequent and severe flood events, tropical storms, wildfires and droughts. In the medium- and long-term, these trends are predicted to continue, with some additional sites affected over time.
- **Distribution network:** In the short-term, risks facing our distribution network (primarily road, rail and sea freight) include more frequent and severe extreme cold weather, floods and wildfires. In the medium-term, it is predicted that the frequency and severity of events will continue to increase. In the long-term, as the trend continues, risks may also arise due to more frequent and severe tropical storms.
- **Corn supply:** In the short-term, potential risks facing major corn supply regions include changes in total annual precipitation, increased seasonal variability, and more severe droughts. In the medium- and long-term, along with higher temperatures, these trends are set to continue with additional regions affected over time.

If we do not continue to take proactive measures to mitigate such issues, our business could potentially be affected by, for example, operational disruptions, asset damage, increased raw material and utility costs, and transport delays.

Transition risks

Potential transition risks were considered over the short-term (2020-2025), medium-term (2026-2035) and long-term (beyond 2035).

- Short- to medium-term: Potential financial impacts are most likely to arise through predicted changes in regulation, policy and technology. Specifically, compliance with new and emerging legislation for carbon tax and pricing mechanisms, and a global move towards lower emissions modes of transport.
- Long-term: Transition risks may arise through increased utility and supply costs (e.g. where lower carbon alternatives are not available), and continued market expectations for low-carbon production.

The need for transition to a low-carbon world also presents potential opportunities for the Group; for instance, an increased market demand for low-carbon plant-based products over the short- to medium-term. With our ongoing efforts towards lower-carbon production, including renewable and cleaner energy, we will continue to proactively respond to emerging regulation with interventions that deliver both operational efficiency and reduce our exposure to variable fossil fuel prices and carbon taxes.

Capital investments

One of the three pillars of our purpose of *Improving Lives for Generations* is caring for our planet. In line with our purpose, assessing the environmental impact or benefits of capital investments are part of our capital approval process. For example, we are in the process of a multi-year investment programme of more than US$150 million to eliminate coal from our operations as part of our climate action commitments, and to increase operational efficiency. These investments include replacing coal-generated power with natural gas-fired systems and boilers at our US facilities in Loudon, Tennessee, Lafayette, Indiana, and Decatur, Illinois.

RISK MANAGEMENT

Our Board recognises the significant impacts posed by climate change and the consideration of climate-related issues is part of our global enterprise risk management (ERM) system. Climate-related issues are predominantly captured as sub-risks through the Principal Risk on 'Disruptive Forces'.

We are currently updating aspects of the ERM system to reflect findings from the recent climate change risk assessment. This includes integration of more explicit definitions for climate sub-risks and an enhanced process to consider longer-term risks and opportunities. This forms part of ongoing efforts to stimulate discussion and find new and more innovative solutions to climate-related matters in the wider organisation, supported by education and training.

METRICS AND TARGETS

We have been measuring, managing, and reporting our greenhouse gas (GHG) emissions for many years. Using a 2008 baseline, we set a target to reduce our Scope 1 and 2 GHG emissions by 19% per tonne of production by 2020. We exceeded this target with a 25% reduction.

In May 2020, we announced a set of ambitious new environmental targets and commitments to assess and manage our performance, including in climate-related areas. These targets are aligned to our purpose of *Improving Lives for Generations*. Our environmental targets are, by 2030, to deliver:

- 30% absolute reduction in Scope 1 and 2 GHG emissions, with an ambition to reach a 20% reduction by 2025
- 15% absolute reduction in Scope 3 GHG emissions
- 100% of waste to be beneficially used, with an ambition to reach 75% by 2025
- 15% reduction in water use

In adopting these targets, we also committed to:

- Eliminate coal from our operations by 2025
- Establish our Scope 1 and 2 and Scope 3 GHG emissions reduction targets as science-based targets
- Maintain sustainable acreage equivalent to the volume of corn we buy each year, currently 1.5 million acres, and through partnerships accelerate the adoption of conservation practices

Our GHG emissions reduction targets were validated by the Science Based Targets initiative (SBTi) in September 2020, with our Scope 1 and 2 GHG emissions reduction target at the 'Well below 2°C' level. In the first year since we set our new 2030 targets, we reduced our Scope 1 and 2 GHG emissions by 7%. Our Scope 3 emissions were also reduced by 0.5%.

These new targets and commitments build on the steps already taken to enhance positive impacts across our entire value chain, in line with our purpose and risk management process.

We have established a team to work through what it would take to reach net carbon zero by 2050. This work is ongoing and we expect to report on our progress in next year's Annual Report. Our continued efforts to better understand and define our Scope 3 GHG emissions across our value chain will provide critical information for achieving our net zero carbon ambitions.

› More details of our environmental metrics and targets, including performance during 2020, can be found on pages **60 to 65**.

ROADMAP FOR TCFD DISCLOSURE

Set out below are some of the actions we took last year and will be taking in the coming year to further align disclosure and our processes with TCFD recommendations.

	FINANCIAL YEAR 2021	FINANCIAL YEAR 2022
Governance	• Board reviewed progress on 2030 environmental targets and sustainability programme • Roadmap for TCFD disclosure agreed by Risk Committee	• Board to review progress on 2030 environmental targets and sustainability programme • Progress towards delivery of roadmap for TCFD disclosure to be reviewed by Risk Committee
Strategy	• Capital investment decisions linked to environmental impact and benefits	• Further integration of climate-related data into long-term strategic decision-making
Risk Management	• Climate change risk assessment (CCRA) undertaken • ERM system updated based on findings from the CCRA • Water risk assessment undertaken in the 2020 financial year integrated into ERM system	• Continue to integrate longer-term climate risks into ERM processes • Conduct a materiality assessment
Metrics and Targets	• New 2030 environmental targets announced • GHG emissions targets validated by the SBTi • Detailed assessment of Scope 3 GHG emissions	• Work towards setting a renewable energy (Scope 2) target • Continue to report on progress against 2030 targets

TAKING OWNERSHIP OF RISK

Lindsay talks about how the pandemic has focused people's minds on risk and how local teams have taken ownership of risks in their own areas.

> This year showed that we can continue business as usual, even when circumstances are far from it.
>
> **Lindsay Beardsell**
> Executive Vice President, General Counsel

RESPONDING TO COVID-19

There's no doubt that the biggest risk we've faced this year – as for everyone – has been keeping our people safe amidst a global pandemic, while supporting the food supply chain by keeping our operations running and serving our customers. Our approach to managing Covid-19 reflects our approach to risk more broadly, namely that we consider things in the round, guided, as always, by our purpose of *Improving Lives for Generations*. Risk management can often feel very compliance-driven but a true understanding of risk is a human experience, because it's about how people behave and why.

This wider consideration of our people and their individual circumstances came to the fore this year like never before, with the almost overnight transition to working from home for office-based staff, the need for new safe-working protocols at our plants and in our labs, and the need to find new ways to interact with and support our customers. All of this while people were dealing with their own unique challenges at home. With the pandemic manifesting itself differently in every location, we had to delegate decisions far more to our teams on the ground, under the umbrella of risk-based principles set at global level by the Global Pandemic Response Team. Last year, we said we wanted to be more agile and quick to respond – and this year has certainly proved that we can be.

A CREATIVE APPROACH TO MANAGING RISK DURING COVID-19

Housekeeping is an important element of risk management – risks that are well known and similar in all companies, but nonetheless need proper management, checking and auditing. In our focus on Covid-19, we didn't lose sight of this important work. We've had to be creative about how we carried out risk assessments, compliance checks and audits, bringing in local people where restrictions allowed, and carrying out online 'visits' where work could be done that way. It showed us that we can continue business as usual, even when circumstances are far from it. In some cases, we've even benefited because it's been much easier to get a wider group of people 'in a room' together, leading to deeper and more productive conversations around risk.

Despite the challenges of Covid-19 we delivered the risk programme we planned at the start of the year. We completed the risk assessment work for our new supplier audit programme, part of which will involve supplier audits being undertaken by SEDEX, a not-for-profit organisation that enables suppliers to share audits with their customers. We trained our distributors on our Code of Ethics and carried out a detailed Climate Change Risk Assessment with the support of an external party. We also carried out due diligence work on our two acquisitions, Sweet Green Fields in China and Chaodee Modified Starch Co., Ltd. in Thailand. Restrictions on travel due to Covid-19 made this work more challenging, but no less necessary, and it has been encouraging to see the openness of both businesses about the risks and opportunities they face.

During the year, we implemented a new, more automated enterprise risk management system which will significantly enhance how we manage risk and make it easier for our local teams to identify risk and monitor mitigating actions.

OUR FOCUS FOR THE YEAR AHEAD

One positive outcome of the pandemic is that it has led us to engage more actively around the business on strategic risk. Another, which is critical for our future, is how our local teams have really stepped up and owned risk in their own areas, and seen how they can benefit from doing so. The main task for the coming year is less about process, and more about helping our people keep going amidst continuing uncertainty and to continue to embed a risk mindset in everything we do.

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 and risk 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, it reviews principal and emerging risks and progress against actions, and conducts a deep dive into agreed risk areas.

OUR APPROACH TO RISK

Identifying risks

Each year, 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. In the 2020 financial 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. This has received further review over the last 12 months, and will remain on our principal risk register moving forward. Therefore, no changes were made to our principal risks during the year.

Our Risk Committee reviews our principal risks regularly – at least every quarter – 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 Covid-19 pandemic has presented significant challenges for the business, its operations and employees, and actions continue to be taken to keep our employees safe, our operations running and our customers served. With the pandemic continuing, our Global Pandemic Response Team and local response teams at every site continue to manage our overall response, to ensure business continuity, and mitigate the risks identified. The Board receives updates on progress at every meeting and reviews our overall approach to ensure it remains appropriate.

The fact that all our production facilities have remained operational during the pandemic is a testament to the commitment and skill of our people, as well as the effectiveness of the actions taken. As the pandemic continues to impact our ways of working, the risk remains captured in the principal risk relating 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 areas of responsibility, and that controls are in place and effective.

Climate-related risks
The Board recognises the significant risks posed by climate change and consideration of these risks is part of our enterprise risk framework. The increasing importance of climate change risk was reflected in the Board's decision to introduce a new principal risk last 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.

The Board considers all the Group's principal risks, which include risks related to climate change, at least twice a year. Our Chief Executive is ultimately responsible for the Group's preparedness and response to climate-related risks and opportunities. He 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 agreed a refreshed sustainability programme including new environmental targets for 2030. More information on our environmental metrics can be found on pages 60 to 65.

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 report against them. We also completed a detailed Climate Change Risk Assessment. Our first disclosure under the TCFD framework can be found on pages 66 and 67.

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 2024.

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 slower recovery from the impact of the Covid-19 pandemic.

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

At 31 March 2021, the Group has a strong cash position and committed and undrawn liquidity of US$1.3 billion, including a revolving credit facility of US$800 million, all of which is available for the entire three-year viability assessment period. In addition, none of the Group's borrowings mature until October 2023, at which point US$136 million of external borrowings mature. Although the Group expects to be able to refinance these at that time, given the significant liquidity position, this viability statement is not contingent on such refinancing.

Based on this assessment, the Directors have a reasonable expectation that we will be able to continue operating and meet our liabilities as they fall due between now and 31 March 2024.

OUR PRINCIPAL RISKS

Link to our priorities

🟦 SHARPEN
▨ ACCELERATE
⬛ SIMPLIFY

Trend compared with 2020

▲ Increasing
◆ Unchanged
▼ Decreasing

RISKS	HOW WE MITIGATE THE RISK	WHAT WE'VE DONE THIS YEAR	KEY	TREND
STRATEGIC RISKS				
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.	• We strengthened our customer offering and presence in Asia with the acquisition of stevia and tapioca businesses in China and Thailand, respectively. • We appointed a new, experienced leader of our ICD team. • We created a new region of Asia, Middle East, Africa and Latin America, under new leadership, to increase our focus on building our presence in higher growth markets. • We continued to simplify the structure of our customer-facing teams to get closer to our customers and help commercialise new products more quickly. • We launched a number of online tools to support and connect with our customers including our Sweetener and Fibre Universities.	🟦 ▨ ⬛	◆
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 New Products. • Our ICD team tracks emerging consumer trends and works closely with commercial partners to create New Products and solutions that will deliver growth. • Our customer-facing teams' incentive and bonus schemes include targets for New Product revenue. • 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.	• We launched 13 New Products from our innovation pipeline. • We increased the value of our innovation pipeline by 18%. • Our marketing centre of excellence increased the monitoring of global trends and consumer insights for sharing across our regions. • We expanded our ICD team into Asia Pacific. • We launched new online concepts to support our customers including the Tate & Lyle Nutrition Centre and the Collaborate at Home Kitchen in North America.	🟦 ▨	◆

RISKS	HOW WE MITIGATE THE RISK	WHAT WE'VE DONE THIS YEAR	KEY	TREND
STRATEGIC RISKS CONTINUED				
3. INABILITY TO ATTRACT, DEVELOP, ENGAGE AND RETAIN KEY PEOPLE				
To be a successful global business, and to deliver our strategy, having the right capabilities and people is critical. We therefore have a number of strategies in place to recruit, develop and retain our people effectively.	• We have a mix of short- and long-term incentives. This includes a bonus scheme available to a broad population of employees. • Our talent development plans give employees opportunities and training to build their capabilities and resilience. • We have initiatives in place to enhance equity, diversity and inclusion across the organisation. • 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. • We encourage open and transparent feedback from our people so we are able to react to any challenges that emerge.	• During the pandemic, we significantly expanded our internal communications programme to connect with our people working at home and in our plants and labs, using new initiatives such as virtual cafés with the Chief Executive and other senior leaders. • We implemented a programme to support the physical and mental wellbeing of our employees during lockdown. • We undertook a review of our approach to equity, diversity and inclusion and developed a set of priorities and actions, including the establishment of a new role of Chief Equity, Diversity & Inclusion Officer and a new function to support our work in this area. • We accelerated adoption of e-learning for all employees by providing access to learning tools such as LinkedIn Learning, and also provided an extensive coaching programme for our top 100 managers.	🟦 ⬛	↔
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 framework to enable effective recovery from a major disruption. • Caring for our planet is one of the three pillars of our purpose, and environmental considerations are part of how we make strategic decisions. • Having plants in different regions and countries means we can serve customers where practical from elsewhere if a particular area is disrupted. • Our Risk Committee oversees emerging risks to ensure we're prepared to meet customers' needs.	• The establishment of a Global Pandemic Response Team, together with teams at our local sites, managed our response to Covid-19 in order to minimise disruption. • We progressed our sustainability programme including the publication of ambitious new environmental targets for 2030. • We continued to strengthen operational business continuity capabilities and our crisis management plans. • We enhanced our strategic planning process to provide us with greater resilience and future-proofing against future disruptive events.	🟦 ⬛	↓
OPERATIONAL RISKS				
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 our Chief Executive and an external EHS expert, receives EHS updates and reviews performance quarterly. Our Executive Committee and Board regularly review EHS performance and progress against J2EE. • The Incident Review Board conducts reviews of major, severe or potentially severe events. • Gensuite, a cloud-based tool, is used to manage EHS data and facilitate EHS reporting.	• We put in place strict protocols at all our sites to ensure we protected our people during the pandemic including sanitation, social distancing, hand washing and wearing face masks. • 26 of our sites have passed tollgate 3 (of seven) as part of our J2EE programme. • We continued to invest in our EHS team, recruiting, developing and embedding safety engineers at our major plants. • We utilised virtual safety assessments in light of Covid-19 to ensure we maintained progress with our safety programme. • We integrated food safety, product quality and site security into the responsibilities of our EHS team. • We added employee wellbeing into the J2EE programme.	🟦 ⬛ ⬛	↔

RISKS	HOW WE MITIGATE THE RISK	WHAT WE'VE DONE THIS YEAR	KEY	TREND
OPERATIONAL RISKS CONTINUED				
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 our 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 to the extent possible.	• We put in place strict hygiene protocols at all our sites to ensure our people were protected and our plants kept running during the pandemic. • We introduced new working protocols to enable major capital projects to continue. • We further developed our approach to business continuity. • The continuous improvement programme continued to operate despite the challenges of the pandemic delivering 3% increase in productivity benefits. • We continued our three-year programme to demolish old and potentially unsafe structures at our manufacturing sites.	🟦 ◼	◆
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 regularly test our recall process. • We have a third-party audit programme, supplemented by internal compliance audits. • We assess our raw material suppliers, tollers and third-party warehouses for food safety and quality risks. • We have a programme to manage allergens in our supply chain and ensure our ingredients are either free from allergens or that any allergens are disclosed. • Our Quality Incident Review Board investigates incidents and shares best practice across our sites.	• We embedded our centralised recipe management system streamlining how we manage products and ingredients. • We continued to ensure compliance with the US Food Safety Modernization Act across our plants. • We manage cross-contamination risk at our plants by using the US Food and Drug Administration (FDA) food defence plan builder. • Having combined the leadership of the Quality and EHS functions last year, we continued to leverage the strengths of the J2EE programme to apply them to the Global Quality Standards.	🟦 ◼	◆
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 procurement resources regionally to better manage local market variances under a global centralised management structure. • Our transportation procurement and logistics teams merged to better manage supplier and customer service. • We leveraged new technologies such as Oracle Transportation Management System to manage freight more efficiently and cost effectively.	🟦 ◼	◆

RISKS	HOW WE MITIGATE THE RISK	WHAT WE'VE DONE THIS YEAR	KEY	TREND
OPERATIONAL RISKS CONTINUED				
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 programme focuses on maintaining and strengthening our defences in terms of our processes, people and technology. • We run compulsory cyber security training. • We have robust cyber security defences including a continuous programme to detect threats and vulnerabilities, and we undertake independent penetration tests. • Our plants run on separate IT systems which increases their resilience. • We have a 24/7, third-party security operations centre to deal promptly with any issues.	• With many people working from home due to the pandemic, we strengthened our firewalls, introduced remote working technology such as MS Teams, invested in new equipment and introduced stricter password security to ensure people could work safely remotely. • We held a Cyber Security Awareness month to educate employees on cyber risks and security. • We strengthened our Cyber Security Incident Response Plan including critical breach scenario exercises and aligned it to our Company-wide risk and controls management programme.	🟦 ▨ ▩	↔
LEGAL, REGULATORY AND GOVERNANCE RISKS				
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 have lawyers in each region to work with commercial colleagues to identify and mitigate legal risk from the bottom up.	• We implemented a document management system to facilitate better ways of working that are easier to audit. • We strengthened our contract documentation processes including the tracking of agreed terms and conditions, and provided training for sales teams. • We provided training to our global procurement team on legal policies including contract training. • We continued to provide legal, ethics and compliance training across the organisation as part of our annual training plan. • We provided anti-trust/competition training.	🟦 ▨	↔

RISKS	HOW WE MITIGATE THE RISK	WHAT WE'VE DONE THIS YEAR	KEY	TREND
LEGAL, REGULATORY AND GOVERNANCE RISKS CONTINUED				
11. FAILURE TO MAINTAIN AN EFFECTIVE SYSTEM OF INTERNAL FINANCIAL CONTROLS				
Without effective internal financial controls, we could be exposed to the risk of fraud and error in our financial reporting as well as losses from events which may then affect our performance and ability to operate.	• We have an established framework of financial policies and standards supported by procedures and controls over key processes – in many instances these controls are automated and we maximise the use of preventative controls. • The design and operating effectiveness of controls are monitored on an ongoing basis and the results are reported twice a year to the Executive Committee. • We have several forums to monitor and manage our financial controls effectiveness, such as our quarterly regional Control Environment Councils chaired by the relevant General Manager. • The Chief Executive and Chief Financial Officer review the business and financials monthly. • At both the half year and the end of the financial year, confirmation is provided to the Executive Committee, the Audit Committee and the Board that minimum control standards are operating effectively. • Our well-resourced Group Audit and Assurance team provides independent assurance to management and the Board.	• We substantially completed the roll-out of our single SAP platform across the Group. • We continued to invest in our financial controls function, expanding the team and setting up centres of excellence within our Global Shared Services Centre in Poland. • We appointed a financial controller focused on Global Operations and financial controls across our plant network. • We rolled out our Finance Excellence programme including an end-to-end review of key financial processes and how we can better use automation. • We established an end-to-end process owner forum.	🟦 ⬜ ⬛	↔
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. • We work closely with thought-leading customers around the world to jointly focus on the science and consumer benefits of our ingredients. • 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. • Our Research Advisory Group, comprising leading scientific experts, reviews key aspects of our innovation activities and provides guidance to our team.	• We continued to develop our regulatory team in the Asia, Middle East, Africa and Latin America regions to strengthen relationships with regulators in these markets. • We continued to invest in our global nutrition team with funding for studies supporting the safety and efficacy of our ingredients. • We further evolved how the Research Advisory Group works to align it more closely with our strategy.	🟦 ⬛	↔

LEGAL, REGULATORY AND GOVERNANCE RISKS CONTINUED

13 FAILURE TO MANAGE EFFECTIVELY CHANGES IN GOVERNMENT REGULATIONS AND/OR TRADE POLICIES

RISKS	HOW WE MITIGATE THE RISK	WHAT WE'VE DONE THIS YEAR	KEY	TREND
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 US. • 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 developed a contingency plan in the event the UK and the EU did not agree a trade deal. • We worked with national and state trade associations in the US to progress our commercial and sustainability goals. • We acquired two businesses in the year based in China and Thailand, expanding our geographic reach and plant network.	🟦 ■	↑

NON-FINANCIAL INFORMATION STATEMENT

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

REPORTING REQUIREMENTS	RELEVANT POLICIES	WHERE TO READ ABOUT OUR IMPACT	PAGES
Environmental matters	Global EHS Policy[1]	Environment and sustainability	60 to 65
		Task Force on Climate-related Financial Disclosures	66 to 67
Employees	Code of Ethics[1]	Our people	50 to 53
	Global EHS Policy[1]	Gender pay gap reporting	53
	Global HR Policy[2]	Health and safety	58 to 59
		Ethics and whistleblowing	52 and 95
Human rights	Code of Ethics[1]	Our people	50 to 53
	Anti-Slavery Statement[1]	Supplier audit programme	65
	Data protection[2]	Risk Report	68 and 74
Social matters	Code of Ethics[1]	Our people	50 to 53
	Board Policy on equity, diversity and inclusion[1]	Community involvement	54 and 55
		Equity, diversity and inclusion matters	Throughout this Report
Anti-bribery and corruption	Code of Ethics[1]	Our people	50 to 53
	Anti-money laundering and Anti-Bribery Standard[2]	Supplier audit programme	65
	Agents and Distributors[2]	Risk Report	68 and 74
	Group Competition (Anti-trust)[2]		
	Trade Compliance[2]		
	Gifts and Hospitality Standard[2]		
Business model		Our business model	22 and 23
Non-financial KPIs		Our purpose commitments and targets	28 and 29
		Gender diversity	28 and 51
		Health and safety	58 and 59
		Environment and sustainability	60 to 65
Principal risks		Risk Report	68 to 76

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

SECTION 172(1) STATEMENT AND STAKEHOLDER ENGAGEMENT

See page 97 within Governance for our 'Section 172(1) Statement'. This describes how the Directors have had regard to stakeholders' interests when discharging the directors' duties set out in Section 172 of the Companies Act 2006. Our engagement activities with stakeholders and the impact of those interactions are set out from page 92.

The Board approved the Strategic Report on pages 1 to 77 of this Annual Report on 26 May 2021.

By order of the Board

Claire-Marie O'Grady
Company Secretary

OUR 2020 HEROES

2020 was a year of incredible challenges. Given the exceptional performance of so many people across the Company, we lauched a special '2020 Heroes Awards' to recognise those people who had gone above and beyond in supporting their colleagues, our communities and customers during the pandemic.

We asked everyone to nominate their colleagues that most deserved gratitude and recognition and we received 575 nominations for individuals and teams. We whittled these deserving submissions down to 45 nominees, and 30 eventual winners.

These winners are shown on the divider pages in this Report to celebrate and recognise their outstanding contributions.

Read more online at **www.tateandlyle.com**

MICHAEL WAKELEY
Process Lab Coordinator, Hoffman Estates, Illinois, USA

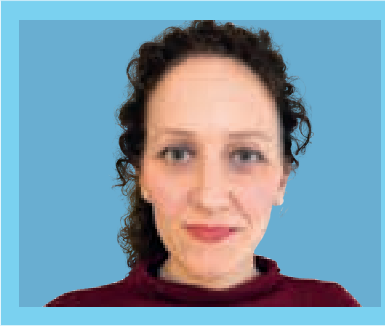
For being an integral part of keeping our labs running during the pandemic, fixing equipment and keeping trial runs moving.

KELLY FOX-PETERSEN
Executive Assistant, London, UK

For showing incredible positivity and kindness, both as a Mental Health First Aider and through her active participation in virtual coffee mornings, employee resource groups and numerous online community events.

TONY CHAPMAN
Technical Service Engineer, Decatur, Illinois, USA

For going the extra mile to keep our customers served and attending their sites in a Covid-safe manner when issues couldn't be resolved remotely.



PATRICIA GONZALES
Project Manager, SAP, Ossona, Italy

For supporting the order-to-cash process in Europe and leading the implementation of SAP at her site, collaborating with people and finding solutions to every problem.

TUMELO NXUMALO
Import Export Controller, Supply Chain, Johannesburg, South Africa

For always going the extra mile to help teams and customers, such as helping a colleague with a sick child transition comfortably to homeworking.

CLARICE SEAH
Executive Assistant, Singapore

For supporting other teams in Asia, and ensuring the safety of employees when returning to our Singapore office after lockdown.

GOVERNANCE

IN THIS SECTION

OUR BOARD

BOARD COMMITTEES

Certain responsibilities are delegated to three Board Committees, details of which are provided on pages 101, 104 and 110.

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

N

DR GERRY MURPHY
Chair and Chair of the Nominations Committee

Date appointed to Board: January 2017

Independent: Yes on appointment

Aged: 65

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: 54

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.

VIVID SEHGAL
Chief Financial Officer

Date appointed to Board: March 2021

Date appointed Chief Financial Officer: April 2021

Independent: No

Aged: 52

Nationality: British

Skills and expertise:
Vivid brings over 25 years of experience in financial, operational and transactional leadership roles which makes him a key part of our leadership team. Vivid is a member of the Chartered Institute of Management Accountants.

Current external commitments:

- None

Previous roles:
Chief Financial Officer of Delphi Technologies PLC from 2017 until its acquisition by BorgWarner Inc in 2020. He previously served as Chief Financial Officer of LivaNova PLC from 2015 to 2017, and during a seven-year career at Allergan, Inc. he held a number of senior financial positions across the US, Europe, Middle East and Africa. In his earlier career, he worked for GlaxoSmithKline, Gillette Company, Inc. during its acquisition by Procter and Gamble, Inc. and Grand Metropolitan PLC.

A N

JOHN CHEUNG

Non-Executive Director

Date appointed to Board: January 2021

Independent: Yes

Aged: 56

Nationality: Chinese (Hong Kong)

Skills and expertise:

John brings a breadth of food and beverage experience with a deep understanding of markets in Asia, particularly in China. His experience in senior positions in Asia in multiple companies and as a CEO enables him to provide valuable insights into the region.

Current external commitments:

- Chief Executive Officer at Zhejiang Supor Co., Limited
- Non-executive director at China Feihe Limited

Previous roles:

President of Wyeth Nutrition Global, Chairman and CEO of Nestlé Greater China, VP China at Coca-Cola.

R N

PATRÍCIA CORSI

Non-Executive Director

Date appointed to Board: May 2021

Independent: Yes

Aged: 48

Nationality: Brazilian

Skills and expertise:

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

Current external commitments:

- Global Chief Marketing and Digital Officer at Bayer Consumer Health

Previous roles:

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

A N

PAUL FORMAN

Senior Independent Director

Date appointed to Board: January 2015

Independent: Yes

Aged: 56

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.

BOARD OF DIRECTORS CONTINUED

BOARD COMMITTEES

Certain responsibilities are delegated to three Board Committees, details of which are provided on pages 101, 104 and 110.

A Audit Committee
R Remuneration Committee
N Nominations Committee

R N

LARS FREDERIKSEN

Non-Executive Director

Date appointed to Board: April 2016

Independent: Yes

Aged: 62

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
- Chairman of PAI Partners SA

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.

A R N

ANNE MINTO OBE

Non-Executive Director and Chair of the Remuneration Committee

Date appointed to Board: December 2012

Independent: Yes

Aged: 67

Nationality: British

Skills and expertise:
Anne's extensive career in general management and human resources has been 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 provides her with a deep knowledge of global executive remuneration practices and UK and US remuneration governance requirements. Anne will be retiring from the Board of Tate & Lyle at the AGM.

Current external commitments:

- Non-executive director of ExlService Holdings, Inc.
- Chair 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.

A N

KIMBERLY (KIM) NELSON

Non-Executive Director

Date appointed to Board: July 2019

Independent: Yes

Aged: 58

Nationality: American

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

Current external commitments:

- Non-executive director of Cummins, Inc.
- Non-executive director of Colgate-Palmolive Company

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

R N

SYBELLA STANLEY

Non-Executive Director

Date appointed to Board: April 2016

Independent: Yes

Aged: 59

Nationality: British

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

Current external commitments:

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

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

A R N

WARREN TUCKER

Non-Executive Director and Chair of the Audit Committee

Date appointed to Board: November 2018

Independent: Yes

Aged: 58

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:

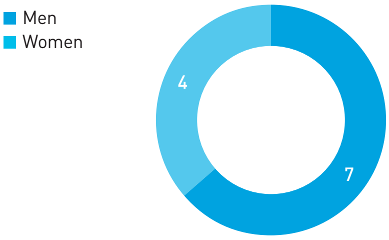
- Chairman of TT Electronics plc

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.

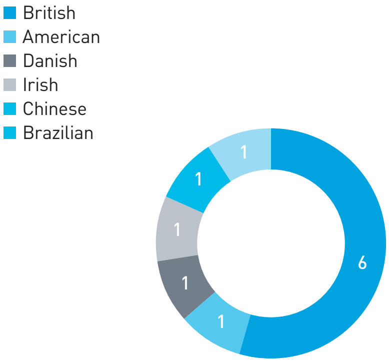
He also held senior finance roles at Cable & Wireless and British Airways, and was a non-executive director and chair of the Remuneration Committee of Thomas Cook Group plc and a non-executive director at PayPoint plc.

BOARD COMPOSITION

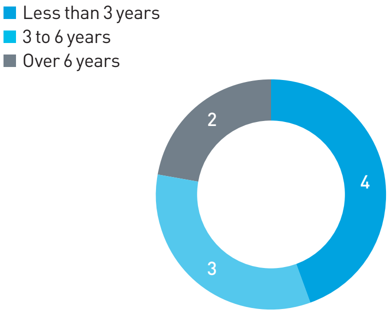
Gender diversity of Directors
As at 26 May 2021



Directors' nationalities
As at 26 May 2021



Tenure of Non-Executive Directors
As at 26 May 2021

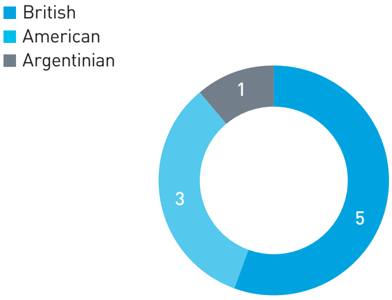


OUR EXECUTIVE TEAM

Responsible for delivering our strategy and achieving business results.

NATIONALITIES OF THE EXECUTIVE COMMITTEE

At 26 May 2021



NICK HAMPTON

Chief Executive

Nationality: British

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

VIVID SEHGAL

Chief Financial Officer

Nationality: British

Vivid joined Tate & Lyle on 1 March 2021 as Chief Financial Officer Designate, becoming Chief Financial Officer on 1 April 2021. He previously served as Chief Financial Officer of Delphi Technologies and LivaNova, and has also held senior management roles at Allergan, Gillette and GlaxoSmithKline, working in the US, Europe and the Middle East. His 25 years of experience in financial, operational and transactional leadership roles makes him a key part of our leadership team. Vivid is a member of the Chartered Institute of Management Accountants.

VICTORIA SPADARO GRANT

President, Innovation and Commercial Development

Nationality: Argentinian/American

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

LINDSAY BEARDSELL

Executive Vice President, General Counsel

Nationality: British

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

ANDREW TAYLOR

President, Asia, Middle East, Africa and Latin America

Nationality: American

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

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.

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 Tate & Lyle in 2001 and has since held a number of senior roles including leading our global strategy team. He became EVP, Corporate Affairs, and joined the Executive Committee in November 2014. His current responsibilities also include leading our global sustainability programme. He has deep knowledge and understanding of the Company and our industry.

CHAIR'S INTRODUCTION

While the pandemic remained high on our agenda throughout the year, we were nonetheless able to continue to focus on our key priorities.

INTRODUCTION

In my introduction last year, I spoke about the novel experience of holding our first Board and Committee meetings remotely via video conference. Sadly this year, that's become the norm since none of us could travel abroad, and we've had to adapt our timetable to accommodate directors in time zones from the American midwest to Beijing. Some Board members in the UK have been able to meet in person with appropriate social distancing, which has been a real bonus. On the positive side (and I know I speak for my fellow Board members too), while we have missed the opportunity to meet each other and others in the business in person, the online forum has worked well and we are confident that our governance remains robust.

OUR PRIORITIES DURING THE YEAR

At the start of the financial year, our focus was on navigating the Covid-19 pandemic. To that end, we scheduled additional time to learn how Nick and the team were managing the safety of our people and plants and to understand the potential impact on our business from lockdown measures around the world. As I mentioned in my statement in the Strategic Report, my Board colleagues and I were soon reassured by the leadership team's quick response and, during the course of the year, were very impressed with their continuing excellent management of this unprecedented crisis. Our purpose was clearly a guiding light for everyone during the year. And so, while the pandemic remained high on our agenda, we were nonetheless able to continue to focus on our key priorities: our strategy; building our business in our growth markets and developing relationships with stakeholders despite the restrictions we all faced.

Aside from these priorities, we also considered the usual subjects on the Board's calendar: financial performance, risk management and productivity initiatives; environmental, health and safety matters; and innovation and R&D initiatives with a detailed look into our key platform strategies and the performance and strategic progress of Primary Products and Food & Beverage Solutions.

Our annual Board effectiveness review was carried out by an external expert this year as is our practice at least every third year.

Developing our long-term strategy

As I said in my statement on page 12, this year we were pleased to see the completion of our acquisition of the stevia business, Sweet Green Fields, and the acquisition of an 85% stake in the tapioca business Chaodee Modified Starch. Both align with our strategic goals of strengthening our existing product offerings and expanding our presence in higher growth markets, particularly in Asia. As we announced in April 2021, the Board also spent time considering the potential separation of the Food & Beverage Solutions and Primary Products businesses through a sale of a controlling stake in the Primary Products business to a long-term financial partner. Discussions are ongoing and the Board remains highly engaged in this process.

> Guided by our purpose, Tate & Lyle is navigating Covid-19 well.
>
> **Gerry Murphy**
> Chair

Understanding our business in growth markets

Although we couldn't travel anywhere in person this year, we nonetheless took the opportunity to focus on Latin American markets at our meeting in January. Our leadership team in Brazil and Mexico joined us for a detailed review of plans for their markets, and we were fortunate to hear from the CEO of one of our major customers in the region who shared insights regarding regional trends in the food and beverage market, and the characteristics they look for in their preferred suppliers.

Developing our relationships with stakeholders

Although, as a Board, we are very mindful of all stakeholders and try to consider every angle in our discussions, we cannot, of course, engage directly with everyone, even in a normal year. Obviously, this last year has been particularly challenging due to the pandemic. However, thanks to the quick roll-out of MS Teams by our IT team, we were able to embrace new technology to enjoy meaningful engagement with our people, our customers and our shareholders. Here are some of the Board's highlights.

- **Our people**: this year, I held virtual cafés with employees in each of our four regions, co-hosting each session with a different fellow non-executive director. These were really valuable in two ways. We learnt a lot from colleagues' questions, comments and observations about the business and the future outlook for Tate & Lyle. They were also a great opportunity to thank our people directly for the extraordinary way they have managed through the pandemic. I propose to continue these sessions even after business travel returns to something like normal. One particularly noteworthy session was held by my fellow director, Kim Nelson and our former colleague, Dr Ajai Puri who hosted a discussion and Q&A about equity, diversity and inclusion open to all employees. Kim has been an active champion for equity, diversity and inclusion, supporting the establishment of our employee resource group, the Black Employee Network.

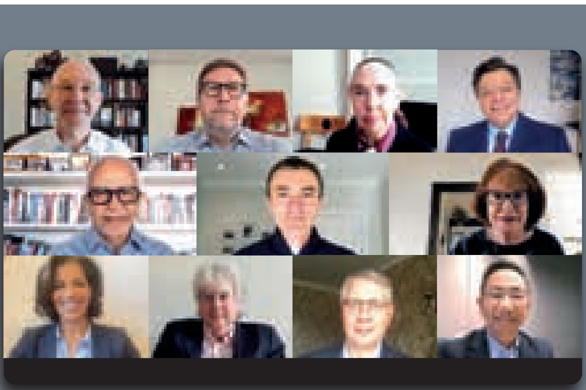
- **Customers**: as I mentioned above, it was great to hear directly from one of our major customers in Brazil. As always, the Board takes close interest in, and receives regular updates on, conversations Nick and his senior leadership team have had with customers and on the feedback they've received. This year, these reports have helped us to understand how well Tate & Lyle has managed through the pandemic from the perspective of our customers.
- **Shareholders**: as in previous years, I spent time with representatives of some of our major shareholders. Unfortunately, the pandemic prevented us from holding our AGM in the traditional way but we were pleased to publish a presentation on our website along with answers to questions submitted from shareholders. At the time of writing, we are hopeful that we will be able to hold our AGM as a physical meeting in the usual manner; but if we can't, we will do our best again to engage with all our shareholders and will keep them informed as our AGM plans develop.

A culture driven by our purpose

We've always said how important our purpose is at Tate & Lyle and, in my view, our response to the challenges of this year demonstrated just that. Right from the start, Nick's message was clear: keep our people and our communities safe, our operations running and customers served. For our plant and operational workforce, this meant a lot of extra work at each site to ensure they adapted quickly to local circumstances and enabled Covid-safe working – and they rose tremendously to the task. We received updates from Nick on health and safety performance at every Board meeting and had two in-depth sessions on the progress of our Journey to Environment, Health and Safety Excellence programme during the year. My Board colleagues and I have also been impressed by how our office-based colleagues have adapted to working with each other and our customers remotely.

Laura Hagan, our Chief Human Resources Officer also regularly updates the Board on people issues, with the focus this year naturally being how we have supported colleagues through the challenges of the pandemic. A big focus for the HR team has been initiatives around mental health and wellbeing, which we know have been a challenge for many. We also continued to work on our efforts to promote equity, diversity and inclusion, a big priority this year and moving forward. Aside from the session I mentioned above, we were pleased to receive equity, diversity and inclusion training ourselves, and I know I speak for my Board colleagues in saying how much we learnt from it. We were delighted that in April 2021 Lauren von Stackelberg was appointed as Chief Equity, Diversity & Inclusion Officer, a new role at Tate & Lyle.

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. This year we learnt that the number of reports were down on previous years, we suspect because of the pandemic and more people working from home, but we were reassured that the number of reports we did receive was typical for companies of our size and geography.



BOARD MEETINGS IN LOCKDOWN

Since the start of the pandemic, the Board and its Committees have held meetings remotely via video conference, accommodating directors in time zones from the American midwest to Beijing.

Our effectiveness as a Board

As I mentioned, our Board effectiveness review was externally facilitated this year. As previously, the Board also invited members of management (who are regular attendees at our meetings), external advisors Deloitte (for the Remuneration Committee) and our external auditor EY (for the Audit Committee) to share their views. Our last externally facilitated review was three years ago, just before Nick became Chief Executive and at that time identified several areas for improvement. These included giving greater focus to the major consumer and regulatory trends which might affect our industry; improving how the Board focused on culture; gaining a clearer picture of executive succession and professional development; and improving the quality of information brought to the Board.

I'm pleased to say that this year's review showed that we have made good progress in all of these areas and that the Board and its Committees are operating well. However, we are not complacent – the review also identified other areas where we could do better, as described on page 91.

OUR FOCUS FOR THE 2022 FINANCIAL YEAR

As we start the new financial year, our focus as a Board will be to help Nick and his team ensure we emerge from the pandemic a stronger business. The challenges of Covid-19 have laid bare the real inequalities in society, and so equity, diversity and inclusion will continue to be high on our agenda, along with our usual key themes of strategy, people and culture, sustainability, and succession and development. And, I know I speak for all my Board colleagues in saying that what we are most looking forward to is connecting with our people around the globe in person again, as soon as it is safe to do so.

Gerry Murphy
Chair

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, environmental and financial performance of the Group
- Sets the Group's risk appetite
- Ensures that appropriate risk management systems and internal controls are in place
- Sets the Group's ethics and culture and agrees the Group's purpose and values
- Ensures good corporate governance practices are in place

CHIEF EXECUTIVE
NICK HAMPTON

AUDIT COMMITTEE

CHAIR:
WARREN TUCKER

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

Read more on page **104**

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 **101**

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 Board Chair's fee

Read more on page **110**

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 performance against our purpose commitments
- Monitors the performance of the two business divisions and global support functions
- Identifies, evaluates, manages and monitors risks facing the Group

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, the Cyber Security Committee and the Research Advisory Group. 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 Chair, two Executive Directors and eight Non-executive Directors. Their responsibilities are summarised below. There is a clear division of responsibilities: the Chair leads the Board and the Chief Executive leads the business.

CHAIR

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

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

CHIEF EXECUTIVE

Responsible for proposing strategy to the Board and delivering it

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

CHIEF FINANCIAL OFFICER

Responsible for the Group's financial affairs

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

NON-EXECUTIVE DIRECTORS

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

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

SENIOR INDEPENDENT DIRECTOR

Responsible for ensuring that the Chair's performance is evaluated

- Acts as a sounding board for the Chair and supports him in the delivery of his objectives
- Serves as an intermediary with the Chair for other Directors if necessary
- Maintains a comprehensive understanding of the major 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 Chair, Chief Executive and Committee Chairs in setting agenda items for Board and Committee meetings
- Advises the Board on developments in corporate governance, legislation and regulation
- Assists the Chair and the Chief Executive in ensuring that the Directors are provided with relevant information in a timely manner
- Organises inductions for new Directors and ongoing training for all Directors

BOARD ACTIVITY DURING THE YEAR ENDED 31 MARCH 2021

The Board holds six scheduled meetings each year and a meeting to discuss strategy. Due to the Covid-19 pandemic and lockdown restrictions, this year's meetings were held via video conference, with occasional in person attendance by some Board members who are based in the UK. At the start of the pandemic, the Board held a number of additional calls to understand how the pandemic was impacting our business and to learn about how management was mitigating those impacts.

STRATEGY

- Undertook deep dives into the strategies of each of our Primary Products (PP) and Food & Beverage Solutions (FBS) divisions focusing in detail on our North America, Latin America, Europe regions in FBS, considering the key growth drivers, markets and customers in each and the impact of the pandemic on customers and consumers in those markets
- Reviewed the priorities identified for our three key innovation platforms within Innovation and Commercial Development (ICD), namely: our Sweeteners, Health and Wellness, and Texturants platforms
- Reviewed the Group's five-year strategic plan
- Approved the acquisition of Sweet Green Fields and an 85% shareholding in Chaodee Modified Starch
- Considered in detail the potential to separate the FBS and PP businesses through a sale of a controlling stake in the PP business to a long-term financial partner. Monitored the project and received regular updates on progress

FINANCIAL

- Approved the full-year results and financial statements and the Annual Report and financial statements for the 2020 financial year
- Approved the half-year results for the 2021 financial year
- Approved the payment of the interim dividend for financial year 2021 and recommended payment of the final dividend for financial year 2020
- 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 2022
- 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
- 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
- Reviewed progress embedding purpose and progress on our long-term purpose targets, including our sustainability targets for 2030

LEADERSHIP AND EMPLOYEES

- Approved the appointment of John Cheung and Patrícia Corsi as non-executive directors
- Approved the appointment of Vivid Sehgal as Chief Financial Officer
- Endorsed the Chief Executive's appointment of Victoria Spadaro Grant to the Executive Committee and of Andrew Taylor to the role of President, Asia, Middle East, Africa and Latin America
- Reviewed the Group's people agenda including diversity, talent management and bench strength within the organisation and undertook a Board training session on equity, diversity and inclusion with an external specialist in the field
- Considered the impact of the Covid-19 pandemic on the health and wellbeing of our people

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 2020
- Approved the adoption of a going concern basis of accounting in preparing the half- and full-year results
- Agreed the Modern Slavery Act statement, available on the Company's website

GOVERNANCE AND STAKEHOLDERS

- Considered the output and recommendations from the Board effectiveness review
- Discussed feedback from institutional shareholders and analysts
- Reviewed and approved the Directors' register of interests

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS DURING THE FINANCIAL YEAR

NAME	BOARD	AUDIT COMMITTEE	REMUNERATION COMMITTEE	NOMINATIONS COMMITTEE
Dr Gerry Murphy	8/8	5/5[1]	4/4[1]	3/3
Nick Hampton	8/8	5/5[1]	4/4[1]	3/3[1]
Imran Nawaz	8/8	5/5[1]	n/a	n/a
Vivid Sehgal[2]	2/2	1/1	n/a	n/a
John Cheung[3]	2/2	2/2	n/a	1/1
Paul Forman	8/8	5/5	n/a	3/3
Lars Frederiksen	8/8	n/a	4/4	3/3
Anne Minto	8/8	5/5	4/4	3/3
Kim Nelson	8/8	5/5	n/a	3/3
Dr Ajai Puri	8/8	5/5	n/a	3/3
Sybella Stanley	8/8	n/a	4/4	3/3
Warren Tucker	8/8	5/5	4/4	3/3

[1] Although not a Committee member, attended the Committee meetings by invitation.
[2] Appointed a Director with effect from 1 March 2021.
[3] Appointed a Director with effect from 1 January 2021.

BOARD EFFECTIVENESS REVIEW

This year's externally 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, particularly in light of the virtual meeting arrangements necessitated by the Covid-19 pandemic; engagement with management; effective oversight of matters within remit, including risk; and quality of papers and presentations. Please see pages 102,105 and 114 for information about the effectiveness evaluations of each of the Committees and of individual Directors conducted this year.

2021 BOARD EFFECTIVENESS REVIEW

AREAS FOR FOCUS	ACTION
Long-term ambition and M&A	The Board and the management team will continue to work on the long-term strategy and ambition for the business and to consider M&A opportunities, including monitoring the successful integration of the recent acquisitions of Sweet Green Fields and the 85% stake in Chaodee Modified Starch.
Building our understanding of customers and consumers	The Board will continue to welcome opportunities to hear directly from Tate & Lyle's major customers about consumer and market trends and how Tate & Lyle can be the solutions partner of choice for our customers.
Organic growth and innovation	During FY21 the Board looked in depth at the execution plans for our Food & Beverage Solutions business in North America, Latin America and Europe and at the platform strategies for Sweeteners, Health and Wellness and Texturants. In FY22 it will continue to look in depth at our organic growth and innovation programmes, with reviews of our execution plans for Food & Beverage Solutions in the Middle East and Africa and our Stabilisation platform.
Executive Committee succession planning, and talent development throughout the organisation	The Nominations Committee will review senior management succession and development plans. The Board will also focus on how we nurture and develop our talented people throughout the organisation.
Culture, equity, diversity and inclusion	The Board will continue to monitor the culture of the organisation with a particular focus on our progress towards greater equity, diversity and inclusion within our business.

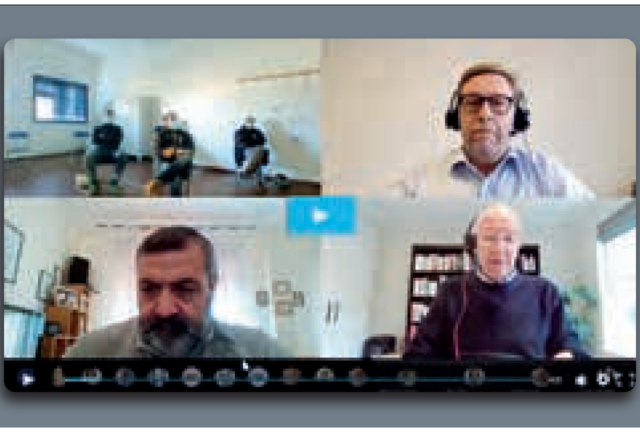
STAKEHOLDER ENGAGEMENT

At Tate & Lyle, we engage with a wide range of stakeholders, all of whom are essential in enabling us to do business across the world.

The table below describes our key stakeholders and summarises the engagement that has been undertaken across the business, including by the Board, during the year. In addition, the Board's engagement with our workforce is set out from page 94. 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 97.

STAKEHOLDER ENGAGEMENT

	WHY THEY MATTER	ENGAGEMENT ACTIVITIES	OUTCOMES/IMPACT
Shareholders	Our shareholders are investors in and owners of our business, providing the capital we need to invest in and grow the business.	Engagement takes various forms throughout the year: by Executive Directors; our Chair; and our Investor Relations team. For more information, see pages 95 and 96.	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. At the start of the year, we announced new ambitious long-term commitments for each pillar of our purpose including for the environment. The Board reviewed progress against these targets during the year, as well as actions and progress on our other purpose pillars.
Customers	As a business-to-business company, all the ingredients we make are sold to our customers. Listening to our customers helps us to better understand their needs and provide the products and services they want.	We maintain close relationships with our customers at all levels of their organisation, from the Chief Executive to R&D, to Sales and Marketing. We are a growth partner for many of our customers. In January, the Board had the pleasure of speaking directly with the Brazilian CEO of one of our major customers to learn about key trends in the Latin American market and how Tate & Lyle's team in Latin America is working with customers and fostering closer partnerships.	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. To support our customers during the pandemic, we moved a number of our services online, such as bespoke webinars on areas such as sugar reduction and plant-based ingredients. We also accelerated the launch of online tools to help our customers with their reformulation efforts, including our new Fibre and Sweetener Universities (educational courses).
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 94.	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 maintaining connectivity and supporting employees' physical and mental health were paramount. We put in place a number of initiatives to keep our people safe, well, connected and productive. The Board also increased its focus on equity, diversity and inclusion during the year, supporting management's actions including the creation of a new dedicated role of Chief Equity, Diversity & Inclusion Officer. See from pages 50 to 53 for more details on our people and how we engage with them.



CHAIR'S VIRTUAL CAFÉS

This year the Chair held virtual cafés with staff in each of our four regions, co-hosting each session with a different fellow non-executive director. Here, Gerry and Lars are seen engaging with colleagues from Europe including staff at our plant in Ossona, Italy.

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.
Communities	It's where our employees and their families live and where we recruit many of the people who work for us. It's also important that, as a significant local employer in some locations, we support the local community not only through employee involvement but as a responsible and sustainable local manufacturer.	Our community involvement programme is centred around three main areas: health, hunger and education, with a particular emphasis on supporting children and young adults. We support projects in our local communities based on these three areas.	Through a range of programmes supporting health, wellbeing and education, and partnerships with food banks across the world, we help improve the lives of thousands of people in our local communities. See pages 54 and 55 for more details. The pandemic had a significant impact on many of our local communities. Therefore, we significantly increased the level of donations and support we gave our food bank and charitable partners, providing 1.7 million meals for people in need during the year. We also donated PPE to family members who were frontline workers. Our purpose of *Improving Lives for Generations* was at the centre of our response to Covid-19. In December, we published our purpose booklet, explaining what our purpose is and setting out the actions we are taking to deliver our long-term purpose targets and commitments.
Regulators	Before our new ingredients can be incorporated into our customers' products they must be approved by regulatory authorities.	We have a dedicated team of regulatory experts, based around the world, who actively engage with regulators to provide evidence of, and answer enquiries about, the safety and quality of our ingredients.	By helping regulators understand our ingredients we speed up the process of regulatory approval. For example, in April 2020, 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.
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.

PEOPLE AND CULTURE

Engaging with our people

In 2019, the Board considered the 2018 UK Corporate Governance Code requirements on workforce engagement. The Board concluded that each director should be active in engaging with our people in order to gather their views and to understand the culture within the Group. The Board decided not to introduce any of the three methods suggested in the Code but to develop an approach which built on the mechanisms and practices which we already had in place, in particular the non-executive director site visit programme. The methods of engagement are set out below.

Prior to the Covid-19 pandemic, it was the practice at each Board meeting, for the Chairman and the non-executive directors to brief the Board on their interactions with, and impressions of, our people, our sites and our culture. The Board believes that these methods of engagement have enabled them to learn the views of a wide cross-section of the workforce and to understand how our strategy, purpose and 'Sharpen, Accelerate, Simplify' priorities are being received, understood and applied across Tate & Lyle. Board members look forward to returning to a programme of individual site visits as soon as travel restrictions are lifted and it is safe to do so.

Although the Covid-19 pandemic prevented Board members from visiting our sites, Board members actively participated in a programme of workforce engagement throughout the year as described below. Some of these initiatives were so successful that they will likely be added to the Board's regular engagement activities when we are able to return to normal.

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.

ENGAGEMENT ACTIVITIES

Chair's virtual cafés	As the Covid-19 pandemic prevented travel this year, Gerry Murphy hosted four virtual cafés during the course of the year with each of our teams in Latin America, Asia, Europe and North America. These events were open to all and were positively received by those who attended. Gerry Murphy was accompanied by a different Board colleague (Kim Nelson, Dr Ajai Puri, Paul Forman and Lars Frederiksen) at each meeting.
Inclusion and Diversity Panel	Kim Nelson and Dr Ajai Puri joined a panel discussion, open to all and hosted by our Professional Women's Network, about equity, diversity and inclusion sharing their experiences of interventions which create greater diversity and inclusion in the workplace.
Reaching the wider workforce	The Chair's virtual cafés and the equity, diversion and inclusion panel discussion with Kim Nelson and Dr Ajai Puri were all recorded and made available to employees. Recognising that English is not the first language for many of our employees we included sub-titles with the videos including Portuguese sub-titles for the video of the Chair's virtual café with the Latin America team.
Black Employee Network sponsorship	Kim Nelson championed and provided support to the newly established Black Employee Network, one of our employee resource groups.
Research Advisory Group	Until his retirement in March 2021, Dr Ajai Puri chaired the Research Advisory Group (RAG) which meets with members of the Innovation and Commercial Development function, usually in person, twice a year at our Commercial and Food Innovation Centre in Hoffman Estates, Illinois, US. A feature of these visits is the 'lunch and learn' session with an external expert speaker, hosted by Dr Ajai Puri and Victoria Spadaro Grant. This year, Dr Puri and Ms Spadaro Grant hosted a virtual event which was open to a large number of employees, with a high level of attendance. The Chair also attended some of these meetings in 2020 and 2021.
Employee surveys and engagement initiatives	The Chief Executive and the Chief Human Resources Officer regularly report to the Board on the outcome of employee surveys and other engagement initiatives. The quarterly business performance dashboard which is shared with the Board contains information on the number of open roles, regrettable resignations and gender diversity throughout the workforce.
CEO Weekly Newsletter and 'virtual cafés'	At the end of February 2020, Nick Hampton began to share a weekly Covid-19 and business update with the workforce via email and video. Later in the year, after feedback from employees, this update moved to once every two weeks and continues to be shared with employees. Nick has also held regular virtual cafés, sometimes with other members of the Executive Committee. Between April 2020 and March 2021, Nick held 58 virtual cafés providing our employee population with an opportunity to connect with him.

> Over the past 12 months we have learned to use digital communication to get much closer to employees. The Chair's virtual café is a good example of this. It's a place where the Board can engage and interact directly with Tate & Lyle people all over the world both to understand and address individual concerns, but also to say thanks for the commitment everybody has shown during these difficult times.
>
> **Lars Frederiksen**
> A non-executive director, who attended the Chairman's virtual café for our Europe region

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 110.

Assessing and monitoring culture

As described in the Chair's introduction to corporate governance on pages 86 and 87, the Board has multiple touchpoints throughout the year which provide opportunities for gauging and monitoring the culture at Tate & Lyle and how it aligns with our purpose and values. These touchpoints include individual Board member engagement activities and management reports to the Board and its Committees on a range of topics including: environment, health and safety performance; results of employee engagement surveys; equity, diversity and inclusion statistics and analysis; reports to the whistleblowing hotline; reports from the Head of Group Audit and Assurance; and reviews of workforce policies and practices. On those occasions where the Board is not satisfied that policy, practices or behaviours are aligned with the Company's purpose, values and strategy, it seeks assurance from management that: (i) it has thoroughly understood the extent of and the reasons for the issue; (ii) it has considered whether the issue concerned could have implications across the wider Group; (iii) corrective action has been taken to address the issue; and (iv) any lessons which might be 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 52.

Reports received during the year were kept strictly confidential and the concerns identified were referred to appropriate managers within the Group for resolution. Where appropriate, action was taken to address the issues raised. The reports were analysed and monitored to ensure the process continued to be effective. The Board received an analysis of all reports submitted via the Speak Up programme during the year. The Head of Ethics and Compliance reports to the Audit Committee twice a year on the ethics and compliance programme and its activities.

ENGAGEMENT WITH INVESTOR COMMUNITY

Investors are an essential stakeholder for any listed company. At Tate & Lyle, as well as our institutional investors and debt investors, we have a significant number of retail shareholders, including many employees and retired employees, who have a personal interest in the ongoing success of the Company. We've always held our investor community in the highest respect as owners and supporters of the business, and our relationships with them are very important to us, particularly in difficult times like Covid-19, when restrictions have made it impossible to meet them in person.

Like everyone else this year, we have made the best use we can of video conferencing technologies in place of face-to-face meetings, and so have kept as closely as possible to our usual Investor Relations programme. This programme has two objectives. It aims to help existing and potential investors understand Tate & Lyle, while ensuring that Directors understand the views of our major investors through regular feedback. All Directors receive periodic updates on investor communication activities, including at every Board meeting.

We said from the start of the pandemic that we would be guided in our approach by our purpose, and in December 2020 we published a booklet to introduce and explain our purpose to our external audiences, particularly investors. It explains our purpose, what it means to us and sets out our commitments and targets to 2030. This is available on our website at www.tateandlyle.com/purpose.

Institutional investors
The Chief Executive, Chief Financial Officer and our VP, Investor Relations, maintain a programme of meetings with institutional shareholders from the UK, Europe and North America. Our key meetings take place after our full-year and half-year results, but we also meet investors regularly outside the results cycle. Many of these meetings are arranged direct, but we also take part in investor conferences arranged by sell-side institutions.

The Covid-19 pandemic has of course meant extra communications with investors, to keep them up to date on its effect on our business and balance sheet. As a result, we issued two extra trading updates, one in early May and one in July. The Chief Executive, Chief Financial Officer and VP, Investor Relations spent more time than usual with investors during the year, including reaching out periodically to our largest shareholders.

Before the 2020 AGM, our Chair, Gerry Murphy, held virtual meetings with a number of the Company's larger institutional shareholders primarily to engage on the business of the AGM.

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
Our corporate brokers regularly seek investors' feedback following key announcements and investor meetings. A summary of feedback is communicated to all Directors. Our advisers also give us updates on best practice in investor relations, which we seek to reflect in our programme. Recent recommendations include continuing to build a broader shareholder base in the UK and US, and giving more details on environmental, social and governance (ESG) issues, an area growing significantly in importance to the whole investment community.

Other capital providers
The Chief Financial Officer, Group Treasurer and VP, Investor Relations meet periodically with our committed lending banks, debt investors and ratings agencies (Standard & Poor's and Moody's). In August 2020, we issued a new US$200 million of private placement debt to increase our access to liquidity. The Chief Financial Officer, Group Treasurer and VP, Investor Relations, met with, and answered questions from investors as part of this fund raising.

Private (retail) shareholders
We encourage private shareholders to talk to our Company Secretary who will then share their views with the Board. We also include a questions card with the AGM documentation we send to shareholders so that those who cannot come to the meeting can have their questions answered.

Annual General Meeting
The AGM gives all shareholders the opportunity to ask questions of the Board, including about this Annual Report. In 2020 we had to close our AGM to shareholders because of UK Covid-19 guidance from the government advising that such meetings posed a safety risk to the attendees. But, because the AGM is such an important opportunity for shareholders to express their views directly to Board members, we opted instead to ask shareholders to submit questions in advance of the meeting, which were then answered through an audiocast presentation from our Chair, Gerry Murphy, and our Chief Executive, Nick Hampton, published on the Company's website in advance of the proxy voting deadline.

As the UK government continues to ease Covid-19 restrictions, we anticipate that indoor public gatherings will be permitted at the time of the 2021 AGM. If so, this will mean that our shareholders will be welcome to attend the AGM in person but with some additional measures to ensure the safety of all attendees. However, at the time of writing we cannot be certain that restrictions on public gatherings will have been lifted and so we will continue to monitor developments, including the latest government measures, and in the event that our AGM arrangements have to change, the Company will issue a further communication via a regulatory information service and on the Company's website. The details of the 2021 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 2020	June 2020	July 2020	Sept 2020	Nov 2020	Dec 2020	Jan 2021	Mar 2021
Trading statement issued Full-year results issued Investor roadshow meetings in the UK – by video	Investor roadshow meetings in the US – by video Investor conference based in France – by video Annual Report published	Trading statement issued Audiocast published in support of Annual General Meeting	Investor conferences based in the UK – by video	Half-year results issued Investor roadshow meetings in the UK and US – by video Investor conference based in the US – by video	Investor conference based in the UK – by video Purpose booklet published	Trading statement issued	Investor conferences based in the UK – by video

SECTION 172(1) STATEMENT

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, among other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the company.

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of our pensioners. We acknowledge that every decision we make will not necessarily result in a positive outcome for all our stakeholders. By considering the Company's purpose and values together with its strategic priorities, and having a process in place for decision making, we do, however, aim to make sure that our decisions are consistent and predictable.

For details on how our Board operates and the way in which we reach decisions, including the matters we discussed and debated during the year, the key stakeholder considerations that were central to those discussions and the way in which we have had regard to the need to foster the Company's business relationship with customers, suppliers and other stakeholders, please see the Chair's introduction to corporate governance from page 86, our corporate governance structure from page 88, Board activities on page 90 and stakeholder engagement from page 92.

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 2020, the Board discussed progress towards responding to the key mega-trends, which it had identified at the Board strategy review in 2019, including climate change; health and wellbeing; reduction in international trade; and the increase of artificial intelligence. It also received an update on progress towards our 2030 commitments and targets for the three pillars of our purpose. In addition, the Board discussed our five-year plan, our bolt-on M&A strategy, and the progress of our 'Sharpen, Accelerate, Simplify' initiatives and the execution strategies for our two divisions, Primary Products and Food & Beverage Solutions. The Board also spent significant time considering the potential to separate the Food & Beverage Solutions and Primary Products businesses through a sale of a controlling stake in the Primary Products business to a long-term financial partner. In considering the potential separation the Board has been mindful of the long-term interests of the Company, the interests of shareholders, employees, customers and the impact of the Company's operations on the community and environment.

DIVIDEND

The Board recognises the importance of dividends to shareholders and operates a progressive dividend policy (available on the website). In May 2020, as we announced our results for the 2020 financial year, the length and severity of the pandemic was unknown. Therefore, the Board decided not to increase the final dividend for the 2020 financial year, and it also decided not to increase the interim dividend for the 2021 financial year. However, given the Group's robust performance in the 2021 financial year, and having considered the risks and uncertainties caused by the continuation of the pandemic and the Company's available reserves, the Board is recommending a 5.8% increase in the final dividend to 22.0 pence per share, bringing the full year dividend to 30.8 pence per share, an increase of 4.1%. This increase brings dividends back to a level consistent with the Board's progressive dividend policy, notwithstanding the pandemic.

RESPONDING TO THE COVID-19 PANDEMIC

During the year, the Board closely monitored and engaged in management's response to the Covid-19 pandemic, scheduling additional time to ensure that employees were being kept safe and well, that our customers were being supplied, and at the same time, the Company was continuing to progress its strategy for the benefit of all stakeholders. The physical and mental wellbeing of our employees, both those working in our plants and those working from home, has been a key concern for us. The Board was pleased that the Company was able to navigate the pandemic without furloughing any staff or seeking any government support.

ACQUISITIONS

During the year we acquired an 85% shareholding in a speciality tapioca food starch business in Thailand, Chaodee Modified Starch Co., Ltd. This investment strengthens our texturant platform and brings new tapioca capabilities and raw material sourcing expertise. It also establishes a dedicated tapioca facility in Asia and expands our customer offering in categories including dairy, bakery, snacks, noodles, and soups, sauces and dressings.

Also, during the year, we completed the acquisition of the outstanding majority shareholding in Sweet Green Fields. This acquisition brings a broad portfolio of stevia products and a fully integrated stevia supply chain to Tate & Lyle including leaf sourcing, leaf varietal development and established agricultural programmes. It strengthens Tate & Lyle's position as a leading provider of innovative sweetener solutions with the capabilities to create foods and beverages that are lower in sugar and calories and with cleaner labels for customers across the world. The acquisition also extends Tate & Lyle's presence in the faster growing Asia markets with dedicated stevia production and research and development facilities located in Anji, China.

In approving both of these acquisitions, the Board was cognisant of the interests of a range of stakeholders, including our customers and their consumers, and the potential benefits for our shareholders. The Board is taking an active interest in the integration of these acquisitions into Tate & Lyle to ensure these businesses operate within our framework of standards and controls and in accordance with our values and purpose.

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 2021, we are pleased to report that we have applied the principles and complied with the provisions of the Code. The Code can be found at www.frc.org.uk.

1. BOARD LEADERSHIP AND PURPOSE

A. THE ROLE OF THE BOARD:

Our Board comprises a diverse group of skilled and experienced individuals as described in their biographies on pages 80 to 83. Working within the governance structure set out on page 88 and through a programme of regular meetings with agendas which focus on financial performance, strategic initiatives, sustainability, 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 **2**.

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 **94**; Board oversight of culture see page **95**; and the work of the Audit Committee see page **104**.

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 **68** and the Audit Committee Report from page **104**.

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 127.

D. SHAREHOLDER AND STAKEHOLDER ENGAGEMENT:

The Board maintains regular engagement, whether directly or indirectly, via feedback from the Chief Executive and other members of management, with shareholders as well as a range of key stakeholders.

➔ For more information on our engagement with shareholders see the Chair's introduction to corporate governance from page **86**, the shareholder engagement section on pages **95** and **96** and the Remuneration Committee Chair's introduction to the Directors' Remuneration Report on page **110**.

➔ For information on our approach to stakeholder engagement see from page **92**. Our section 172(1) statement is set out on page **97**.

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 **52** and **95**.

2. DIVISION OF RESPONSIBILITIES

F. THE ROLE OF THE CHAIR:

Dr Gerry Murphy, our non-executive Chair, leads the Board and facilitates constructive and open dialogue and debate between the Board and management. Under his leadership the Board is responsible for its overall effectiveness in directing the Company and, every year, the Board conducts a review of its own effectiveness and those of its Committees. The Chair reviews the performance of individual non-executive directors and the Senior Independent Director leads a review of the Chair. The Nominations Committee reviews the performance of the Executive Directors.

For information about the outcome of the Board's effectiveness review this year see page **91** and the Nominations Committee Report from page **101**.

G. BOARD COMPOSITION AND DIVISION OF RESPONSIBILITIES:

The Board comprises ten directors in addition to the Chair, two Executive Directors (Chief Executive, Nick Hampton and Chief Financial Officer, Vivid Sehgal) and eight independent non-executive directors, one of whom is the Senior Independent Director. None of the Directors has served on the Board for more than nine years. The Board considers all the non-executive directors to be independent. The Chair was deemed independent on appointment.

Membership of the Board and information about individual directors is set out from page **80**. The responsibilities of the executive and non-executive directors are described on page **89**.

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 Chair holds a pre-meeting without the Executive Directors present to gather the views of the non-executive directors on the papers submitted and the topics to be discussed. At the conclusion of each Board meeting, the Chair holds another meeting without the Executive Directors present to consider and discuss any matters that have arisen during the meeting. The 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 spending the most time. The Board Chair typically spends two days a week on Tate & Lyle business. In 2019, the Board agreed a framework for determining the number of public company directorships directors can undertake in addition to their appointment at Tate & Lyle in order to ensure that they do not become over-committed.

The significant commitments of each of the Directors are included in the Board biographies from page **80**. For more information, see meeting attendance in the 2021 financial year on page **91**.

I. ENSURING THE BOARD FUNCTIONS EFFECTIVELY AND EFFICIENTLY:

The Company Secretary works with the Board Chair, the Chairs of the Committees, the Chief Executive and other members of management to ensure that the Board has the policies, processes, information, time and resources it needs in order to function effectively and efficiently. All Directors have access to the advice of the Company Secretary who is responsible for advising the Board on all governance matters. Directors also have access to the advice of the Executive Vice President, General Counsel, as well as independent professional advice at the expense of the Company.

3. COMPOSITION, SUCCESSION AND EVALUATION

J. SUCCESSION PLANNING FOR THE BOARD:

The Nominations Committee (which comprises all the non-executive directors and the Chair) is responsible for succession planning for, and recommending candidates for appointment to, the Board and certain senior management positions. It applies a formal, rigorous and transparent process focused on finding candidates who can support the strategic priorities of the business while also representing the diversity of our global workforce and customer base. The UK Corporate Governance Code provides that all Directors should seek re-election on an annual basis and all Directors, with the exception of Anne Minto, 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 **101**.

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 **80** and the Nominations Committee Report from page **101**.

L. BOARD EVALUATION:

In the 2021 financial year, the Board undertook an externally facilitated review, in line with the UK Corporate Governance Code guidance.

For more information, see the Board evaluation on page **91**.

4. AUDIT, RISK AND INTERNAL CONTROL

M. ENSURING THE INDEPENDENCE AND EFFECTIVENESS OF INTERNAL AND EXTERNAL AUDIT:

The Audit Committee is responsible for reporting to the Board on a range of matters concerning audit, risk and internal controls. In particular, the Audit Committee reviews and monitors the independence and performance of the internal audit function, Group Audit and Assurance, and the external auditor, EY. The Audit Committee has established and monitors a policy for non-audit work which EY is permitted to conduct.

➔ For further information about the role and work of the Audit Committee, external audit and Group Audit and Assurance, see from page **104**.

N. FAIR, BALANCED AND UNDERSTANDABLE ASSESSMENT:

The Audit Committee reviews the financial statements set out in the Group's annual and half-year results and reports its findings and recommendations to the Board. The Board, as a whole, considers the recommendations of the Audit Committee, the representations made by management and the views of the internal and external auditor in order to satisfy itself of the integrity of the narrative and financial statements and to determine whether the financial and narrative statements when taken together present a fair, balanced and understandable assessment of the Company's position and prospects.

➔ For further information, see the Audit Committee Report from page **104** and the 'fair, balanced and understandable' statement on page **109**.

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 **68** and the Audit Committee Report from page **104**.

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 **110**.

Q. EXECUTIVE REMUNERATION:

The Directors' Remuneration Policy was approved by shareholders on 23 July 2020. 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. A summary of the Directors' Remuneration Policy can be found from page 115.

➔ The full Directors' Remuneration Policy is on pages **115** to **120** of the 2020 Annual Report.

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 **110**.

NOMINATIONS COMMITTEE REPORT

CHAIR'S INTRODUCTION

Our Board and senior leadership are becoming more diverse in terms of gender, nationality, ethnicity and experience.

SUCCESSION PLANNING

EXECUTIVE COMMITTEE MEMBERS

This year we continued our focus on long-term succession planning for the Executive Directors including consideration of the development needs of members of our Executive Committee. These planning exercises help the Board to manage those instances of unplanned succession such as we experienced this year when our former Chief Financial Officer, Imran Nawaz, resigned to join Tesco plc. The Nominations Committee supported Nick in the search for a new Chief Financial Officer and was delighted with the swift appointment of Vivid Sehgal.

NON-EXECUTIVE DIRECTORS

As previously reported, in 2018 we undertook an externally facilitated review of the Board's composition to ensure that we have the right combination of skills and experience to support management in delivering our strategy into the future. That review produced two important recommendations. The first 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. In July 2019, Kim Nelson joined our Board to fulfil that mandate.

The second recommendation was to appoint a NED with similar experience in Asian markets to support our expansion in that region. I'm pleased to report that we concluded our search in 2020 and John Cheung joined our Board in January 2021. John has many years of experience in nutrition, food and beverages notably in China. John replaced Dr Ajai Puri who retired from the Board in March 2021 after nine years of service.

In May 2021, we were delighted to welcome Patrícia Corsi to the Board. Patrícia, a Brazilian national, brings in-depth knowledge of our key growth markets in Latin America as well as global marketing, digital and brand expertise. Patrícia replaces our colleague, Anne Minto, who will retire from the Board at the AGM after serving nearly nine years of which six years were as Chair of our Remuneration Committee. I am delighted that Sybella Stanley, who joined the Board in 2016, will succeed Anne as Chair of the Remuneration Committee.

I would like to take this opportunity once again to thank Anne and Ajai for their long and dedicated service to Tate & Lyle.

> “This year, our focus will continue to be on long-term succession planning.

DIVERSITY AT AND BELOW THE BOARD

In a consumer-led business like Tate & Lyle, diversity at all levels is a pre-requisite to future-proofing our Company, by ensuring that our employees reflect the customers and communities we serve. Furthermore, as a global business, our Board needs to reflect the rich diversity of the regions where we operate. This is not just a matter of governance and social responsibility, important as these dimensions are, it's just good common sense.

That is why, last year, the Nominations Committee refreshed our Board Diversity Policy and committed to maintain, as a minimum, gender and ethnicity diversity of at least 30% respectively. We are pleased that, at the time of writing, our Board is 36% women and 27% Black, Asian or ethnically diverse groups with a mix of nationalities that reflects the global profile of our business.

It is also why the Board supported management's commitment made last year to achieve 50% gender diversity in leadership roles by 2025. We monitor progress against this target and are pleased to see that in the last 12 months the number of women in leadership roles has increased from 27% to 32%.

PRIORITIES FOR THE YEAR AHEAD

In the year ahead, we will continue to focus on long-term succession planning for senior executives below the Board and to follow the progress of management's talent development and equity, diversity and inclusion 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 Chair of the Company and all independent Directors. The Company Secretary is the secretary to the Committee.

Meetings during the year

Meetings are generally held around the time of scheduled Board meetings. The Committee held three scheduled meetings during the year. Attendance during the year is set out on page 91.

The Chief Executive and the Chief Human Resources Officer are invited to attend and present to the Committee on an ad hoc basis, depending on the issues being discussed.

Effectiveness

The Committee carried out an externally facilitated review of its effectiveness and the output was discussed by the Committee.

This concluded that the Committee continued to operate effectively and confirmed that the focus for the coming year would continue to be on Executive Director 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 was involved in the search for a new Chief Financial Officer, culminating in the appointment of Vivid Sehgal, and concluded its search for a non-executive director with knowledge and experience of the markets in Asia with the appointment of John Cheung.

The Committee started a new search for a NED to replace Anne Minto. A detailed job specification was prepared for the new NED and Odgers Berndtson was appointed to assist with the search, which resulted in the appointment of Patrícia Corsi. Both Odgers Berndtson and Russell Reynolds which assisted in the search for Vivid Sehgal are signatories to the Voluntary Code of Conduct for Executive Search Firms and both have 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 Victoria Spadaro Grant to the Executive Committee as President, Innovation and Commercial Development and on the appointment of Andrew Taylor to the newly created role of President Asia, Middle East, Africa and Latin America.

Review of individual Directors and members of the Executive Committee

Each Director goes through a formal performance review process as part of the annual Board effectiveness review. Dr Gerry Murphy led performance reviews of the non-executive directors. All Directors completed this process during the year.

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

These reviews confirmed that each Director continues to make an effective contribution to the Board's work and is well prepared and informed about issues they needed to consider. In each case, their commitment remains strong.

The Committee evaluated the performance of the other members of the Executive Committee and reported its conclusions to the Remuneration Committee.

BOARD DIVERSITY

As described in the Chair's introduction to this Nominations Committee Report, the Board believes that a diverse and inclusive culture is a driver of superior business performance, growth and innovation. In its Diversity Policy the Board commits to maintain, as a minimum, 30% gender diversity and 30% ethnic representation 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 Chair, two Executive Directors and eight non-executive directors. Female representation (four Directors) equates to 36% of the Board and representation from Black, Asian or ethnically diverse groups is 27%.

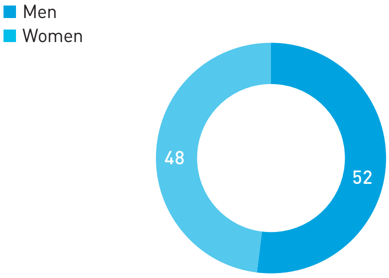
Diversity below the Board
We recognise that to be a successful company, we must be both diverse and inclusive. We expect everyone, everywhere, to play a role in ensuring we become a truly diverse and inclusive organisation where differences are respected and everyone's contributions are valued.

Our Group human resources policy sets out our commitment to providing opportunities for all colleagues, irrespective of (among other things) sex, race, ethnicity, colour, religion, background, age and sexual orientation.

The Board supported management's commitment to achieve 50% gender diversity in leadership roles across the organisation by 2025 and tracks progress against that target. It also supported the appointment of our first Chief Equity, Diversity & Inclusion Officer and, in March, received a dedicated training session on this topic.

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

At 26 May 2021



[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.

CHAIR'S INTRODUCTION

I am pleased to present the work of the Committee during the year. Although we have conducted most of our meetings by video conference this year, with occasional in person attendance by some Board members and management who are based in the UK, the responsibilities of the Committee have not changed. I continue to engage with a significant number of stakeholders, including the Group Audit and Assurance (internal audit) function, senior management and the external auditor to ensure our processes and controls are not impacted by the pandemic. The Committee and I were reassured that there was minimal impact on our usual processes, albeit adapted, and they remain effective.

REVIEWS DURING THE YEAR

In addition to the usual review of accounting judgements and disclosures on key accounting matters including commodity accounting, exceptional items and taxation (see details set out on page 106), we continued with our practice of looking in particular depth at certain aspects of the control environment. During the year, we met our finance leaders from Primary Products (based in the US), Food & Beverage Solutions North America, Asia and Latin America and the Group Tax and Treasury functions. The Committee also received updates on the work of the Group Audit and Assurance (internal audit) team, ethics and compliance, IT and cyber risks, data privacy management and the finance talent management programme.

As part of the Group's strategy to expand our portfolio and bring new products to the market faster, during the year Tate & Lyle completed the acquisition of outstanding majority shareholding in Sweet Green Fields and bought an 85% stake in Chaodee Modified Starch Co., Ltd. The Committee monitored the acquisition accounting and the work performed to date in implementing Tate & Lyle's controls, processes and ethics and compliance programme into these new businesses.

This was another year in which we completed the year-end close process and audit under lockdown restrictions. The Committee was reassured by the actions that management and the external auditor had taken to ensure there was minimal impact on the year-end timetable. The Committee and the Board would like to thank the teams for their remarkable resilience and for adapting to the new ways of working so well.

> There was minimal impact on our usual processes, albeit adapted, and they remain effective.

I would also like to thank my fellow colleagues, Dr Ajai Puri who stepped down from the Board on 31 March 2021, and Anne Minto, who will be stepping down from the Board at the 2021 AGM. They have both made huge contributions to Tate & Lyle over the last nine years and we thank them for their support of, and counsel to, the Committee. In their place we welcomed to the Committee, John Cheung from 1 January 2021 and Sybella Stanley from 1 April 2021 in advance of her appointment as the Chair of the Remuneration Committee.

CONCLUSION

Information on the following pages sets out in detail the composition of the Committee, its activities and our priorities going forward. The Committee and I are looking forward to engaging with our employees in person and visiting our sites when it is safe to do so.

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 six independent Directors: Warren Tucker (Chair), John Cheung, Anne Minto, Paul Forman, Kim Nelson and Sybella Stanley. The Committee welcomed John Cheung upon his appointment to the Board on 1 January 2021 and Sybella Stanley on 1 April 2021 in advance of her appointment as the Chair of the Remuneration Committee when Anne Minto retires at the AGM. As part of John's induction programme, he met with the external auditor, VP Group Financial Controller, VP Group Audit and Assurance and other leaders of key functions to help him gain an understanding of Tate & Lyle's finance and controls framework. In addition, Dr Ajai Puri stepped down from the Board and the Committee on 31 March 2021.

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 deep dives and updates on relevant matters.

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 for a decade until 2013 and is a chartered accountant. He also served as an independent non-executive director on a FTSE 100 audit committee from 2010 to May 2020.

The Company Secretary is the secretary to the Committee.

Meetings during the year

Meetings are generally scheduled in line with key times in the Group's financial reporting calendar. The Committee held five scheduled meetings during the year. Attendance during the year is set out on page 91. 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, all relevant parts of each meeting. The Chair of the Board and Chief Executive are also invited to, and attend, each Committee meeting. In addition, senior finance and operational leaders attend and present to the Committee as needed, depending on the issues being discussed.

The Committee meets privately with each of: the Chief Financial Officer; the 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 externally 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.

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 auditor; 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 auditor, the appropriateness of these. The significant issues considered by the Committee in relation to this year's financial statements are listed on page 106. 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 and associated co-product positions in the US. The valuations of co-products positions in particular are underpinned by several judgements, which can have a material impact on the reported results of the Group.	The Committee considered the work performed by management and the external auditor and probed management on the assumptions and modelling before concluding that the judgements made in determining the accounting treatment and valuations of commodity and co-product positions were appropriate.
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. Therefore these merit separate disclosure in the financial statements in order to provide a better understanding of the Group's underlying financial performance.	The Committee constructively challenged the judgement of management regarding the 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 47.
Taxation	We operate and pay taxes in multiple jurisdictions, which requires the interpretation of complex tax law. As such, we make provision for potential tax exposures 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 47 and in Note 11. The Committee was satisfied that the judgements made in estimating the Group's tax charge were reasonable, and that the disclosures were appropriate. The Committee considered and challenged the appropriateness of tax provisions at the balance sheet date, including changes in provisions during the year, as well as the Group's associated tax risks. The Committee also considered the composition of the Group's deferred tax balances and recognition judgements. The Committee concluded that the measurement and disclosures of tax balances were appropriate.
Acquisitions of two new businesses	As part of the Group's strategy to expand our portfolio and bring new products to the market faster, Tate & Lyle completed the acquisition of the remaining 85% equity in Sweet Green Fields in November 2020 and acquired an 85% shareholding in Chaodee Modified Starch Co., Ltd in February 2021.	The Committee considered the work management performed on the completion accounts and provisional purchase price allocations and concurred with management's recommendation. The Committee monitored the implementation of Tate & Lyle's controls, processes and ethics and compliance programme into the new businesses and will continue to do so going forward.
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 and challenged the annual goodwill impairment assessments and considered the appropriateness of management's assumptions, including consideration of the impact of the pandemic on such assessments. Management concluded that there was significant headroom in its goodwill impairment reviews and, accordingly, no impairments were required on the CGUs. Impairment reviews were also undertaken on other assets and concluded that any impairments recorded were appropriate. The Committee agreed with this conclusion. The disclosure is set out in Note 18.

Engagement with regulators

During the year, the Corporate Reporting Review team of the Financial Reporting Council (FRC) informed the Chair of Tate & Lyle that they had reviewed certain aspects of our 2020 Annual Report. Following its review, the FRC informed Tate & Lyle that there were no questions or queries that it wished to raise, and the letter did not require any formal response other than our acknowledgement of receipt. The FRC has used certain of our 2020 Annual Report disclosures for goodwill impairment and Covid-19 risk as examples of best practice.

Focus areas for the Audit Committee in the 2022 financial year

In addition to the recurring matters on the Committee's rolling calendar, the Committee will focus on (i) the continued integration into our controls framework of the two businesses that were acquired; (ii) continued enhancements to the risk and controls matrix; and (iii) monitoring closely the recent proposals for reform of audit and corporate governance published by the UK government to ensure Tate & Lyle is well placed to address them. 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.

External auditor

As part of the reporting of the half-year and full-year results statements, EY reported to the Committee on its assessment of the Group's accounting judgements and estimates and its control environment. EY did not report any significant deficiencies in controls nor did it disagree with any of the Group's accounting judgements and estimates. The Chair of the Committee meets with EY prior to each meeting and outside the meeting cycle on a regular basis.

Safeguarding the auditor's independence

The independence of the external auditor is essential to the provision of an objective opinion on the true and fair view presented in the financial statements. Auditor independence and objectivity are safeguarded by a number of control measures, including limiting the nature and value of non-audit services performed by the external auditor.

The Committee operates a policy to safeguard the objectivity and independence of the external auditor. This policy sets out certain disclosure requirements by the external auditor to the Committee; restrictions on the employment of the external auditor's former employees; and partner rotation.

During the year, the Committee reviewed the operation and results of this policy and confirmed that, in its opinion, the external auditor remained independent.

Provision of non-audit services

The policy also sets out the circumstances in which the external auditor may be permitted to undertake non-audit services and the services which are not permitted under any circumstances, such as the provision of remuneration advice and internal audit outsourcing.

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 Committee at its next meeting.

The total amount payable in respect of the Group audit and audit of subsidiaries was £2.7 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 Chair meets to review EY's quality reporting and discussed items that could impact Tate & Lyle, in particular the culture of the Audit Division.

Effectiveness of the external auditor

The effectiveness of the external auditor is assessed in accordance with a process agreed by the Committee. As part of the process, the auditor's performance for the 2020 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 2020 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 2021 financial year.

The Committee will formally assess EY's performance in relation to the 2021 audit following its completion.

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, i.e. 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 auditor for the 2022 financial year. It believes the independence and objectivity of the external auditor and the effectiveness of the audit process are safeguarded and remain strong.

The Committee considers that the Company has complied with the Competition and Markets Authority's Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the financial year under review.

There are no contractual obligations that restrict the Committee's choice of external auditor.

Internal audit – Group Audit and Assurance

Group Audit and Assurance (GAA) is an internal function that provides independent and objective assurance to all levels of management up to the Board. Its responsibilities include evaluating and reporting on the adequacy and effectiveness of the systems of risk management and internal controls operated by management. Management remains responsible for identifying risks and for the design and operation of controls to manage risk effectively.

The GAA function is staffed by professionally qualified and experienced individuals located in both London and Chicago. They report to the VP, GAA, who is based in London, who in turn reports directly to the Chair of the Audit Committee and the Chief Executive.

The Committee received, considered and approved the annual internal audit plan, which was constructed using a risk-based approach taking account of risk assessments, input from senior management and previous audit findings. This year there was an emphasis on the impact of Covid-19 and providing assurance over key financial controls given the disruption to working practices, as well as a continued focus on cyber security and IT operations. The audit plan is kept under review depending on the operational limitations and business requirements and any proposed changes to the plan are discussed and agreed with the Committee.

Ongoing visibility of the internal control environment is provided through internal audit reports to management and the Committee. This year, all the audits were performed remotely and with an external local co-source partner where appropriate. The reports are graded to reflect an overall assessment of the control environment under review, and the significance of any control weaknesses identified. Remedial actions to address findings are identified and agreed with management. The Committee receives a quarterly status report from the VP, GAA, detailing progress against the agreed plan, key trends and findings. The Committee places high emphasis on actions being taken as a result of internal audits and regular reports are provided on the status of any overdue actions.

The Committee also 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 auditor. The Committee concluded that the function continues to operate effectively.

Internal control and risk management

The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving the Group's strategic objectives and for maintaining sound risk management and internal control systems. A formal process is in place which aims to identify and evaluate risks including emerging risks and how they are managed. Further details including the description of principal risks are set out on pages 71 to 76.

The objective of the internal control system is to protect the Group's assets and reputation and to ensure the reliability of financial information for both internal use and external publication. The systems of internal control and risk management cannot eliminate the risk of failure to achieve business objectives and can only provide reasonable, not absolute, assurance against material misstatement or loss. The Committee continued to receive and consider regular reports from management and the VP, GAA, on the effectiveness of the Group's internal controls and risk management system as well as the external auditor on matters identified during its statutory audit work.

During the year, an external third party was engaged to review the effectiveness of the risk management function and the Committee discussed the findings from the review. Whilst many good practices were observed, a small number of areas for improvement were identified which included fully embedding the new Enterprise Risk Management system and enhancing system reporting capabilities to provide more insightful management reporting.

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 systems of internal control

The Board monitors the effectiveness of the Group's systems of internal control and risk management throughout the year. Once a year, the Board, supported by the Audit Committee, conducts its own review of the effectiveness of the systems of risk management and internal control. As last year, the 2021 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 2021. The Board then discussed the output at its meeting in May 2021.

The 2021 review covered material financial, operational and compliance controls, our values and behaviours, and the risk management process, and included questionnaires and representation letters completed by management. GAA validated the results of the review, ensuring that the responses from management were consistent with the results of its work during the year. The Committee reported to the Board that the process for monitoring and reviewing internal control and risk management processes is robust and appropriate for the size and scale of the business. It was noted that no significant failing or weakness had been identified and confirmed that it was satisfied the systems and processes were functioning effectively.

The Group's going concern and Viability Statement disclosures are set out in the Strategic Report on pages 49 and 70 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;
- review by the Audit Committee of the governance processes employed to provide assurance that the Annual Report is fair, balanced and understandable, including the opportunity to challenge members of management, Group Audit and Assurance and the external auditor on the robustness of those processes; and
- a process to ensure that unfavourable outcomes have been duly highlighted.

The Board considers that, taken as a whole, the Annual Report is fair, balanced and understandable. The Board further believes that the Annual Report provides the necessary information for shareholders to adequately assess the Company's position and performance, business model and strategy.

CHAIR'S INTRODUCTION

The Committee reflected on remuneration outcomes in the context of a demanding year and believes they appropriately reflect strong performance and the broader stakeholder experience.

REFLECTING ON PERFORMANCE THIS YEAR

As you will have read in the introductory statements in this Annual Report, it has been an exceptional year in many respects. We are pleased to report a year of strong financial performance in spite of a very challenging environment. Food & Beverage Solutions delivered another year of strong top-line growth and double-digit profit growth. Primary Products delivered resilient performance with profit higher benefiting from a record year of Commodities profits. Both businesses were supported by strong operational performance and rigorous cost discipline.

We are proud of the extraordinary efforts of our people to deliver against the clear priorities that Nick and the Board set out just over a year ago to:

- look after our colleagues and communities
- build stronger customer relationships
- continue to progress our strategy
- maintain our financial strength

Throughout the year, the Committee and Board received regular updates on the impact of the pandemic on our business and our people. Against that backdrop, we are pleased to report that we made good progress in all these areas.

Our purpose of *Improving Lives for Generations* has been central to our response to the pandemic. We live our purpose through three pillars – Supporting Healthy Living, Building Thriving Communities and Caring for our Planet – and these have all been at the front of our minds during the year. In May 2020, we announced a set of long-term targets and commitments to live our purpose, which aligned to five of the UN Sustainable Development Goals where we believe we can have the greatest impact.

We are pleased with our progress against our sustainability commitments in our first year. More details can be found on pages 28 and 29, with the key highlights being:

- Scope 1 and 2 absolute greenhouse gas emissions reduced by 7% (2030 target: 30%)
- 69% of our waste was beneficially used (2030 target: 100%)
- Supported 1.5 million acres of sustainable acreage, equivalent to the amount of corn we buy each year.

We also exceeded the two environmental targets set with a 2008 baseline to be delivered by 2020. The first was to reduce greenhouse gas emissions by 19% on a per tonne of production basis by 2020 – we delivered 25% reduction. The second was to reduce waste to landfill by 30% – we delivered 37% reduction.

FINANCIAL PERFORMANCE HIGHLIGHTS:

- 6% increase[1] in adjusted Group adjusted profit before tax
- 12% increase[1] in adjusted diluted earnings per share, benefitting from lower effective tax rate of 14.3% (2020: 17.9%)
- Strong growth in Food & Beverage Solutions: +3% volume; +6% revenue; +12% adjusted operating profit[1] to £177m
- Adjusted free cash flow £3m higher at £250m
- Productivity programme delivering ahead of expectations
- Final dividend increased, to 22.0p up 5.8%, making a full year dividend of 30.8p, up 4.1%

[1] Percentage change in constant currency for continuing operations.

In addition to our environmental performance, we made good progress on our 2025 targets to further our Supporting Healthy Living and Building Thriving Communities purpose pillars (more details can be found on pages 28-29). For example, our commitment to achieving gender parity in leadership roles by 2025 made good progress with the number of women in leadership roles increasing from 27% to 32%. We also provided 1.7 million nutritious meals to people in need in our local communities through our partnership with food banks across the world.

Despite the external challenges, the Board approved the acquisitions of tapioca and stevia businesses during the year, expanding our global customer offering and our presence in the key growth market of Asia. To complete these acquisitions and still undertake all the necessary due diligence during a global pandemic is a significant achievement and is a credit to management and the teams directly involved.

We are very grateful to all our employees for the commitment and resilience they have shown to serve our customers and to move the business forward during the year. We are particularly pleased to celebrate the '2020 Heroes' profiled in this Annual Report, and to recognise the collective endeavours of all our people to deliver a successful year through our various broad-based reward and recognition arrangements: All permanent employees with at least six months' service will have received some form of discretionary reward or recognition payment for the year.

LOOKING AFTER OUR EMPLOYEES DURING COVID-19

As described in last year's report, due to Covid-19, the business implemented a salary freeze for employees at 'management' level and above, prioritising increases for 'front-line' operational and technical roles. The salary review at 1 April 2021 has run as normal for all our employees.

Throughout the pandemic, there were no furloughs or redundancies due to Covid-19, and the Company has not applied for any government relief programmes in any jurisdiction.

We made enhancements to our US healthcare benefits in the context of Covid-19, for example: waiving employee payments on telemedicine appointments and adapting policies to make quarantine periods fully paid – to enable our employees to safeguard themselves, their families and colleagues.

Recognition payments have been made to a broad group of operator and technician plant-based roles to recognise their significant contribution in maintaining operational continuity in the year.

MODERATION IN EXECUTIVE PAY AND SHAREHOLDER SUPPORT FOR OUR 2020 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 – our most recent Policy and Report resolutions both enjoying support in excess of 97%:

- Our Policy renewal in 2020 formally adopted structural reductions in bonus opportunity and retirement benefit provision
- Executive Directors agreed changes to the level of their own retirement benefits, to give up contractual entitlements and the CEO's pension benefit has reduced from 25% on appointment to 15% of salary from 1 April 2021, in line with the rate available to the UK workforce
- We introduced post-employment shareholding requirements and strengthened claw back and malus provisions to include circumstances relating to 'corporate failure'.

EXECUTIVE DIRECTOR CHANGES IN THE YEAR

We are pleased to welcome Vivid Sehgal who joined the Board on 1 March 2021 as Chief Financial Officer Designate, and became Chief Financial Officer (CFO) on 1 April 2021.

As announced on 7 October 2020, Imran Nawaz stepped down from the Board on 31 March 2021, and ceased employment on 30 April 2021 to take up a new CFO role. The Committee recognises Imran's significant contribution to the business during his tenure and in supporting a managed succession.

However, under the terms of his appointment, certain awards become repayable on cessation of employment as described on page 119, and all outstanding variable pay awards are similarly forfeited. Accordingly, his remuneration for the year ended 31 March 2021 reflects the fixed elements of his remuneration only.

VARIABLE PAY OUTCOMES FOR THE YEAR

Headline incentive outcomes for the year just ended reflect the strong operational and financial performance and strategic progress of the business through this demanding period.

- **Annual bonus plan:** awards for the year reflect strong year-on-year profit growth and cash performance relative to stretching targets set at the start of the year (before the impact of the pandemic was known), as well as strong progress against strategic non-financial targets, including the targets for our three purpose pillars and performance against our environmental commitments.
- **Performance Share Plan (PSP):** awards made in 2018 will vest at 57.3% of maximum, having reached the end of their three-year performance period. Adjusted return on capital employed in the year to 31 March 2021 of 17.2% results in full vesting for that element; adjusted profit before tax compound annual growth of 4.4% was just below the target range; and compound annual profit growth in the Food & Beverage Solutions division at 8.8% is above the stretching three-year profit growth threshold we set at the start of the period.
- **Total remuneration outcomes:** these are above 'target' but below 'maximum' policy levels. The Committee believes these outcomes are consistent with the performance achieved in a demanding year and are appropriate in the context of the overall business financial and strategic performance, and reflects the positive experience of stakeholders in the business, including our employees, customers, suppliers, and the communities in which we operate.

CONCLUDING REMARKS

The Committee is satisfied that, at the time of writing, our Policy will continue to provide for a strong alignment between Group performance and the remuneration of the Executive Directors. A resolution to approve the Remuneration Report will be proposed at the AGM on 29 July 2021.

In closing, and recognising that I will retire from the Board after the 2021 AGM, I would like to personally thank members of the Committee for their continued diligence, engagement and support throughout the year. In particular, I would like to thank Sybella Stanley who succeeds me as Committee Chair and to wish her well in her new role. Additionally, I would like to thank our advisors, Deloitte, and the members of the internal team for the excellent support they have provided to the Committee during my tenure.

Anne Minto
Remuneration Committee Chair

KEY SECTIONS OF THIS REPORT

REMUNERATION AT A GLANCE

Our remuneration philosophy is simple: we offer competitive packages that mean we can recruit, develop and motivate excellent people wherever they are in the world. By excellent, we mean people who are not only highly skilled at their jobs, but those who believe in our purpose and will therefore help us create sustainable, long-term, profitable growth. This philosophy applies to all our people.

WHAT ARE THE COMPONENTS OF OUR EXECUTIVES' REMUNERATION?

SALARY + BENEFITS + PENSION CONTRIBUTION + ANNUAL BONUS + PERFORMANCE SHARE PLAN = TOTAL REMUNERATION

FIXED PAY: SALARY, BENEFITS, PENSION CONTRIBUTION

PERFORMANCE-RELATED PAY: ANNUAL BONUS, PERFORMANCE SHARE PLAN

Shareholding requirements: CEO 4 x salary; CFO 3 x salary

HOW DID WE DETERMINE PERFORMANCE-RELATED PAY IN 2021?

Annual bonus metrics
Rewards achievement of annual performance objectives:

- 🟩 **40%** Group adjusted operating profit
- 🟩 **20%** Food & Beverage Solutions net sales
- 🟩 **20%** Group adjusted operating cash flow
- 🟩 **20%** Strategic/non-financial objectives, including environmental and sustainability goals

- Target bonus is 75% of salary; Maximum is 150%
- Maximum cash bonus is 100% of salary
- Any award over 100% is paid in shares, deferred for two years, subject to clawback

Performance share plan awards vesting in 2021
Rewards achievement of long-term strategic objectives:

- 🟧 **50%** Group adjusted ROCE
- 🟧 **25%** Food & Beverage Solutions adjusted operating profit growth
- 🟧 **25%** Group adjusted profit before tax growth

- Maximum award is 300% of salary
- Only 15% of the award vests at 'threshold'
- A five-year timeframe applies: three-year performance period plus a two-year post-vesting holding period

HOW DID TATE & LYLE PERFORM IN 2021?

Group adjusted profit before tax	Group adjusted free cash flow	Food & Beverage Solutions revenue	Food & Beverage Solutions volume	Group adjusted diluted earnings per share (EPS)	Group return on capital employed (ROCE)
+6%	**+£3m**	**+6%**	**+3%**	**+12%**	**-30bps**
£335m	£250m	£970m		61.2p	17.2%

[1] The adjusted results for the year ended 31 March 2021 have been adjusted to exclude exceptional items, amortisation of acquired intangible assets and the tax on those adjustments. A reconciliation of statutory and adjusted information is included in Note 3 to the Financial Information. Growth percentages are in constant currency.

HOW DID ACTUAL PERFORMANCE COMPARE TO THE PERFORMANCE-RELATED PAY TARGETS?

Annual bonus

🟩 Actual

Metrics	THRESHOLD	TARGET	STRETCH	OUTCOME (% OF MAX)
Group adjusted profit (£m) (40%)	298	307	321 🟩 327	100%
Food & Beverage Solutions net sales ($m) (20%)	1,391	🟩 1,423 1,425	1,453	50%
Group adjusted operating cash flow (£m) (20%)	266	281	296 🟩 368	100%
Strategic objectives (20%)		50%	🟩 100% 100%	100%
Overall outcome annual bonus (% of max)		50%	🟩 90% 100%	🟩 90%

Performance share plan awards made in 2018 vesting in 2021

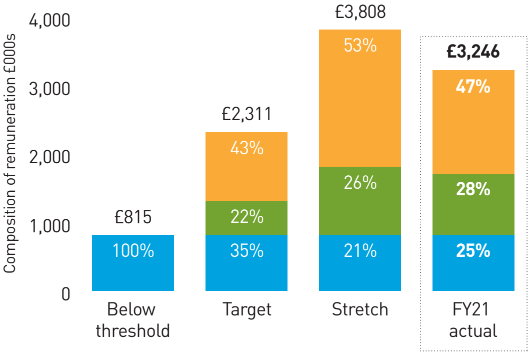
🟧 Actual

Metrics	THRESHOLD	TARGET	STRETCH	OUTCOME (% OF MAX)
Group adjusted profit before tax growth (25%)	🟧 4.4% 5%		10%	0%
Food & Beverage Solutions adjusted operating profit growth (25%)	8%	🟧 8.8%	13%	29%
Adjusted Group ROCE from continuing operations (50%)	11%		15% 🟧 17.2%	100%
Overall outcome for performance share plan (% of max)	15%	🟧 57.3%	100%	🟧 57.3%

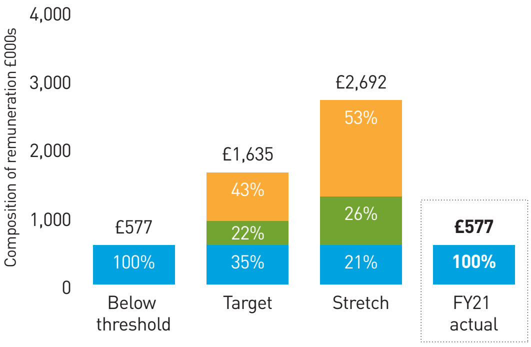
REMUNERATION POLICY OUTCOMES VS SCENARIOS FOR THE YEAR ENDED 31 MARCH 2021

🟦 Base and Benefits 🟩 Annual Bonus 🟧 Performance Share Plan

Chief Executive – Nick Hampton



Chief Financial Officer – Imran Nawaz



SUSTAINABILITY PERFORMANCE IN 2020

Greenhouse gas emissions Scope 1 and 2*

7%

reduction vs 2019

Using waste beneficially*

69%

vs 61% in 2019

Using less water*

1%

reduction vs 2019

See page 29 for more detail and how performance links to our 2030 targets

* Sustainability performance is measured by calendar year.

NO CHANGES ARE PROPOSED FOR THE YEAR AHEAD

2020 Policy reflected changes to:

- Post-employment shareholding requirements and clawback provisions
- Structural reductions in bonus opportunity
- Alignment of pension (and other benefits) with workforce

The current Policy will apply without change in the year ahead

- The Committee believes that our Policy continues to provide an effective overall framework that is aligned with long-term success and returns to shareholders

ANNUAL REPORT ON REMUNERATION

PREPARATION OF THIS REPORT

This Report has been prepared in accordance with the requirements of the Companies Act 2006 (the Act) and Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the Listing Rules of the UK Listing Authority and the UK Corporate Governance Code. Ernst & Young LLP have audited such content as required by the Act (the information marked as '(audited)').

RESOLUTION TO APPROVE THE ANNUAL REPORT ON REMUNERATION AT THE 2021 AGM

A resolution to approve this Annual Report on Remuneration will be proposed at the AGM on 29 July 2021.

THE REMUNERATION COMMITTEE

COMMITTEE MEMBERSHIP AND MEETINGS DURING THE YEAR

The Remuneration Committee comprised the following independent non-executive directors during the year: Anne Minto (Chair), Lars Frederiksen, Warren Tucker and Sybella Stanley. The Company Secretary serves as secretary to the Committee. Membership and attendance during the year are set out on page 91.

The Chair of the Board; the Chief Executive; the Chief Human Resources Officer; and the VP, Global Compensation and Benefits may be invited to attend meetings to assist the Committee, although none is present or involved when his or her own remuneration is discussed.

The Committee met four times during the year, and twice after the end of the financial year and before the signing of this Annual Report. The Committee's external advisor attends each meeting to provide independent advice, and also provides regular updates to the Committee on relevant corporate governance and market-related developments to ensure that the Committee's decisions take Group strategy and the needs of the business into account, while reflecting investor and governance expectations.

MAIN RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

The Committee has a formal calendar of items for consideration. The main responsibilities of the Committee include:

- Assessing the appropriateness of executive remuneration in the context of the Group's strategy and priorities as well as overall competitiveness, informed by data from independent, external sources
- Setting the detailed remuneration of the Executive Directors, designated members of senior management, and the Chair of the Board (in consultation with the Chief Executive), including: 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 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 externally 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 intended 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 £26,250 for the year ended 31 March 2021, with fees charged on a time incurred basis. During the year ended 31 March 2021, Deloitte LLP also provided unrelated services to the rest of the Group in respect of corporate finance, consulting, tax and compliance.

REMUNERATION POLICY

SUMMARY OF THE DIRECTORS' REMUNERATION POLICY

Executive Directors' remuneration consists of base salary, annual bonus, long-term incentives/share awards, and retirement and other benefits as summarised in the 'at a glance' section on pages 112 and 113. Each component has a clear purpose, and the variable elements are driven by achievement against relevant financial and non-financial performance indicators which have a clear link to Company strategy and purpose. A strong alignment with shareholders' interests is maintained through a weighting of the package towards performance-based reward as well as significant personal shareholding requirements imposed on each Executive Director. Safety and broader corporate responsibility matters are specific factors that the Committee may factor into decisions on pay and annual incentive plan outcomes. Malus and claw back provisions apply to incentive awards following release.

Non-executive directors receive fees, relating to their Board and Committee responsibilities, and do not receive additional benefits or participate in incentive arrangements.

The Directors' Remuneration Policy (Policy) is published on pages 115 to 120 of our Annual Report 2020, and is available on the Company's website (www.tateandlyle.com/investors/annual-reports). The Policy was formally approved by shareholders at the AGM on 23 July 2020 (with 97% of votes cast to support the resolution).

The Committee retains discretion on specific aspects of Policy and implementation, as described in the Policy, along with an overriding discretion to determine bonus outcomes and judge the level at which share awards vest, to ensure that payments are consistent with the underlying financial health and performance of the business, within the maximum opportunity stated in the policy tables.

The Committee may make minor changes to the Policy without seeking shareholder approval, for example, to benefit the administration arrangements, or to take account of changes in legislation. Any such changes would be disclosed in the relevant Annual Report.

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 that provide for six months' notice from the executive and 12 months' notice from the Company.

The Chair and non-executive directors have letters of appointment and do not have service contracts or notice periods. Under the terms of their appointment, they are usually expected to serve on the Board for between three and nine years, subject to their re-election by shareholders. The Chair and non-executive directors receive a fee for their services, and do not participate in the Group's incentive or pension schemes, do not receive any other benefits, and have no right to compensation if their appointment is terminated.

Service contracts for Executive Directors and letters of appointment for the Chair and non-executive directors are available for inspection at the Company's registered office.

EXECUTIVE DIRECTORS' EXTERNAL APPOINTMENTS

The Board believes that the Group 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.

STATEMENT OF SHAREHOLDER VOTING

The Remuneration Policy was approved by shareholders at the AGM on 23 July 2020. The last Annual Report on Remuneration was approved by shareholders at the AGM on 23 July 2020. 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 – 23 July 2020[2]	333 350 795	97.24	9 474 353	2.76	1 515 345
Annual Report on Remuneration – 23 July 2020[2]	339 436 069	99.01	3 400 066	0.99	1 504 358

[1] Votes withheld are not counted in the calculation of the proportion of votes for or against a resolution.
[2] On 23 July 2020, there were 468,417,247 ordinary shares in issue and eligible to vote.

IMPLEMENTATION OF THE REMUNERATION POLICY IN THE FINANCIAL YEAR ENDING 31 MARCH 2022

As a Committee, we believe that our Policy continues to provide an effective overall framework that is aligned with long-term success and returns to shareholders. No changes have been made to the Policy or its operation, and we intend to operate within this Policy in the year ahead.

CONTEXT FOR EXECUTIVE REMUNERATION

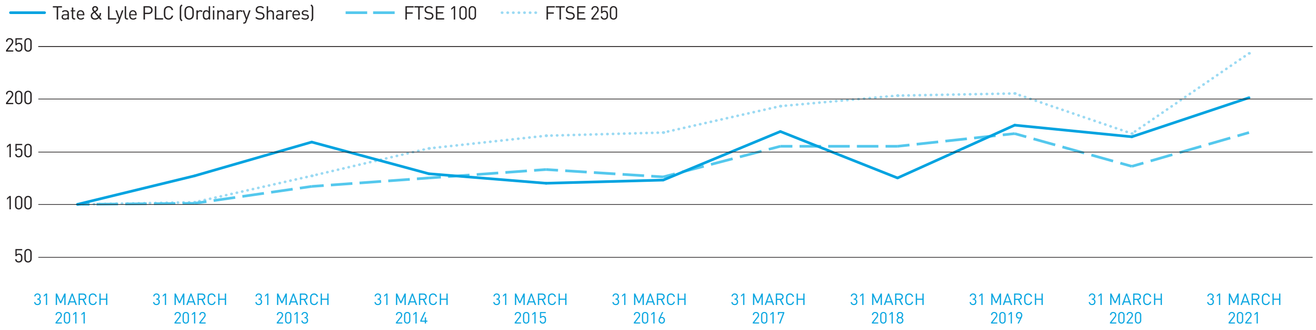
WE OPERATE IN AN INTERNATIONAL CONTEXT

Although we are UK-listed and headquartered in London, UK, only c.1% of our revenue[1] is made to the UK and only c.10% of our global workforce are located in the UK. Accordingly, it is important that our remuneration arrangements are and remain competitive in that international context.

[1] Geographic sales (from continuing operations) as per Note 5.

TOTAL SHAREHOLDER RETURN AND CHIEF EXECUTIVE'S PAY

The chart illustrates cumulative total shareholder return (TSR) performance of the Company in comparison with the FTSE 100 and FTSE 250 indices, as they represent a broad equity market with constituents comparable in size and complexity to the Company. The chart shows the value of £100 invested in each Index and the Company in the 10 years from 31 March 2011.



Chief Executive's[1] total remuneration (£000s per single figure table)	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	31 MARCH 2021
Nick Hampton	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3 045	2 499	3 246
Javed Ahmed	11 198[2]	5 367	2 728	996	2 139	3 239	3 672	n/a	n/a	n/a
Iain Ferguson	170	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Annual bonus (% of max)	58%	18%	1.6%	0%	77%	80%	72%	53%	78%	90%
LTI vesting (% of max)	100%	100%	67.7%	0%	10.9%	50%	100%	75%	62.5%	57.3%

[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 DIRECTOR AND BROADER EMPLOYEE REMUNERATION

The table below shows the percentage change in remuneration of Directors[1] and the broader employee population

	DR GERRY MURPHY	NICK HAMPTON	IMRAN NAWAZ	VIVID SEHGAL[2]	JOHN CHEUNG[2]	PAUL FORMAN	LARS FREDERIKSEN	ANNE MINTO	KIMBERLY NELSON[2]	DR AJAI PURI	SYBELLA STANLEY	WARREN TUCKER	AVERAGE EMPLOYEE
Salary/fees	0%	0%	0%	n/a	n/a	5%[4]	0%	0%	0%	0%	0%	8%[4]	0-3%[5]
Benefits[3]	n/a	0%	-88%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-8%[6]
Bonus[3]	n/a	15%	-100%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	18%

[1] Figures for Directors are consistent with the values shown in the Single Figure table (see page 128 for explanatory notes).

[2] Vivid Sehgal and John Cheung joined the Board during the year, so there is no prior year comparison. Kimberly Nelson joined in the prior year and there is no change in annual fee.

[3] The Chair and non-executive directors do not receive benefits nor participate in bonus arrangements.

[4] Fee increases for Paul Forman and Warren Tucker were due to changes in Board responsibilities.

[5] As described in last year's report, salary increases (typically 3%) were awarded to employees in our manufacturing facilities, effective April 2020, while discretionary salary increases for the broader management population were limited. The salary review process has run as normal this year, with average employee salaries increasing by 3% from 1 April 2021.

[6] No changes to benefits policies were made in the year. The reduction in the total value reflects headcount changes and individual employee benefit elections (for example reduction in the take up of certain benefits) which has reduced the overall cost of provision year on year.

RELATIVE IMPORTANCE OF SPEND ON PAY

	YEAR ENDED 31 MARCH 2021	YEAR ENDED 31 MARCH 2020	% CHANGE
Remuneration paid to or receivable by employees of the Group (continuing operations)	**£347m**	£353m	-1.7%
Distributions to shareholders (by way of dividend and purchase of ordinary shares)	**£137m**	£150m	-8.7%

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 dividend payments at the same level as the prior year. The prior year figure additionally reflects the purchase of shares to satisfy share incentive awards. See Notes 13 and 22 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 supports gender pay reporting and the actions taken in the business to drive gender balance, supporting a culture of inclusion which is representative of our communities. We are committed to providing opportunities based on capability and talent, irrespective of gender, ethnicity, or culture. See page 53 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
2021 – pay ratio (total compensation)	71x	37x	21x
2021 – Representative employee salary	£39,250	£69,021	£110,000
2021 – Representative employee total compensation	£45,921	£88,780	£154,671
2020 – pay ratio (total compensation)	55x	27x	13x
2019 – pay ratio (total compensation)	74x	39x	20x

In the table above, total compensation has been calculated for all UK employees individually as at 31 March 2021 in a consistent manner for comparison with the CEO 'single figure' total compensation figure in the table on page 128, 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 37x has increased year on year but remains below the 2019 figure of 39x. Although the median employee salary has increased to a greater extent than CEO salary over the period, the overall ratio is driven primarily by performance related (incentive) outcomes, the value of which is greater for Executive Directors than employees.

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.

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.

Detailed consultation was undertaken in 2018-2019 in conjunction with changes to the operation of our incentive plans (and reduction in overall incentive opportunity), and ahead of the renewal of our Remuneration Policy in 2020 – which received overwhelming support from our shareholders.

The Committee also receives regular updates on investors' views and corporate governance matters. These lines of communication ensure that emerging best practice principles are factored into the Committee's decision-making during the year.

STATEMENT OF CONSIDERATION OF EMPLOYMENT CONDITIONS IN THE GROUP

The principles on which we base remuneration decisions for executives (as described on page 118) are broadly consistent with those on which we base remuneration decisions for all employees. In particular, the Committee takes into account the general pay and employment conditions of other employees of the Group when making decisions on Executive Directors' remuneration. This includes considering the levels of base salary increase for employees below executive level, and ensuring that the same principles apply in setting performance targets for executives' incentives as for other relevant employees of the Group. The Committee also reviews information on bonus payments and share awards made to the broader management of the Group when determining awards and outcomes at Executive Director level.

The Committee considers workforce remuneration matters in greater detail at the November meeting each year, and has taken steps to engage with employees on the matters covered by the Code.

REMUNERATION FRAMEWORK AND KEY PRINCIPLES

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

Our remuneration philosophy is simple: we offer competitive packages that mean we can recruit, develop and motivate excellent people wherever they are in the world. By excellent we mean people who are not only highly skilled at their jobs, but those who believe in our purpose and will therefore help us create sustainable, long-term, profitable growth.

- 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 EXECUTIVE DIRECTOR REMUNERATION FRAMEWORK FOR THE YEAR ENDED 31 MARCH 2021 AND FOR THE YEAR AHEAD

The table below summarises the operation of our current remuneration arrangements. We received strong shareholder support for our Directors' Remuneration Policy at the 2020 AGM. A number of changes to our incentive programmes were adopted in 2019, following consultation with shareholders. These changes, along with updates to our Executive Director pension benefits and post-employment shareholding requirements, were adopted into the Remuneration Policy approved 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 Director retirement benefit levels have reduced to align with the rate available to the UK workforce
ANNUAL BONUS	●○○
• **40% Group adjusted operating profit** • **20% Food & Beverage Solutions[1] 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 150% of salary • Any award over 100% is paid in shares, deferred for two years, subject to claw back • 80% of the bonus is calculated by reference to financial performance conditions • 20% of the bonus is linked to strategic objectives to create additional value over time No changes are proposed for the year ahead
PERFORMANCE SHARE PLAN	●●●○○
• **40% Group adjusted EPS** • **20% Food & Beverage Solutions[1] 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 the year ahead
SHAREHOLDING REQUIREMENTS	▶▶▶▶▶
• **Chief Executive – 4 times salary** • **Chief Financial Officer – 3 times salary**	Since the 2020 Policy renewal, a post-employment shareholding requirement also applies: for a period of two years following cessation, an Executive Director will be required to maintain a shareholding in keeping with the guideline prevailing at the time of their departure, or their actual holding on departure (if lower).
MALUS AND CLAW BACK PROVISIONS	
	Apply for two years after a bonus award or vesting of PSP awards

Key: Number of years: ● Performance period ○ Deferral/holding period ▶ Ongoing requirements

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

EXECUTIVE DIRECTOR CHANGES

VIVID SEHGAL – APPOINTED CHIEF FINANCIAL OFFICER

As announced on 21 January 2021, Vivid Sehgal joined the Board on 1 March 2021 as CFO Designate, and became Chief Financial Officer on 1 April 2021. Vivid receives an annual salary of £475,000. Retirement benefits are 15% of salary, consistent with our commitment to offer Executive Director arrangements in line with those available to the wider UK workforce.

Vivid participates in the Executive Director incentive arrangements applicable under our Policy from his commencement date, and no other cash or share awards are required in relation to his appointment.

IMRAN NAWAZ – RESIGNED AS CHIEF FINANCIAL OFFICER

Imran Nawaz left Tate & Lyle to take up a new CFO role, stepping down from the Board on 31 March 2021, and ceasing employment on 30 April 2021. The Committee recognises Imran's contribution to the business during his tenure and in supporting a managed succession. However, under the terms of his appointment, specified payments and vested awards are forfeited and become repayable in full on cessation of employment prior to August 2021 (being the third anniversary of his appointment). The relevant items are: relocation payments totalling £200,000 made in 2018 and 2019, and Restricted Stock Awards made on appointment in 2018 (with a reference value of £800,000). Accordingly, a cash repayment in the amount of £644,517 has been made, and 63,051 vested but unexercised shares under option (with an indicative value of £483,727 based on a closing price of £7.672 per share at 31 March 2021) are forfeited and lapse unexercised.

Other unvested incentives: the PSP awards made in 2018, 2019 and 2020, deferred bonus in relation to the year ended 31 March 2020, and any bonus that would have been earned in respect of the year ended 31 March 2021, are similarly forfeited.

FIXED ELEMENTS OF DIRECTORS' PAY

EXECUTIVE DIRECTORS' SALARIES

The Remuneration Committee reviews Executive Director salaries at the start of each financial year.

Nick Hampton was appointed Chief Executive with effect from 1 April 2018 with an annual salary of £665,000. The Committee has approved an increase in line with the broader workforce (being 3%) with effect from 1 April 2021, noting that no increase in salary had been awarded since his appointment in April 2018. In the same period, pension benefits have reduced by 10% of salary.

As previously announced, Vivid Sehgal was appointed to the Board on 1 March 2021 as CFO Designate on a salary of £475,000, and became CFO on 1 April 2021, with no change in salary.

EXECUTIVE DIRECTORS' PENSION ENTITLEMENTS (AUDITED)

As described in last year's report, and reflected in our 2020 Policy renewal, retirement benefits provided to Executive Director roles in the UK are aligning with the benefits applicable to the majority of the UK workforce.

As part of this change, our Executive Directors agreed reductions to the level of their own retirement benefits from 1 April 2020 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 has resulted in a cumulative benefit reduction of 10% of salary for the CEO so that the retirement benefit is 15% of salary with effect from 1 April 2021. This 15% level aligns with the rate generally available to the broader UK workforce from 1 April 2021. In keeping with this Policy, Vivid Sehgal was appointed as CFO with a retirement benefit equivalent to 15% of salary.

CHAIR'S AND NON-EXECUTIVE DIRECTORS' FEES

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

At the annual review in March 2021, it was noted that no increases were awarded since 1 April 2018. However, taking into account the general market and economic context, it was agreed that fees would not be increased at this review. Fees, based on individual director responsibilities, remain as shown in the table below:

FEES (PER ANNUM) AS AT 1 APRIL (£)	2021	2020	% CHANGE
Basic fees			
Chair	**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%

ANNUAL BONUS

The bonus structure described below has applied since 1 April 2019. The bonus opportunity reduced from 175% to 150% of salary as part of that review. 80% of the bonus is linked to financial performance conditions, with 20% linked to the achievement of specific 'business strategic' non-financial objectives, to capture the actions and performance necessary to create additional value over time, including environmental and sustainability goals.

Objectives are established by the Committee at the start of the year, reflecting the Group's corporate financial and strategic priorities for the year ahead. Achievements against those objectives are reviewed by the Committee at the end of the year to determine a bonus outcome.

In determining final bonus outcomes, the Committee has due regard to the shareholder and broader stakeholder experience and the overall financial performance of the business.

OPPORTUNITY (% OF SALARY)	**FINANCIAL METRICS (80% OF TOTAL):**						**STRATEGIC OBJECTIVES (20% OF TOTAL)**
THRESHOLD: 20% **TARGET: 75%** **MAXIMUM: 150%**	**GROUP ADJUSTED OPERATING PROFIT (40% OF TOTAL)**	+	**GROUP ADJUSTED OPERATING CASH FLOW (20% OF TOTAL)**	+	**FOOD & BEVERAGE SOLUTIONS NET SALES (20% OF TOTAL)**	+	**ALIGNED TO STRATEGIC AND OPERATIONAL PRIORITIES**

A minimum level of profit must be achieved before a bonus can be earned for other metrics.

Awards are subject to Remuneration Committee discretion: taking into account underlying business performance; and environmental, health and safety performance.

Note: Bonus metrics relate to adjusted metrics and targets are set and actual performance is assessed at budgeted exchange rates for comparability, consistent with our practice in prior years. Performance may therefore differ from the corresponding metrics included in the financial statements.

To eliminate potential volatility due to the pass-through of corn price in our sales, Food & Beverage Solutions sales targets are set and actual performance 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.

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.

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. With effect from the 2020 Policy renewal, 'corporate failure' is included within these provisions.

BONUS ARRANGEMENTS FOR THE YEAR AHEAD

This framework will be retained for the year ahead. The Board considers that bonus targets for the year ahead are commercially sensitive because they may reveal information about the business plan that may damage our competitive advantage, and accordingly does not disclose these on a prospective basis. However, we continue our practice of reporting targets in full, and the level of performance actually achieved, for the year just ended.

ASSESSMENT OF BONUS FOR THE YEAR ENDED 31 MARCH 2021

As described on the following pages, the Committee has made a careful assessment of performance in determining bonus outcomes for the year ended 31 March 2021. As described in the Chair's statement (see page 110), the Committee was particularly mindful of the context of the Covid-19 pandemic and has assessed overall performance reflecting on the broad stakeholder experience through this period. Financial performance targets for the bonus were set at the start of the year in line with our business plan, which had been developed before the global impact of the Covid-19 pandemic was known. As we entered the year, Executive Directors and the Board established clear near-term priorities: to look after our people (and communities), to keep our operations running and our customers served (and meet their needs for an agile response and continued innovation), and to maintain the financial strength of the business. The Committee is pleased to report that the business has delivered against those priorities, and considers these bonus outcomes appropriate.

BUSINESS AND PERFORMANCE OVERVIEW FOR THE YEAR ENDED 31 MARCH 2021

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:

- +12% increase in Food & Beverage Solutions profit[1] to £177m; +3% volume and +6% revenue
- Sucralose profit[1] (9%) lower at £55m reflecting pricing pressure and higher production costs
- +5% increase in Primary Products profit[1] to £158m with Sweeteners and Starches (13%), and record Commodities profits
- +6% increase in Group adjusted profit before tax
- Productivity programme delivered US$37m, ahead of expectations
- 12% increase[2] in adjusted diluted earnings per share, benefitting from lower effective tax rate of 14.3% (2020: 17.9%)
- Return on capital employed of 17.2%, 30bps lower reflecting investments in acquisitions
- Full-year dividend of 30.8p, up 4.1%

PURPOSE AND STRATEGY PROGRESS:

- New Products revenue +21% at £133m
- Two acquisitions completed: tapioca and stevia businesses, expanding our global customer offering and presence in Asia
- Purpose (including sustainability) long-term targets announced, and reporting framework published
- Sustainability targets and commitments established linked to UN Sustainable Development Goals with performance targets over a 10-year period to deliver cleaner air, less water use, beneficial use of waste and to support sustainable agriculture
- Strong environmental performance in 2020 against these long-term targets (see pages 62-64):
    - Scope 1 and 2 greenhouse gas emissions – 7% reduction
    - Beneficial use of waste – increased to 69%
    - Water use – reduced by 1%

LOOKING AFTER OUR PEOPLE:

- Purpose-led response to pandemic
- Strong delivery against key priorities established at the start of the year in the context of Covid-19: to look after our people and communities, keep our operations running, and our customers served
- No employees furloughed. No government assistance sought.
- 1.7 million meals provided to food banks in our communities
- Expanded recognition programme with payments made to support both operational and home-working colleagues
- Enhanced approach to communicating with our colleagues to improve engagement and connection with our purpose; adopt a culture with greater flexibility, agility and trust; and a focus on equity, diversity and inclusion.

[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 2021 (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.

			TARGET RANGE				BONUS OUTCOME	
BONUS METRIC	LINK TO STRATEGY	WEIGHTING	THRESHOLD	TARGET	STRETCH	ACTUAL PERFORMANCE IN THE YEAR ENDED 31 MARCH 2021	% 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%	£298m	£307m	£321m	£327m	100%	60%
Food & Beverage Solutions net sales	Captures 'top line' value-based performance of the Food & Beverage Solutions division	20%	$1,361m	$1,425m	$1,453m	US$1,423m	50%	15%
Group adjusted operating cash flow	Provides a focus on managing working capital and converting profit into cash effectively	20%	£266m	£281m	£296m	£368m	100%	30%
Non-financial personal and strategic performance	Measures non-financial performance key to achieving corporate goals	20%	See page 123 for details			Chief Executive	100%	30%
						Chief Financial Officer[2]	N/A	N/A
						Chief Financial Officer Designate (from 1 March)[3]	50%	15%
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 2021 have been determined as follows:

		% OF MAX	% OF SALARY
Nick Hampton	**Chief Executive**	90%	135%
Imran Nawaz[2]	**Chief Financial Officer (until 31 March)**	n/a	n/a
Vivid Sehgal	**Chief Financial Officer Designate (from 1 March)**	80%[3]	120%[3]

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.
[2] Imran Nawaz will not receive any bonus in respect of the year ending 31 March 2021 as a result of cessation of employment on 30 April 2021 (see page 119).
[3] Vivid Sehgal was appointed 1 March 2021 – and bonus payments as a % of salary are by reference to one month's salary only.

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, 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. For the year just ended, these reflected key priorities to support our people and customers in response to the pandemic, and to drive progress against our environmental and sustainability commitments.

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.

The Committee's assessment against non-financial objectives is summarised below in relation to the CEO (Nick Hampton).

CEO (NICK HAMPTON)			
Sharpen the focus on our customers and key categories	**Objective(s):** • Driving new ways of working to enable effective internal and external collaboration: Becoming the growth partner for our customers • Becoming the 'go to' company for reformulation and sugar reduction **Key achievement(s):** • Maintained strong connection with major customers through technology • Developed bespoke customer webinars in areas such as sugar reduction and plant-based ingredients • Accelerated launch of online tutorials, our Sweetener and Fibre Universities, and digital Nutrition Centre hub, including clinical research data • 12% increase in value of new business pipeline **Outcome:** ✓✓✓✓✓	**Accelerate portfolio development:** innovation, partnerships, strategy development and M&A readiness	**Objective(s):** • Drive continued innovation geographically, enabling closer customer collaboration • Bringing new products to market faster • Expanding our portfolio, including through partnerships and acquisitions • Develop M&A pipeline and drive opportunities to conclusion **Key achievement(s):** • New Product revenue increased by 21% • 13 New Products launched from innovation pipeline including high fibre and stevia solutions • Completed acquisitions of stevia and tapioca businesses • 18% increase in value of innovation pipeline **Outcome:** ✓✓✓✓✓
Simplify the business and deliver productivity improvements	**Objective(s):** • Simplifying the organisation • Investing to improve operational efficiency and purpose benefits • Creating a culture of continuous improvement • Reducing costs and increasing productivity **Key achievement(s):** • Investment in new gas-fired boiler in Decatur, Illinois, US • Simplified organisation of customer-facing teams • Productivity programme delivered US$37m supporting continued investment in strengthening capabilities and for growth **Outcome:** ✓✓✓✓✓	**Culture and Governance,** including Environmental, Health, Safety and Governance (ESG) and social purpose	**Objective(s):** • Embed purpose in the organisation • Establish and accelerate delivery against ESG and Sustainability commitments • Mange effectively through Covid-19 pandemic **Key achievement(s):** • CEO provided exemplary leadership through pandemic, with clear communication and focus on keeping our people safe • Operations remained running through pandemic to serve our customers • Published set of long-term purpose targets and commitments (including sustainability), aligned to five of the UN Sustainable Development Goals, and a reporting framework • Strong environmental performance exceeded 2020 targets, including reduction in greenhouse gas emissions and waste to landfill (see pages 62-64) **Outcome:** ✓✓✓✓✓
Bonus outcome (Nick Hampton)	**Overall outcome: 20/20** **30% of salary** (at maximum)		

No assessment for bonus purposes has been made in relation to the CFO (Imran Nawaz) following his resignation.

The Committee considered it appropriate to award the CFO Designate a bonus based on personal objectives equivalent to an 'at target' level, being 15% of salary (50% of maximum for this element) applicable for the pro-rata period of the year, on account of making an effective transition into the role and a strong initial contribution to the Group since joining on 1 March 2021.

LONG-TERM INCENTIVE – PERFORMANCE SHARE PLAN

The Performance Share Plan (PSP) provides a share-based incentive to closely align Executive Directors' and senior executives' interests with the strategy and with the interests of shareholders over the long term.

MAXIMUM AWARD LEVEL

Awards to Executive Directors and other senior executives have been granted at the discretion of the Committee, with flexibility for the Committee to make awards of up to 300% of base salary where appropriate to ensure market competitiveness, while taking into account Group performance. Individual awards made in any year are considered by the Committee on a case-by-case basis. This overall limit has not been increased since 2010. The level of vesting if threshold conditions are met is 15% of the total award.

PERFORMANCE CONDITIONS APPLICABLE TO 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. We consulted with a broad group of our largest shareholders on these arrangements, which were established in 2016.

VESTING OUTCOME FOR AWARDS MADE IN 2018

The table below summarises the assessment of actual performance against the conditions set for the award made in 2018.

METRICS FOR AWARDS 2017 AND 2018	LINK TO STRATEGY	TARGET RANGE (THRESHOLD-STRETCH)	ACTUAL PERFORMANCE OUTCOME FOR 2018 AWARD	COMBINED VESTING OUTCOME FOR 2018 AWARD
FBS adjusted operating profit (25%)	Reflects our focus on growing the FBS business	8% – 13% p.a. three-year compound growth	8.8% p.a. (above threshold)	57.3% of the 2018 award will vest – Group ROCE performance is above the 'stretch' level required while FBS operating profit growth performed in range, and adjusted profit before tax compound annual growth of 4.4% was just below the target 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	4.4% p.a. (below threshold)	
Group adjusted ROCE (50%)	Drives efficient investment for value-added returns from the total business	11% – 15% in the final year of the three-year performance period	17.2% (above stretch)	

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

PERFORMANCE CONDITIONS APPLICABLE TO AWARDS GRANTED FROM 2019

As described in our 2019 Annual Report, we re-focused 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. This approach is intended to place a clear focus on long-term strategic growth and FBS market 'out-performance', to drive long-term value creation.

METRICS FOR AWARDS FROM 2019 (WEIGHTING)	RATIONALE FOR METRIC (LINK TO INVESTMENT CASE)	TARGET RANGE (THRESHOLD-STRETCH)
Group adjusted earnings per share (40%)	Key performance metric to drive sustainable long-term profitable growth	5% – 10% p.a. three-year compound growth
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% 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.

PERFORMANCE UNDERPIN

Before any shares are released in relation to any award, the Committee must also be satisfied that the level of vesting determined by performance against these targets is justified by the broader underlying financial performance of the Group.

Recognising the importance of the dividend to our investors, the Committee retains a specific discretion to reduce PSP vesting if dividends paid by the Group over the performance period do not conform with our stated dividend policy.

POST-VESTING HOLDING PERIOD

Executive Directors are required to hold shares for a two-year period after the end of the three-year performance period; the combined total is five years. This holding period sits alongside the existing personal shareholding requirements and claw back/malus provisions and demonstrates a strong long-term alignment with shareholder interests.

MALUS AND CLAW BACK PROVISIONS

Awards made under the PSP are subject to malus and claw back provisions for a period following the vesting date and extending to the fifth anniversary following the date of grant. During this period, the Committee may determine that an award will lapse wholly or in part (or may require that a participant shall repay up to 100% of the value of any award that has vested by virtue of performance), in the event of circumstances including the following: material misstatement of financial results; misconduct which justifies, or could justify, summary dismissal of the participant; or if information emerges which would have affected the value of the original award that was granted to a participant, or the level at which the performance conditions were judged to have been satisfied. For awards made following the 2020 Policy renewal, 'corporate failure' will be included within these provisions.

IMPACT OF CAPITAL EVENTS

In keeping with our Policy, the impact on the incentive plans arising from a merger or acquisition or other material corporate activity is specifically considered by the Committee, and the Committee retains the authority to vary the performance targets to ensure that these are neither easier nor more demanding than the original targets. This principle remains important as we seek to grow the business through organic sales growth and improved organic returns, as well as value-added strategic M&A-related activity over time. The Committee considered the pro-forma impact of the two acquisitions completed during the year and determined that, although the ROCE targets would be marginally harder to achieve, no adjustment would be made on this occasion.

CHANGE OF CONTROL

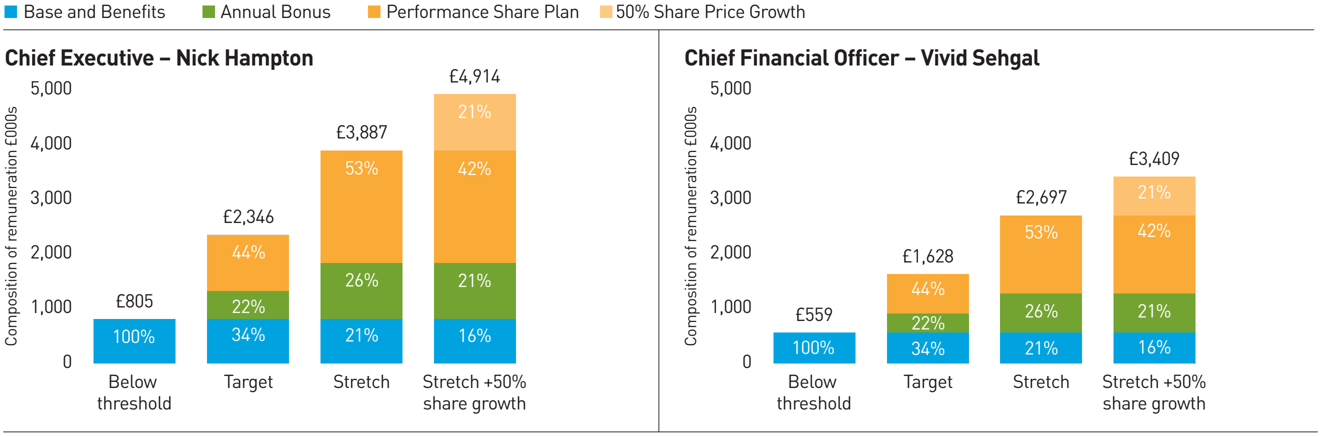
The Company's share plans contain provisions relating to a change of control. Outstanding awards would normally vest and become exercisable on a change of control, subject to the satisfaction of any performance conditions assessed at that time, and, at the Committee's discretion, in proportion to the time served during the performance period.

ARRANGEMENTS FOR THE YEAR AHEAD

The same performance metrics and targets 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.

APPLICATION OF REMUNERATION POLICY FOR THE YEAR AHEAD

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. 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 DIRECTORS' SHARE AWARDS (AUDITED)

AWARDS MADE DURING THE YEAR ENDED 31 MARCH 2021 (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	30 September 2020	273 295	£1 994 998	20% CAGR of FBS volume; 40% CAGR of EPS; 40% adjusted ROCE	Three financial years ending 31 March 2023 plus two-year holding period	15%
	Group Bonus Plan[2]	Nil cost option	30 September 2020	15 487	£113 052	None	Two-year deferral	n/a
Imran Nawaz	Performance Share Plan[1,3]	Nil cost option	30 September 2020	193 156	£1 409 997	20% CAGR of FBS volume; 40% CAGR of EPS; 40% adjusted ROCE	Three financial years ending 31 March 2023 plus two-year holding period	15%
	Group Bonus Plan[2,3]	Nil cost option	30 September 2020	10 946	£79 904	None	Two-year deferral	n/a

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 729.98 pence per share for the 2020 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 123.

2 Deferred bonus awards were granted under the annual bonus plan (as described on page 120). The full value of these awards has been previously disclosed for each Director in the single figure table in last year's Annual Report and is similarly included in the 2021 figure in the single figure table on page 128 of this Report. The share allocation was made during the year ended 31 March 2021, and shown in the table above, based on the average share price over the last three months of the preceding financial year, being 729.98 per share for the 2020 award. Deferred bonus awards were subject to performance conditions in the year ended 31 March 2020, and remain subject to continued employment in accordance with the Scheme rules.

3 The awards to Imran Nawaz have been forfeited as a result of his resignation and cessation of employment on 30 April 2021.

SHARE AWARDS MADE IN FINANCIAL YEARS TO 31 MARCH 2020 (AUDITED)

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

	AS AT 31 MARCH 2020 (NUMBER)	AWARDS VESTED DURING YEAR (NUMBER)	AWARDS LAPSED DURING YEAR (NUMBER)	AWARDS EXERCISED DURING YEAR (NUMBER)	AS AT 31 MARCH 2021 (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	217 855	136 159	81 696	136 159	–	723.72	680.40	01/06/20
2018[3]	330 380	–	–	–	330 380	603.85	–	After 31/03/21
2019	287 278	–	–	–	287 278	694.45	–	After 31/03/22
Group Bonus Plan:								
2018	22 629	22 629	–	22 629	–	603.85	680.40	01/06/20
Imran Nawaz[4]								
Performance Share Plan[2]:								
2018	233 502	–	–	–	(see note 4)	603.85	–	After 31/03/21
2019	203 038	–	–	–	(see note 4)	694.45	–	After 31/03/22
Restricted Share Award:								
2018[5]	63 051	63 051	–	–	(see note 4)	634.40	–	After 01/08/20

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 2018 and 2019 are described on page 123. The three-year performance period for these awards began on the first day of the financial year in which the award was granted. The performance conditions and vesting outcome for the 2017 award is described in the 2020 Annual Report.

3 The PSP award made in 2018 to Mr Hampton will vest at 57.3%, following the Committee's assessment of performance conditions (as described on page 123).

4 As described on page 119, these appointment awards and unvested share incentive awards lapsed on cessation of employment on 30 April 2021, following resignation during the year.

5 This is the second tranche of an award that was made in connection with Imran Nawaz's appointment, to compensate him for incentives forfeited with his previous employer, as described on appointment via RNS, and in the subsequent Directors' Remuneration Reports. The Committee had made a determination that this tranche would vest based on performance as at the second anniversary of appointment (being 1 August 2020). The full award has subsequently lapsed, as a result of resignation, as described on page 119. Accordingly, the first tranche is being repaid in cash, and the shares in the second tranche shown here have lapsed unexercised.

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 2020 (NUMBER)	OPTIONS VESTED DURING YEAR (NUMBER)	OPTIONS EXERCISED DURING YEAR (NUMBER)	OPTIONS LAPSED DURING YEAR (NUMBER)	AS AT 31 MARCH 2021 (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' SHAREHOLDINGS (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 2021, Mr Hampton holds shares with a value of just under six times base 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. Vivid Sehgal was appointed Chief Financial Officer on 1 April 2021.
- Other Executive Committee members are subject to the share ownership policy, with target holdings at three times base 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.

Awards made to Executive Directors under the PSP are subject to a mandatory 2-year post-vesting holding period.

POST-EMPLOYMENT SHAREHOLDING POLICY

A post-employment shareholding requirement has been introduced as part of the 2020 Policy renewal: 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 2021	TOTAL AS AT 31 MARCH 2020
Chair						
Dr Gerry Murphy	20 000	–	–	–	20 000	20 000
Executive Directors						
Nick Hampton	544 968	890 953	15 487	3 243	1 454 651	1 322 196
Imran Nawaz	42 700	629 696	10 946	63 051	746 393	542 291
Vivid Sehgal[5]	–	–	–	–	–	n/a
Non-executive directors						
John Cheung[7]	–	–	–	–	–	n/a
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[6]	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 which is subject to the same performance conditions as 2018 PSP awards. 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 and vested awards.
5 Appointed a Director with effect from 1 March 2021.
6 Includes 8,000 shares held as 2,000 ADRs.
7 Appointed a Director with effect from 1 January 2021.

As described on page 119, specific appointment awards and unvested share incentive awards held by Imran Nawaz lapsed as a result of his resignation. Accordingly, Imran Nawaz's total interest in shares reduced to 42,700 on 30 April 2021.

There were no other changes in Directors' interests in the period from 1 April 2021 to 26 May 2021.

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 2021	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Chair																
Dr Gerry Murphy	350	350	–	–	–	–	350	350	–	–	–	–	–	–	350	350
Executive Directors																
Nick Hampton	665	665	17	17	133	166	815	848	898	778	1 533[4]	873	2 431	1 651	3 246	2 499
Imran Nawaz[2]	470	470	13	113	94	94	577	677	–	550	–	477	–	1 027	577	1 704
Vivid Sehgal[5]	40	–	1	–	6	–	47	–	48	–	–	–	48	–	94	–
Non-executive directors[6]																
John Cheung[7]	17	–	–	–	–	–	17	–	–	–	–	–	–	–	17	–
Paul Forman	79	75	–	–	–	–	79	75	–	–	–	–	–	–	79	75
Lars Frederiksen	68	68	–	–	–	–	68	68	–	–	–	–	–	–	68	68
Anne Minto	82	82	–	–	–	–	82	82	–	–	–	–	–	–	82	82
Kimberly Nelson	68	51	–	–	–	–	68	51	–	–	–	–	–	–	68	51
Dr Ajai Puri	93	93	–	–	–	–	93	93	–	–	–	–	–	–	93	93
Sybella Stanley	68	68	–	–	–	–	68	68	–	–	–	–	–	–	68	68
Warren Tucker	86	80	–	–	–	–	86	80	–	–	–	–	–	–	86	80
Totals	**2 086**	**2 002**	**31**	**130**	**233**	**260**	**2 350**	**2 392**	**946**	**1 328**	**1 533**	**1 350**	**2 479**	**2 678**	**4 828**	**5 070**

1 Benefits for Executive Directors include health insurance and car allowance.

2 Imran Nawaz – stepped down as a director on 31 March 2021 and left employment on 30 April 2021. As a consequence, certain amounts shown for 2020 become repayable (as described on page 119).

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 2018. PSP award outcomes are discussed on page 123 and the value is included in this table above based on a share price of £8.10, being the closing price on 24 May 2021 when the Remuneration Committee determined the extent to which the performance conditions were met.

5 Vivid Sehgal was appointed to the Board on 1 March 2021.

6 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.

7 John Cheung was appointed to the Board on 1 January 2021.

PAYMENTS TO PAST DIRECTORS AND PAYMENTS FOR LOSS OF OFFICE (AUDITED)

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

EXECUTIVE DIRECTORS’ EXTERNAL APPOINTMENTS

Nick Hampton was appointed as a non-executive director of Great Portland Estates plc on 17 October 2016 and under the terms of the policy is entitled to retain those fees.

On behalf of the Board

Anne Minto OBE
Chair of the Remuneration Committee
26 May 2021

DIRECTORS' REPORT

ABOUT THE DIRECTORS' REPORT

The Directors' Report comprises the Board of Directors from pages 80 to 83, Governance section from pages 84 to 109, the Directors' Report on pages 129 and 131 and the Useful Information section from pages 202 to 208. Other information that is relevant to the Directors' Report, and which is incorporated by reference into the Directors' Report, is disclosed as follows:

- Likely future developments and performance of the Company (throughout the Strategic Report)
- Engagement with suppliers, customers and others (throughout the Strategic Report and pages 92 and 93)
- Engagement with employees (pages 50 to 53 and 94 to 95)
- Respect for human rights (pages 50 to 53, 65, 68 and 74)
- Going concern (page 49)
- Greenhouse gas emissions (pages 60 to 62)
- Financial instruments (Note 28)
- Post balance sheet events (Note 36).

RESULTS AND DIVIDEND

A review of the consolidated Group's results can be found from pages 11 to 76. An interim dividend of 8.8 pence per ordinary share was paid on 6 January 2021. The Directors recommend a final dividend of 22.0 pence per ordinary share to be paid on 6 August 2021 to shareholders on the register on 25 June 2021, subject to approval at the 2021 Annual General Meeting (AGM). The total dividend for the year is 30.8 pence per ordinary share (2020 – 29.6 pence).

The Trustees of the Tate & Lyle PLC Employee Benefit Trust (the EBT) have waived their right to receive dividends over their total holding of 3,967,194 ordinary shares as at 31 March 2021.

RESEARCH AND DEVELOPMENT

The Group spent £43 million (2020 – £46 million) on research and development expenditure during the year, including certain research-based technical services.

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 101, 104 and 110.

SHARE CAPITAL

As at 31 March 2021, 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 56,722 ordinary shares during the year. The Company issued 10,863 shares during the period from 1 April 2021 to 26 May 2021. Further information about share capital is in Note 22. Information about options granted under the Company's employee share plans is in Note 31.

The Company was given authority at the 2020 AGM to make market purchases of up to 46,840,770 of its own ordinary shares. The Company made no purchases of its own ordinary shares during the year ended 31 March 2021 and the EBT also made no purchases of ordinary shares during the year. This authority will expire at the 2021 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 2021, the Group had a committed bank facility of US$800 million with a number of relationship banks which contains change of control clauses. The Group also had US$800 million of Private Placement Notes which contain change of control provisions. In aggregate, this financing is considered significant to the Group and in the event of a takeover (change of control) of the Company, these contracts may be cancelled, become immediately payable or be subject to acceleration.

All the Company's share plans contain provisions relating to a change of control. Further information is set out in the Directors' Remuneration Policy.

DTR RULE 5 DISCLOSURE

The Company had been notified under Rule 5 of the Disclosure Guidance and Transparency Rules of the following holdings of voting rights in its shares during the financial year ended 31 March 2021:

	NUMBER OF SHARES	% HELD
BlackRock Inc.	22,991,481	4.9%

On 13 April 2021, the Company was notified of an increase in the interest BlackRock Inc. held to 23,447,463 shares (5%). The Company has not been notified of any other changes in holdings between 1 April and 26 May 2021.

POLITICAL DONATIONS

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$3,950 (£3,038) (2020 – US$7,800; £6,000) 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, six separate donations were made, the largest being US$1,200 and the smallest being US$250.

US$3,500 (£2,690) (2020 – US$12,000; £9,320) was also contributed by the Tate & Lyle Political Action Committee (PAC). Four separate donations were made, the largest being of US$1,000 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. The Group has branches in China, Hong Kong and 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	n/a
(2) Unaudited financial information	none
(4) Long-term incentive scheme only involving a Director	none
(5) Directors' waivers of emoluments	n/a
(6) Directors' waivers of future emoluments	none
(7) Non pro-rata allotments for cash (issuer)	129
(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	129
(13) Waivers of future dividends	129
(14) Agreement with a controlling shareholder	n/a

DIRECTORS' STATEMENT OF RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

Under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, Group financial statements are required to be prepared in accordance with International Financial Reporting Standards (IFRSs) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- provide additional disclosures when compliance with the specific requirements in IFRSs and in respect of the Company financial statements, FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance
- in respect of the Group financial statements, state whether International Accounting Standards in conformity with the requirements of the Companies Act 2006 and IFRSs adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union have been followed, subject to any material departures disclosed and explained in the financial statements
- in respect of the Company financial statements, state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Group and/or the Company will not continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the Group and the Company financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

In accordance with Disclosure Guidance and Transparency Rule 4.1, the Directors confirm, to the best of their knowledge:

- that the Group financial statements, prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and IFRSs adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company and undertakings included in the consolidation taken as a whole;
- that the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- that they consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position, performance, business model and strategy.

DISCLOSURE OF INFORMATION TO AUDITOR

So far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and he or she has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Group and Company's auditor is aware of that information.

The Directors' Report on pages 80 to 109, pages 129 to 131 and pages 202 to 208 and the Directors' Remuneration Report from pages 110 to 128 of this Annual Report were approved by the Directors on 26 May 2021.

Claire-Marie O'Grady
Company Secretary

26 May 2021

OUR 2020 HEROES

2020 was a year of incredible challenges. Given the exceptional performance of so many people across the Company, we launched a special '2020 Heroes Awards' to recognise those people who had gone above and beyond in supporting their colleagues, our communities and customers during the pandemic.

We asked everyone to nominate their colleagues that most deserved gratitude and recognition and we received 575 nominations for individuals and teams. We whittled these deserving submissions down to 45 nominees, and 30 eventual winners.

These winners are shown on the divider pages in this Report to celebrate and recognise their outstanding contributions.

Read more online at **www.tateandlyle.com**

BARTLOMIEJ 'BARTEK' WALAS

Industrial Starch Finance Business Partner, Decatur, Illinois, USA

For working tirelessly to ensure our industrial starches team had the financial data required for managing our business during the pandemic.

CLARA SATIZABAL

Customer Service Analyst, Cali, Colombia

For working tirelessly to ensure customer expectations are met, and always maintaining a positive, professional attitude.

ALAN HOLLIDAY

End User Service Delivery Executive Support Europe, London, UK

For keeping our London Head Office operating, through outstanding IT technical support both on and off-site. For Alan, nothing was ever too much trouble.

FRANK LUCIANI

Bulk Station Manager Morrisville, Pennsylvania, USA

For going above and beyond to ensure we continued to run our grain elevators safely – supporting pandemic protocols, new ways of working and training for our sites.

MAYBELL MORFE

Office Manager, Dubai, UAE

For outstanding work as Pandemic Manager in Dubai, helping the team to stay safe and adapt to new ways of working and living.

RYAN GROSS

Scientist, Hoffman Estates, Illinois, USA

For being the backbone of the sweeteners research and development team's smaller crew during Covid-19. Ryan willingly stepped up to support colleagues who couldn't be in the lab, to move their projects forward.

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 2021 and of the Group's and Parent Company's profits for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and, as regards the group financial statements, International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in 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.

We have audited the financial statements of Tate & Lyle PLC (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021 which comprise:

GROUP	PARENT COMPANY
Consolidated statement of financial position as at 31 March 2021	Balance sheet as at 31 March 2021
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 their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and as regards the Group financial statements, International Financial Reporting Standards (IFRSs) adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in 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. We are independent of the Group 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 GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included the following:

- We assessed the risk around going concern at the interim half-year review and again at the planning and year-end phases of the audit;
- In conjunction with our walkthrough of the Group's financial close process, we confirmed our understanding of management's going concern assessment process and also engaged with management early to assess the key factors considered in its assessment;
- We obtained management's going concern assessment, including the cash flow forecast model and covenant calculation for the going concern period to 31 March 2023. The Group has modelled a number of downside scenarios, including the continued impact of Covid-19, to its cash forecasts and covenant calculations in order to incorporate unexpected changes to the forecasted liquidity of the Group;
- We tested the clerical accuracy of the model used to prepare the Group's going concern assessment;
- We 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 the downside scenarios;
- We assessed the reasonableness of the key assumptions, in the context of other supporting evidence gained from our audit work on goodwill impairment reviews and on other external market data, including analyst forecasts and competitor trading updates;
- We assessed the potential downside scenarios that management had applied and assessed their likelihood and whether other more severe scenarios could apply and the associated impact on liquidity headroom;
- We considered the appropriateness of key assumptions in management's reverse stress testing and assessed the likelihood of the various scenarios (the impact of Covid-19, extended shutdowns of the largest manufacturing facility and the loss of the two largest Food & Beverage Solutions customers) that could erode liquidity headroom;
- We confirmed the details of the available committed and undrawn facilities with reference to agreements and to third party confirmations
- We performed testing to evaluate whether the covenant requirements of the Group borrowings would be met under all base and stress scenarios;
- We reviewed minutes of board meetings, analysts' reports and trading updates released to the market from competitors and customers with a view to identifying any matters which may impact the going concern assessment and contradict the findings made from the procedures we performed above;
- We reviewed the Group's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Company's ability to continue as a going concern for the period to 31 March 2023.

In relation to the Group and Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's or Company's ability to continue as a going concern.

OVERVIEW OF OUR AUDIT APPROACH

Audit scope	• We performed an audit of the complete financial information of 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 two components (Tate & Lyle Brasil S.A. and Tate & Lyle Slovakia, s.r.o.). • The components where we performed full or specific audit procedures accounted for 88% of the adjusted profit before tax measure used to calculate materiality (as defined below), 86% of revenue and 77% of total assets.
Key audit matters	• Commodity co-product valuation (Group) • Revenue recognition, including the risk of management override (Group)
Materiality	• We used an overall Group materiality of £15 million which represents 4.5% of profit before tax adjusted for exceptional items and the Group's share of tax of joint ventures.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, changes in the business environment 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 seven components covering entities within the US, Brazil, Slovakia and the UK, which represent the principal business units within the Group.

Of the seven 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 two 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.

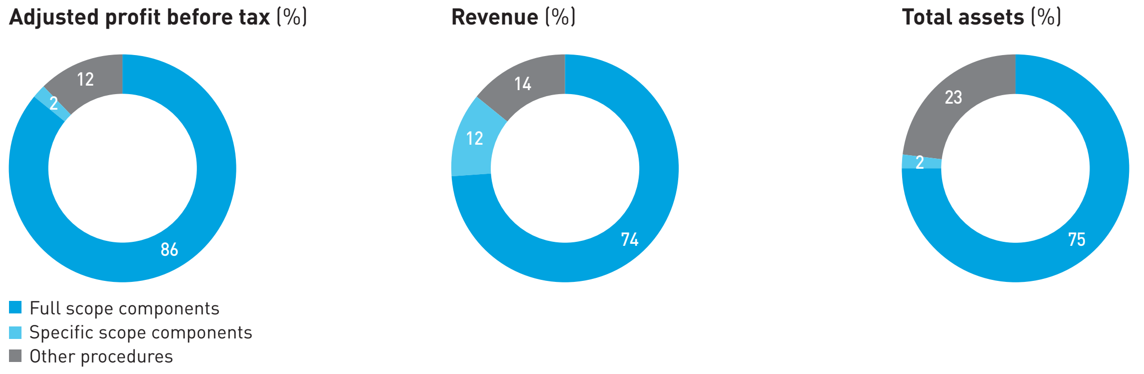
The reporting components where we performed audit procedures accounted for 88% (2020 – 82%) of the Group's adjusted profit before tax measure used to calculate materiality, 86% (2020 – 81%) of the Group's revenue and 77% (2020 – 76%) of the Group's total assets. For the current year, the full scope components contributed 86% (2020 – 79%) of the Group's adjusted profit before tax measure used to calculate materiality, 74% (2020 – 69%) of the Group's revenue and 75% (2020 – 74%) of the Group's total assets. The specific scope component contributed 2% (2020 – 3%) of the Group's adjusted profit before tax measure used to calculate materiality, 12% (2020 – 12%) of the Group's revenue and 2% (2020 – 2%) 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 instructed three components to perform specified procedures over certain aspects of the financial statements. This included procedures relating to inventory existence to gain sufficient coverage over the inventory held at year-end and procedures relating to the completeness and valuation of insurance provisions. Additionally, we have performed procedures over the opening balance sheet, cash, inventory and related party balances relating to the Sweet Green Fields acquisition in the year.

Of the remaining components that together represent 12% 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



Changes from the prior year

The changes from the prior year include the removal of Tate & Lyle Trading (Shanghai) Co. Ltd as a specific scope component due to the positive results from prior years audits and a reduction in our assessment of risk of material misstatement in this component. As Tate & Lyle Insurance (Gibraltar) Limited is in our audit scope specifically in relation to insurance provisions, we designated this as specified procedures in the current year as opposed to specific scope. We also performed specified procedures over specific account balances within the newly acquired Sweet Green Fields group, given the group operates in a key emerging market.

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 a component auditor. For the two 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.

We have adapted our approach to interact with and oversee local EY teams in response to the Covid-19 pandemic. During the current audit cycle, due to the travel restrictions from the Covid-19 pandemic, we were unable to complete in-person visits to the component locations. In response to this, we have held video calls with component teams and local management, including members of finance and members of operations. At the start of the audit, we held a remote global team planning event with representatives from the UK Group, US and Polish shared service centre teams. 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 interacted regularly with the component teams and Polish shared service centre team during various stages of the audit, reviewed key working papers, attended planning and closing meetings remotely by video conference and were responsible for the scope and direction of the audit process. In line with prior year, we continued to work with our component teams to coordinate and execute virtual stock counts in response to Covid-19. In addition, we met virtually with the non-EY firm audit team for the Group's joint venture in Mexico.

The above measures, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

RISK	OUR RESPONSE TO THE RISK	KEY OBSERVATIONS COMMUNICATED TO THE AUDIT COMMITTEE
Commodity co-product valuation (Group) **The fair value adjustment of co-product inventory and executory purchase and sale contracts is £33 million (2020 – £17 million)** *Refer to the Audit Committee Report (page 106); Accounting policies (pages 148 and 175); and Notes 2, 28 and 29 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 are produced by the corn wet 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 specific co-products. 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 • Validated the correlation and ratio of corn meal to soybean meal (quoted on Chicago Mercantile Exchange). We compared corn gluten meal prices to soybean meal prices to assist in evaluating the reasonableness of selected forward corn gluten meal prices • Tested the clerical accuracy of the calculations of gains or losses on contracts and reconciled values to the general ledger • Compared selected forward market prices to the competitor quotes 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 • 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 in conjunction between the component and 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 were 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) **£2,807 million (2020 – £2,882 million)** *Refer to the Accounting policies (page 152); and Note 5 of the Consolidated Financial Statements* The majority of the Group's sales arrangements are generally straightforward, requiring little judgement to be exercised. However, management's reward and incentive schemes, based on achieving sales and profit targets, may create pressure to manipulate results. There is a risk that management may override controls to intentionally misstate revenue through recording fictitious revenue transactions in the underlying subledgers or as consolidation journals.	• Performed walkthroughs of significant classes of revenue transactions to understand related significant processes and to identify and assess the design effectiveness of key controls • Understood how each of the revenue recognition policies are applied. We understood the relevant controls including IT controls over the revenue applications • Tested the underlying IT systems and the controls related to manage access, manage change and IT operations to investigate whether there was any evidence of override of the underlying IT systems which could facilitate management override • As part of our revenue testing, we used data analysis tools on revenue populations in the year to test the correlation of revenue to cash receipts to verify the occurrence of revenue. We identified any material transactions which fell outside the expected transactions flow and tested these to confirm that they were valid business transactions and were appropriately accounted for • Performed cut-off testing over a sample of revenue transactions around the year-end date, to check that they were recognised in the appropriate period • Performed other audit procedures specifically designed to address the risk of management override of controls. This included journal entry testing, applying particular focus to significant manual or unusual journal entries to ensure each entry is supported by an appropriate, underlying business rationale, is properly authorised and accounted for correctly in the correct period 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.

In the prior year, our auditor's report included a key audit matter in relation to the impact of Covid-19. The key aspect of this matter was in relation to going concern. Given the significant headroom and available liquidity within the going concern assessment, we no longer consider this a key audit matter. Additionally, in the prior year, our auditor's report included a key audit matter in relation to the recoverability of the investments in the Company's subsidiaries. Similarly, given the headroom in the Company's impairment assessment, we have deemed the likelihood of material misstatement to be low and therefore do not consider this as a key audit matter.

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 £15 million (2020 – £16.6 million), which is 4.5% (2020 – 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.

During the course of our audit, we reassessed initial materiality and the actual profit before tax adjusted for exceptional items and the Group's share of tax of joint ventures was higher than the Group's initial estimates used in planning. However, due to the status of our procedures we did not change our materiality assessment to reflect this.

STARTING BASIS	• £283 million • Profit before tax
ADJUSTMENTS	• £42 million exceptional items • £9 million Group's share of tax of joint ventures
MATERIALITY	• Totals £334 million (materiality basis) • Materiality maintained at planning level of £15 million (versus £16.7 million based on 5% of final reported)

We determined materiality for the Parent Company to be £12.6 million (2020 – £12.9 million), which is 0.5% (2020 – 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% (2020 – 75%) of our planning materiality, being £11.3 million (2020 – £12.5 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 £11.3 million to £1.1 million (2020 – £12.5 million to £1.2 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 £0.8 million (2020 – £0.8 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 as set out on pages 1 to 133, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

CORPORATE GOVERNANCE STATEMENT

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 49;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 70;
- Directors' statement on fair, balanced and understandable set out on page 109;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 69;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 108 and 109; and
- The section describing the work of the Audit Committee set out on pages 104 to 109.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' statement of responsibilities set out on page 131, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the 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 form and content of the financial statements, such as the International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006, 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 and employee matters.
- We understood how Tate & Lyle PLC is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of Board minutes and papers provided to the Audit Committee and attendance at all meetings of the Audit Committee.
- 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 incorporating data analytics in testing of manual journals (for example with respect to our work on revenue recognition noted on page 138 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 3 years, covering the years ending 31 March 2019 to 31 March 2021.
- 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

26 May 2021

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

		YEAR ENDED 31 MARCH	
CONTINUING OPERATIONS	NOTES	**2021 £M**	2020 £M
Revenue	5	**2 807**	2 882
Operating profit	6	**287**	296
Finance income	10	**1**	5
Finance expense	10	**(31)**	(33)
Share of profit after tax of joint ventures	21	**26**	28
Profit before tax		**283**	296
Income tax expense	11	**(30)**	(51)
Profit for the year – continuing operations		**253**	245
Profit for the year – total operations		**253**	245

Attributable to:			
– owners of the Company		**253**	245
– non-controlling interests		**–**	–
Profit for the year		**253**	245

Earnings per share		**PENCE**	PENCE
Continuing operations:	12		
• basic		**54.4p**	52.8p
• diluted		**53.8p**	52.1p
Total operations:	12		
• basic		**54.4p**	52.8p
• diluted		**53.8p**	52.1p

Analysis of adjusted profit for the year – continuing operations*		**£M**	£M
Profit before tax		**283**	296
Adjusted for:			
Net exceptional charge	8	**42**	24
Amortisation of acquired intangible assets	18	**10**	11
Adjusted profit before tax	4	**335**	331
Adjusted income tax expense	4, 11	**(48)**	(59)
Adjusted profit for the year	4	**287**	272

* Adjusted earnings per share information is presented in Note 12.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTES	YEAR ENDED 31 MARCH 2021 £M	 2020 £M
Profit for the year		**253**	245
Other comprehensive (expense)/income			
Items that have been/may be reclassified to profit or loss:			
(Loss)/gain on currency translation of foreign operations	23	**(141)**	46
Fair value gain/(loss) on net investment hedges	23	**39**	(18)
Net gain/(loss) on cash flow hedges	23	**1**	(1)
Share of other comprehensive expense of joint ventures	21, 23	**(6)**	(3)
		(107)	24
Items that will not be reclassified to profit or loss:			
Re-measurement of retirement benefit plans:			
• actual return higher/(lower) on plan assets	30	**129**	(58)
• impact of 'buy-in' on main UK pension scheme	30	**–**	(195)
• net actuarial (loss)/gain on retirement benefit obligations	30	**(80)**	12
Changes in the fair value of equity investments at fair value through OCI	17, 23	**3**	2
Tax effect of the above items	11	**(13)**	41
		39	(198)
Total other comprehensive expense		**(68)**	(174)
Total comprehensive income		**185**	71
Attributable to:			
– owners of the Company		**185**	71
– non-controlling interests		**–**	–
Total comprehensive income		**185**	71

Total comprehensive income relates entirely to continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	AT 31 MARCH 2021 £M	 2020 £M
ASSETS			
Non-current assets			
Goodwill and other intangible assets	18	**354**	340
Property, plant and equipment (including right-of-use assets of £121 million (2020 – £150 million))	19	**1 105**	1 190
Investments in joint ventures	21	**104**	91
Investments in equities	17	**59**	63
Retirement benefit surplus	30	**18**	4
Deferred tax assets	11	**32**	30
Trade and other receivables	16	**1**	–
Derivative financial instruments	28	**1**	1
		1 674	1 719
Current assets			
Inventories	14	**532**	456
Trade and other receivables	16	**333**	323
Current tax assets	11	**11**	10
Derivative financial instruments	28	**23**	5
Other current financial assets	28	**32**	67
Cash and cash equivalents	15	**371**	271
		1 302	1 132
TOTAL ASSETS		**2 976**	2 851
EQUITY			
Capital and reserves			
Share capital	22	**117**	117
Share premium	22	**407**	406
Capital redemption reserve		**8**	8
Other reserves	23	**144**	239
Retained earnings		**783**	629
Equity attributable to owners of the Company		**1 459**	1 399
Non-controlling interests		**1**	–
TOTAL EQUITY		**1 460**	1 399
LIABILITIES			
Non-current liabilities			
Borrowings (including lease liabilities of £116 million (2020 – £141 million))	25	**746**	682
Retirement benefit deficit	30	**158**	207
Deferred tax liabilities	11	**44**	42
Provisions	32	**11**	11
Derivative financial instruments	28	**–**	2
		959	944
Current liabilities			
Borrowings (including lease liabilities of £27 million (2020 – £30 million))	25	**42**	40
Trade and other payables	24	**431**	370
Provisions	32	**24**	21
Current tax liabilities	11	**25**	38
Derivative financial instruments	28	**9**	20
Other current financial liabilities	28	**26**	19
		557	508
TOTAL LIABILITIES		**1 516**	1 452
TOTAL EQUITY AND LIABILITIES		**2 976**	2 851

The notes on pages 147 to 193 form part of these financial statements. The consolidated financial statements on pages 142 to 193 were approved by the Board of Directors on 26 May 2021 and signed on its behalf by:

Nick Hampton
Director

Vivid Sehgal
Director

CONSOLIDATED STATEMENT OF CASH FLOWS

		YEAR ENDED 31 MARCH	
	NOTES	**2021 £M**	2020 £M
Cash flows from operating activities			
Profit before tax from continuing operations		**283**	296
Adjustments for:			
• depreciation of property, plant and equipment (excluding exceptional items)	19	**142**	137
• amortisation of intangible assets	18	**33**	35
• share-based payments	31	**8**	14
• net impact of exceptional income statement items	8	**10**	1
• net finance expense	10	**30**	28
• share of profit after tax of joint ventures	21	**(26)**	(28)
• net retirement benefit obligations		**(8)**	(21)
Changes in working capital and other non-cash movements	26	**(24)**	2
Cash generated from continuing operations		**448**	464
Net income tax paid		**(57)**	(49)
Interest paid		**(22)**	(30)
Net cash generated from operating activities		**369**	385
Cash flows from investing activities			
Purchase of property, plant and equipment		**(134)**	(141)
Disposal of property, plant and equipment (exceptional)	8	**–**	(1)
Disposal of property, plant and equipment		**5**	–
Acquisition of businesses, net of cash acquired	34	**(62)**	–
Investments in intangible assets		**(18)**	(25)
Purchase of equity investments	17	**(4)**	(6)
Disposal of equity investments	17	**3**	4
Interest received		**1**	5
Dividends received from joint ventures	21	**4**	35
Net cash used in investing activities		**(205)**	(129)
Cash flows from financing activities			
Purchase of own shares including net settlement	22	**(5)**	(22)
Cash inflow from additional borrowings		**154**	157
Cash outflow from repayment of borrowings		**(5)**	(234)
Repayment of leases	20	**(36)**	(37)
Dividends paid to the owners of the Company	13	**(137)**	(137)
Net cash used in financing activities		**(29)**	(273)
Cash and cash equivalents			
Balance at beginning of year		**271**	285
Net increase/(decrease) in cash and cash equivalents	27	**135**	(17)
Currency translation differences	27	**(35)**	3
Balance at end of year	15	**371**	271

A reconciliation of the movement in cash and cash equivalents to the movement in net debt is presented in Note 27.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL AND SHARE PREMIUM £M	CAPITAL REDEMPTION RESERVE £M	OTHER RESERVES £M	RETAINED EARNINGS £M	ATTRIBUTABLE TO THE OWNERS OF THE COMPANY £M	NON-CONTROLLING INTERESTS £M	TOTAL EQUITY £M
At 1 April 2019	523	8	217	733	1 481	–	1 481
Profit for the year – total operations	–	–	–	245	245	–	245
Other comprehensive income/(expense)	–	–	26	(200)	(174)	–	(174)
Total comprehensive income	–	–	26	45	71	–	71
Hedging gains transferred to inventory	–	–	(6)	–	(6)	–	(6)
Tax effect of the above item	–	–	2	–	2	–	2
Transactions with owners:							
Share-based payments, net of tax	–	–	–	14	14	–	14
Purchase of own shares including net settlement (Note 22)	–	–	–	(22)	(22)	–	(22)
Dividends paid (Note 13)	–	–	–	(137)	(137)	–	(137)
Other movements	–	–	–	(4)	(4)	–	(4)
At 31 March 2020	523	8	239	629	1 399	–	1 399
Profit for the year – total operations	**–**	**–**	**–**	**253**	**253**	**–**	**253**
Other comprehensive (expense)/income	**–**	**–**	**(104)**	**36**	**(68)**	**–**	**(68)**
Total comprehensive (expense)/income	**–**	**–**	**(104)**	**289**	**185**	**–**	**185**
Hedging losses transferred to inventory	**–**	**–**	**12**	**–**	**12**	**–**	**12**
Tax effect of the above item	**–**	**–**	**(3)**	**–**	**(3)**	**–**	**(3)**
Transactions with owners:							
Share-based payments, net of tax	**–**	**–**	**–**	**10**	**10**	**–**	**10**
Issue of share capital (Note 22)	**1**	**–**	**–**	**–**	**1**	**–**	**1**
Purchase of own shares including net settlement (Note 22)	**–**	**–**	**–**	**(5)**	**(5)**	**–**	**(5)**
Non-controlling interests in subsidiaries acquired	**–**	**–**	**–**	**–**	**–**	**1**	**1**
Dividends paid (Note 13)	**–**	**–**	**–**	**(137)**	**(137)**	**–**	**(137)**
Other movements	**–**	**–**	**–**	**(3)**	**(3)**	**–**	**(3)**
At 31 March 2021	**524**	**8**	**144**	**783**	**1 459**	**1**	**1 460**

		YEAR ENDED 31 MARCH	
Dividends on ordinary shares (pence per share)	NOTE	**2021 PENCE**	2020 PENCE
In respect of the financial year:			
• interim	13	**8.8**	8.8
• final	13	**22.0**	20.8
		30.8	29.6
Paid in the financial year:			
• interim – in respect of the financial year	13	**8.8**	8.8
• final – in respect of the previous financial year	13	**20.8**	20.8
		29.6	29.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

Description of business

Tate & Lyle PLC (the Company) is a public limited company incorporated in the United Kingdom and registered in England. The Company's ordinary shares are listed on the London Stock Exchange.

The Company and its subsidiaries (together 'the Group') provide ingredients and solutions to the food, beverage and other industries. The Group operates from numerous production facilities around the world.

The Group's operations 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 2021 with comparative financials for the year ended 31 March 2020.

Basis of accounting

The consolidated financial statements on pages 142 to 193 have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The Directors are satisfied that the Group has adequate resources to continue to operate as a going concern for the foreseeable future and that no material uncertainties exist with respect to this assessment. In making this assessment, the Directors have considered the Group's balance sheet position and forecast earnings and cash flows for the period from the date of approval of these financial statements to 31 March 2023. The business plan used to support the going concern assessment (the 'Base case') is derived from Board-approved forecasts together with certain downside sensitivities.

Further details of the Directors assessment are set out below:

At 31 March 2021, the Group has significant available liquidity, including £371 million of cash and US$800 million (£579 million) of committed and undrawn revolving credit facility, none of which matures before March 2025. In addition, none of the Group's existing financing matures during the going concern assessment period, with the earliest maturity being in the year ending 31 March 2024. During the year, the Group demonstrated its ability to raise new finance despite the uncertainties of the Covid-19 pandemic, raising US$200 million of new private placement debt in August 2020, with ten-year and twelve-year tenors at 2.91% and 3.01%, respectively.

The Group has only one debt covenant requirement – to maintain a net debt to EBITDA ratio of not more than 3.5 times. On the covenant testing basis this was 0.6 times at 31 March 2021. As set out below, for a covenant breach to occur it would require a profound reduction in Group profit. Such reduction is considered to be extremely unlikely.

As described elsewhere in the Annual Report, the Group's performance has demonstrated resilience to the challenges of Covid-19, with revenue, profit and cash flow growth being delivered during the year ended 31 March 2021. None of the scenarios modelled in the Directors' 'worst case scenario' in the Group's two most recent going concern assessments (30 September 2020 and 31 March 2020) have come to fruition to any degree.

In concluding that the going concern basis is appropriate, the Directors have modelled the impact of a 'worst case scenario' to the 'Base case' by including the same three plausible but severe downside risks also used for the Group's viability statement, being: 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 slower recovery from the impact of the Covid-19 pandemic. In aggregate, such 'worst case scenario' does not result in any material uncertainty to the Group's going concern assessment and the resultant position still has significant headroom above the Group's debt covenant requirement.

In addition, the Directors have calculated a 'reverse stress test' which represents the changes that would be required to the 'Base case' in order to breach the Group's debt covenant. Such 'reverse stress test' shows that the forecast Group profit would have to be reduced to almost zero in order to cause a breach. Finally, the Group has and continues to demonstrate its ability to operate all of its manufacturing facilities safely in the current environment.

Having reviewed the 'worst case scenario' and 'reverse stress test', the Directors consider that there is no reasonable scenario in which available liquidity could be exhausted or the Group's debt covenant could be breached. Accordingly, there is no reasonable basis under which the Group would not be a going concern.

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 Pound sterling, which is also the Company's functional currency. Where changes in constant currency are presented, they are calculated by retranslating current year results at prior year exchange rates. Calculations of changes in constant currency have been included in 'Additional information' within this document.

Accounting standards adopted during the year

In the current year, the Group has adopted, with effect from 1 April 2020, the following new accounting standards:

- Amendments to IFRS 3 Definition of a Business
- Amendments to IAS 1 Presentation Financial Statements and IAS 8 Definition of Material

The adoption of these amendments from 1 April 2020 had no material effect 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.

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.

2. SIGNIFICANT JUDGEMENTS AND ESTIMATES CONTINUED

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, 28 and 29)

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.

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. This results in each element of the net corn position being marked to market. The Group uses financial instruments (mainly corn futures contracts) as hedging instruments to manage this net position. 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. Consequently, 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.

		YEAR ENDED 31 MARCH	
	FOOTNOTES	**2021 £M**	2020 £M
Hedged items:			
Corn purchase contracts	(a)	**22**	(15)
Corn sale contracts	(b)	**(54)**	40
Co-product sale contracts	(c)	**38**	23
Corn and elevator inventory	(d)	**49**	(20)
Co-products inventory	(d)	**(5)**	(4)
Total hedged items		**50**	24
Financial instrument products (hedging instrument)	(e)	**3**	(4)
Net corn position		**53**	20

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 28) 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 28) 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 28) 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 certain other inventories held at elevators) as well as co-product inventories. The hedged risks are commodity 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 28).

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 28. 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 2021, the carrying value of fair value adjustments made to basis was a net liability of £1 million (2020 – £7 million asset). This 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 £38 million assets (2020 – £23 million assets) for sales contracts (including co-product credits in corn sales contracts) and £5 million liability (2020 – £4 million liability) for inventories.

In addition to the above, the Group holds futures with a fair value of £5 million profit (2020 – £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 profit (2020 – £7 million loss) which do not impact the Group's income statement 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 29 and valuation techniques and sensitivity analysis on the price of co-products and basis (Level 3 financial instruments) in Note 28.

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 2021, the Group has recorded current tax liabilities of £47 million (2020 – £57 million) for uncertain tax positions (refer to Note 11). Such provisions arise because the Group operates in an international tax environment and is subjected to periodic tax examination and uncertainties in a number of jurisdictions. Such examination can include, inter alia, transfer pricing arrangements relating to the Group's operating activities, historical reorganisations and the deductibility of interest on certain intra-group borrowing arrangements. The issues involved are complicated and may take a number of years to resolve. Tax liabilities, if required, have been estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty. Of the £47 million total of uncertain tax positions held at 31 March 2021, between zero and £12 million of the balance could be resolved in the year ending 31 March 2022. Such resolution could be favourable or unfavourable. Of the £57 million balance at 31 March 2020, £25 million met the criteria for being released in the year ending 31 March 2021. This compares to the range of possible outcomes coming into the year for potential releases of provisions of £15 million to £25 million.

(b) Recognition of deferred tax assets: at 31 March 2021, the Group has recorded deferred tax assets of £32 million (2020 – £30 million) and deductible temporary differences for which the unrecognised deferred tax asset is £162 million (2020 – £168 million) (refer to Note 11), the most significant of which relates to unrecognised tax losses in the UK. Management exercises judgement in its determination of recognition of deferred tax assets.

In addition to these items, the tax rate in future periods is likely to be impacted by changes to tax legislation and material changes to the geographic mix of profits.

Retirement benefit plans (Note 30)

At 31 March 2021, the present value of the benefit obligations of the plans was £1,573 million (2020 – £1,610 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 30.

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.

Potential separation

As previously announced, the Group is in the process of exploring the potential to separate its Food & Beverage Solutions and Primary Products businesses through the sale of a controlling stake in Primary Products to a new long-term financial partner. At 31 March 2021 and at the date of this report, discussions with potential new partners for Primary Products are ongoing. Given this and the nature of any separation, a transaction is not yet sufficiently probable to require any part of the Primary Products business to be classified either as held for sale or as a discontinued operation.

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)
- Leases (Note 20)
- Foreign currency translation of subsidiaries (Note 23)
- Financial instruments (Notes 16, 24, 25 and 28)
- Retirement benefit obligations (Note 30)
- Share-based payments (Note 31)

Accounting standards issued but not yet adopted

A number of amendments and interpretations have been issued which are not expected to have any significant impact on the accounting policies and reporting.

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 2021			YEAR ENDED 31 MARCH 2020		
CONTINUING OPERATIONS £M UNLESS OTHERWISE STATED	IFRS REPORTED	ADJUSTING ITEMS	ADJUSTED REPORTED	IFRS REPORTED	ADJUSTING ITEMS	ADJUSTED REPORTED
Revenue	**2 807**	**–**	**2 807**	2 882	–	2 882
Operating profit	**287**	**52**	**339**	296	35	331
Net finance expense	**(30)**	**–**	**(30)**	(28)	–	(28)
Share of profit after tax of joint ventures	**26**	**–**	**26**	28	–	28
Profit before tax	**283**	**52**	**335**	296	35	331
Income tax expense	**(30)**	**(18)**	**(48)**	(51)	(8)	(59)
Profit for the year	**253**	**34**	**287**	245	27	272
Basic earnings per share (pence)	**54.4p**	**7.5p**	**61.9p**	52.8p	5.8p	58.6p
Diluted earnings per share (pence)	**53.8p**	**7.4p**	**61.2p**	52.1p	5.7p	57.8p
Effective tax rate expense %	**10.9%**	**3.4%**	**14.3%**	17.1%	0.8%	17.9%

The following table shows the reconciliation of the adjusting items impacting adjusted profit for the year:

		YEAR ENDED 31 MARCH	
CONTINUING OPERATIONS	NOTES	2021 £M	2020 £M
Exceptional costs included in operating profit	8	**42**	24
Amortisation of acquired intangible assets	18	**10**	11
Total excluded from adjusted profit before tax		**52**	35
Tax effect of adjusting items	11	**(11)**	(8)
Exceptional US tax credit	8, 11	**(7)**	–
Total excluded from adjusted profit for the year		**34**	27

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	2021 £M	2020 £M
Adjusted operating profit	**339**	331
Adjusted for:		
Adjusted depreciation and adjusted amortisation[1]	**165**	161
Share-based payments	**8**	14
Changes in working capital and other non-cash movements	**(24)**	2
Net retirement benefit obligations	**(8)**	(21)
Capital expenditure	**(152)**	(166)
Net interest and tax paid	**(78)**	(74)
Adjusted free cash flow	**250**	247

[1] Total depreciation of £148 million (2020 – £145 million) and amortisation of £33 million (2020 – £35 million) less £6 million (2020 – £8 million) of accelerated depreciation recognised in exceptional items and £10 million (2020 – £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.

For the purposes of KPI reporting, the Group uses a simplified calculation of these KPIs to make them more directly related to information in the Group's financial statements. The net debt to EBITDA ratios using the calculation methodology prescribed for financial covenants on the Group's borrowing facilities are shown in Note 29.

All ratios are calculated based on unrounded figures in £ million.

The net debt to EBITDA ratio is as follows:

		AT 31 MARCH	
	NOTE	2021 £M	2020 £M
Calculation of net debt to EBITDA ratio			
Net debt	27	**417**	451
Adjusted operating profit		**339**	331
Add back adjusted depreciation and adjusted amortisation		**165**	161
EBITDA[1]		**504**	492
Net debt to EBITDA ratio (times)		**0.8**	0.9

1 EBITDA is calculated as adjusted operating profit £339 million (2020 – £331 million) adding back adjusted depreciation of £142 million (2020 – £137 million) (total depreciation of £148 million (2020 – £145 million) less £6 million (2020 – £8 million) of accelerated depreciation recognised in exceptional items) and adding back adjusted amortisation of £23 million (2020 – £24 million) (total amortisation of £33 million (2020 – £35 million) less £10 million (2020 – £11 million) of amortisation of acquired intangible assets).

The return on capital employed ratio is as follows:

	AT 31 MARCH		
	2021 £M	2020 £M	2019 £M
Calculation of return on capital employed (ROCE)			
Adjusted operating profit	**339**	331	
Deduct amortisation on acquired intangible assets	**(10)**	(11)	
Profit before interest, tax and exceptional items from continuing operations for ROCE	**329**	320	
Goodwill and other intangible assets	**354**	340	342
Property, plant and equipment	**1 105**	1 190	982
Working capital, provisions and non-debt related derivatives[1]	**421**	409	401
Invested operating capital of continuing operations	**1 880**	1 939	1 725
Average invested operating capital[2]	**1 910**	1 832	
Return on capital employed (ROCE) %	**17.2%**	17.5%	

1 All derivatives held at 31 March 2021 and 2020 were non-debt related derivatives. For the purpose of this calculation other current financial assets and liabilities are also included.

2 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 related 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. The Group makes use of certain supply-chain financing arrangements with a number of its customers in North America – and such arrangements include a financing element, which is deducted from revenue. During the year, £3 million (2020 – £5 million) was deducted from revenue for supply-chain financing costs.

Segment information is presented on a basis consistent with the information presented to the Board (the designated Chief Operating Decision Maker (CODM)) for the purposes of allocating resources within the Group and assessing the performance of the Group's businesses. 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 Group does not have any operations classified as a discontinued operation.

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 2021
CONTINUING OPERATIONS	FOOD & BEVERAGE SOLUTIONS £M	SUCRALOSE £M	PRIMARY PRODUCTS £M	CENTRAL £M	TOTAL £M
Revenue	**970**	**151**	**1 686**	**–**	**2 807**
Adjusted operating profit[1]	**177**	**55**	**158**	**(51)**	**339**
Adjusted operating margin	**18.3%**	**36.8%**	**9.4%**	**n/a**	**12.1%**
Included within statutory operating profit[2]:					
• depreciation	**43**	**9**	**90**	**6**	**148**
• amortisation	**23**	**–**	**7**	**3**	**33**
• share-based payments	**2**	**1**	**3**	**2**	**8**

[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 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.

5. SEGMENT INFORMATION CONTINUED

Geographic disclosures

Revenue

CONTINUING OPERATIONS	YEAR ENDED 31 MARCH 2021 £M	RESTATED* 2020 £M
Food & Beverage Solutions		
North America	**485**	470
Asia, Middle East, Africa and Latin America	**269**	263
Europe	**216**	209
Food & Beverage Solutions – total	**970**	942
Sucralose – total	**151**	161
Primary Products		
Americas	**1 596**	1 683
Rest of the world	**90**	96
Primary Products – total	**1 686**	1 779
Total	**2 807**	2 882

* Comparatives have been restated following a change during the year to the geographic Food & Beverage Solutions disclosure. To increase our focus on building our business and presence in higher growth markets, we created a new single Asia, Middle East, Africa and Latin America region. This comprises the regions previously reported as Asia Pacific, Latin America and Middle East and Africa (formerly part of Europe, Middle East and Africa).

Sales to customers in the United Kingdom totalled £32 million (2020 – £36 million). Sales to customers in the United States totalled £2,004 million (2020 – £2,060 million). No customer contributed more than 10% of the Group's external sales from continuing operations (2020 – no customer contributed more than 10%).

The Food & Beverage Solutions segment's divisional revenue using the previous disclosure model is as follows:

CONTINUING OPERATIONS	YEAR ENDED 31 MARCH 2021 £M	2020 £M
Food & Beverage Solutions		
North America	**485**	470
Asia Pacific and Latin America	**221**	214
Europe, Middle East and Africa	**264**	258
Food & Beverage Solutions – total	**970**	942

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 2021 £M	2020 £M
United Kingdom	**24**	25
United States	**1 074**	1 200
Other European countries	**275**	294
Rest of the world	**190**	102
Non-current assets	**1 563**	1 621

6. OPERATING PROFIT

Analysis of operating expenses by nature:

CONTINUING OPERATIONS	NOTES	YEAR ENDED 31 MARCH 2021 £M	 2020 £M
Revenue		**2 807**	2 882
Operating expenses			
Cost of inventories (included in cost of sales)		**1 502**	1 465
Staff costs (of which £163 million (2020 – £162 million) was included in cost of sales[1])	9	**340**	353
Depreciation of property, plant and equipment:			
• owned assets (of which £98 million (2020 – £97 million) was included in cost of sales[2])	19	**113**	106
• leased assets (of which £22 million (2020 – £24 million) was included in cost of sales)	19, 20	**29**	31
Exceptional costs	8	**42**	24
Amortisation of intangible assets:			
• acquired intangible assets	18	**10**	11
• other intangible assets	18	**23**	24
Impairment of trade receivables	16	**(2)**	5
Impairment of intangible assets	18	**5**	1
Impairment of property, plant and equipment	19	**3**	1
Net fair value gain on commodity contracts		**(33)**	(4)
Total net foreign exchange gains		**–**	(1)
Other operating expenses		**488**	570
Total operating expenses		**2 520**	2 586
Operating profit		**287**	296

[1] Excludes £7 million of staff costs recognised in exceptional items.

[2] Excludes £6 million (2020 – £8 million) of accelerated depreciation recognised in exceptional items.

The Group spent £43 million (2020 – £46 million) on research and development expenditure during the year, including certain research-based technical services.

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 2021 £M	 2020 £M
Fees payable for the audit of the Company and consolidated financial statements	**1.1**	1.1
Fees payable for other services:		
• the audit of the Company's subsidiaries	**1.6**	1.4
• audit-related assurance services	**0.1**	0.1
Total	**2.8**	2.6

8. EXCEPTIONAL ITEMS

Exceptional (costs)/income recognised in the consolidated income statement are as follows:

CONTINUING OPERATIONS	FOOTNOTES	YEAR ENDED 31 MARCH 2021 £M	 2020 £M
Income statement			
Restructuring costs	(a)	**(20)**	(19)
Exploration of potential separation of the business	(b)	**(19)**	–
Historical legal matters	(c)	**(3)**	–
Primary Products' savoury business exit		**–**	(5)
Exceptional items included in profit before tax		**(42)**	(24)
US tax credit	(d)	**7**	–
Exceptional items included in income tax		**7**	–
Total exceptional items		**(35)**	(24)

8. EXCEPTIONAL ITEMS CONTINUED

Set out below are the principal components of the Group's exceptional items:

(a) The Group recorded £20 million of restructuring charges, principally comprising £16 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 and £4 million of severance costs for roles removed from the organisation. Of these costs, £7 million was recorded in Food & Beverage Solutions, £8 million was recorded in Primary Products and £5 million was recorded in Central.

(b) As previously announced, the Group has undertaken work to explore the potential to separate its Food & Beverage Solutions and Primary Products businesses through a sale of a controlling stake in its Primary Products business to a new long-term financial partner. During the year ended 31 March 2021, the Group incurred costs of £19 million relating to this activity, principally for external advisors.

(c) During the year, the Group recorded a net charge of £3 million relating to certain historical legal matters in the US. Included within this net cost was £2 million of income recorded for the favourable settlement of an insurance claim and provision made to settle other historical matters.

(d) The Group recorded an exceptional tax credit of £7 million within tax related to the release of an uncertain tax provision in the US, which had been recorded at the time of the Group's exit of Sucralose manufacturing in Singapore. At that time, the costs arising from the closure of Singapore and the associated tax were recorded as exceptional items.

Of the net £35 million exceptional charge recorded during the year ended 31 March 2021, £19 million was reflected in exceptional cash flow in the current year. In addition, £13 million of exceptional costs recorded in the prior year resulted in exceptional cash outflows in the current year such that net cash outflow from exceptional items for the year ended 31 March 2021 was £32 million.

The most significant exceptional costs in the prior year was restructuring charges related to the Group's previously announced programme to simplify the business and drive productivity. Other exceptional costs in the prior year related to exit costs for the Primary Products' small, non-core savoury ingredients business, mainly comprising the cost of writing off the associated assets of the business.

Tax credits/charges on exceptional items are only recognised to the extent that gains/losses incurred are expected to result in tax recoverable/payable in the future. The total tax impact of these exceptional items included in profit before tax was a tax credit of £8 million.

Further details in respect of cash flows from exceptional items are set out below:

		YEAR ENDED 31 MARCH	
Net cash outflows on exceptional items	FOOTNOTES	**2021 £M**	2020 £M
Restructuring costs	(a)	**(11)**	(13)
Exploration of potential separation of the business	(b)	**(15)**	–
Historical legal matters	(c)	**1**	–
Primary Products' savoury business exit		**–**	(1)
Oats ingredients business disposal		**–**	(1)
Asset remediation[1]		**(7)**	(9)
Net cash outflows		**(32)**	(24)

[1] Cash outflow of £7 million relates to utilisation of existing provision.

Cash outflows in relation to asset remediation related to costs to remediate environmental health and safety risks associated primarily with idle assets at manufacturing sites in North America.

Exceptional cash flows

The total cash outflows from exceptional items presented in the cash flow statement of £10 million reflect that the exceptional costs in profit before tax of £42 million were £10 million higher than net cash outflows of £32 million set out in the table above. In the prior year, cash flows from exceptional items were £1 million in cash generated from operating activities and £1 million in net cash used in investing activities, as the exceptional costs in profit before tax in total were the same as net cash outflows.

9. STAFF COSTS

Staff costs were as follows:

	YEAR ENDED 31 MARCH 2021 £M	2020 £M
Wages and salaries	**307**	306
Social security costs	**23**	23
Retirement benefit costs:		
• defined benefit schemes	**1**	2
• defined contribution schemes	**8**	8
Share-based payments	**8**	14
Total	**347**	353

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 2021	2020
CONTINUING OPERATIONS		
Food & Beverage Solutions[1]	**1 985**	1 798
Sucralose[1]	**102**	100
Primary Products	**1 638**	1 792
Central	**529**	503
Total	**4 254**	4 193

[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 2021, the Group employed 4,441 people (2020 – 4,218 people). 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 2021 £M	2020 £M
Salaries and short-term employee benefits	**9**	9
Retirement benefits	**1**	1
Share-based payments	**3**	5
Total	**13**	15

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 110 to 128. Members of the Executive Committee are identified on pages 84 and 85. The aggregate gains made by key management on the exercise of share options were £4 million (2020 – £6 million). Not included in key management compensation set out above is the impact of repayment of certain awards that became repayable on the cessation of employment of Imran Nawaz on 30 April 2021. The figures also exclude the impact of his long-term outstanding variable pay awards that were also forfeited. No related party transactions with close family members of the Group's key management occurred in the current or prior year.

10. FINANCE INCOME AND EXPENSE

CONTINUING OPERATIONS	NOTE	YEAR ENDED 31 MARCH 2021 £M	2020 £M
Interest payable on bank and other borrowings		**(20)**	(26)
Fair value hedges:			
• fair value loss on interest rate derivatives		**–**	(3)
• fair value adjustment of hedged borrowings		**–**	3
Lease interest	20	**(6)**	(7)
Net retirement benefit interest	30	**(5)**	–
Finance expense		**(31)**	(33)
Finance income – income on cash balances		**1**	5
Net finance expense		**(30)**	(28)

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

CONTINUING OPERATIONS	YEAR ENDED 31 MARCH 2021 £M	 2020 £M
Current tax		
United Kingdom	**(5)**	(8)
Overseas	**(51)**	(42)
Exceptional tax credit	**13**	3
(Expense)/credit in respect of previous financial years	**(5)**	6
	(48)	(41)
Deferred tax		
Credit/(expense) for the year	**4**	(10)
Credit/(expense) in respect of previous financial years	**12**	(2)
Exceptional tax credit	**2**	2
Income tax expense	**(30)**	(51)
Statutory effective tax rate (%)	**10.9%**	17.1%

Reconciliation to adjusted income tax expense	NOTES	YEAR ENDED 31 MARCH 2021 £M	 2020 £M
Income tax expense		**(30)**	(51)
Taxation credit on exceptional items		**(8)**	(5)
Taxation credit on amortisation of acquired intangibles		**(3)**	(3)
Exceptional US tax credit		**(7)**	–
Adjusted income tax expense	4	**(48)**	(59)
Adjusted effective tax rate (%)		**14.3%**	17.9%

At 31 March 2021, the carrying value of current tax assets totalled £11 million (2020 – £10 million) and the carrying value of the current tax liabilities totalled £25 million (2020 – £38 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 2021, the Group has recorded current tax liabilities of £47 million (2020 – £57 million) for uncertain tax positions (refer to Note 2). Such provisions arise because the Group operates in an international tax environment and is subjected to periodic tax examination and uncertainties in a number of jurisdictions. Such examination can include, inter alia, transfer pricing arrangements relating to the Group's operating activities, historical reorganisations and the deductibility of interest on certain intra-group borrowing arrangements. The issues involved are complicated and may take a number of years to resolve. Tax liabilities, if required, have been estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty. Of the £47 million total of uncertain tax positions held at 31 March 2021, between zero and £12 million of the balance could be resolved in the year ending 31 March 2022. Such resolution could be favourable or unfavourable. Of the £57 million balance at 31 March 2020, £25 million met the criteria for being released in the year ending 31 March 2021. This compared to the range of possible outcomes coming into the year for potential releases of provisions of £15 million to £25 million.

11. INCOME TAXES CONTINUED

(b) Recognition of deferred tax assets: at 31 March 2021, the Group has recorded deferred tax assets of £32 million (2020 – £30 million assets), and deductible temporary differences for which the unrecognised deferred tax asset is £162 million (2020 – £168 million), the most significant of which relates to unrecognised tax losses in the UK. Management exercises judgement in its determination of recognition of deferred tax assets.

In addition to these items, the tax rate in future periods is likely to be impacted by changes to tax legislation and material changes to the geographic mix of profits.

Reconciliation of the effective tax rate

As the Group's head office and Parent Company are domiciled in the UK, the Group uses the UK corporation tax rate to reference its effective tax rate, notwithstanding that only a small proportion of the Group's business is in the UK. The tax on the Group's profit before tax differs from the standard rate of corporation tax in the UK as follows:

	YEAR ENDED 31 MARCH	
CONTINUING OPERATIONS	**2021 £M**	2020 £M
Profit before tax	**283**	296
Less share of profit after tax of joint ventures	**(26)**	(28)
Parent Company and subsidiaries' profit before tax	**257**	268
Corporation tax charge thereon at 19% (2020 – 19%)	**(49)**	(51)
Adjusted for the effects of:		
• non-deductible income/(expenses) and other permanent items	**–**	(4)
• adjustments in respect of previous financial year	**7**	4
• losses not currently treated as being recoverable in future periods[1]	**–**	(3)
• losses now being treated as being recoverable in future periods[2]	**–**	8
• exceptional US tax credit[3]	**7**	–
• changes in tax rate	**–**	1
• tax rates below/(above) the UK rate applied on overseas earnings[4]	**5**	(6)
Total tax charge	**(30)**	(51)

[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] In the year ending 31 March 2021, the Group's tax rate was favourably impacted by the release of £25 million of uncertain tax provision, £7 million of which was treated as an exceptional US tax credit. The remaining £18 million provision release, together with changes in, or increases to, existing provisions and the identification of new uncertain tax items for which provisions were required is reflected in the line tax rates below/(above) the UK rate applied on overseas earnings.

[4] The Group is subject to tax rates in the jurisdictions in which it operates which can be above or below the UK corporation tax rate (the Group's reference rate). In the year ending 31 March 2021, the Group's tax rate was favourably impacted by one-off local tax credits in relation to the US and by the net release of uncertain tax provisions mentioned above.

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:

		YEAR ENDED 31 MARCH 2021		YEAR ENDED 31 MARCH 2020	
CONTINUING OPERATIONS	NOTES	**PRE-TAX £M**	**TAX CREDIT £M**	PRE-TAX £M	TAX CREDIT/ (CHARGE) £M
Exceptional items					
Restructuring costs	8	**(20)**	**5**	(19)	4
Exploration of potential separation of the business	8	**(19)**	**2**	–	–
Historical legal matters		**(3)**	**1**	–	–
Primary Products' savoury business exit		**–**	**–**	(5)	1
Exceptional items		**(42)**	**8**	(24)	5
Amortisation of acquired intangibles	18	**(10)**	**3**	(11)	3
Total adjusting items	4	**(52)**	**11**	(35)	8
Exceptional tax item					
US tax credit		**–**	**7**	–	–
Total exceptional tax item	4	**–**	**7**	–	–
Total continuing operations	4	**(52)**	**18**	(35)	8

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 2019	(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)
Credited/(charged) to the income statement						
• underlying	**24**	**(1)**	**1**	**(6)**	**(2)**	**16**
• exceptional	**2**	**–**	**–**	**–**	**–**	**2**
Charged to other comprehensive income	**–**	**(13)**	**–**	**–**	**–**	**(13)**
Credited/(charged) directly to equity	**–**	**–**	**1**	**–**	**(3)**	**(2)**
Acquisitions/disposals	**–**	**–**	**–**	**–**	**(4)**	**(4)**
Currency translation differences	**8**	**(3)**	**–**	**–**	**(4)**	**1**
At 31 March 2021	**(89)**	**26**	**6**	**14**	**31**	**(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 (2020 – £12 million liability) is presented as a £32 million deferred tax asset (2020 – £30 million asset) and a £44 million deferred tax liability (2020 – £42 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 £787 million (2020 – £786 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 2021, no tax losses expired (2020 – £nil). Tax losses amounting to £7 million (2020 – £10 million) will expire within five years. The remaining tax losses have no expiry date.

A deferred tax liability of £2 million (2020 – £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

The UK budget 2021 announced on 3 March 2021 included measures to support economic recovery as a result of the ongoing Covid-19 pandemic. These included an increase in the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantially enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end. If the Group's deferred tax balances at the year-end were re-measured at 25%, this would result in a deferred tax credit of £2.4 million.

There was no impact from the imposition of new taxes.

Tax on items recognised in other comprehensive income

The total tax on other comprehensive income was an expense of £13 million (2020 – £41 million credit). This included charges to deferred tax on retirement benefit obligations of £13 million (2020 – £39 million credit). The credits recorded in the prior year include the deferred tax impact of the 'buy-in' of the main UK pension scheme described in Note 30. In addition, in the prior year, the Group has recognised current tax credits of £2 million on retirement benefit obligations.

Tax on items recognised directly in equity

The total tax charge in equity was £1 million (2020 – £2 million credit). This included deferred tax charges relating to financial instruments of £3 million (2020 – £2 million credit), a deferred tax credit on share-based payments of £1 million (2020 – £1 million charge) and a £1 million current tax credit on share-based payments (2020 – £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 679p (2020 – 733p). The dilutive effect of share-based incentives was 5.2 million shares (2020 – 6.4 million shares).

	YEAR ENDED 31 MARCH 2021			YEAR ENDED 31 MARCH 2020		
	CONTINUING OPERATIONS	**DISCONTINUED OPERATIONS**	**TOTAL OPERATIONS**	CONTINUING OPERATIONS	DISCONTINUED OPERATIONS	TOTAL OPERATIONS
Profit attributable to owners of the Company (£ million)	**253**	**–**	**253**	245	–	245
Weighted average number of ordinary shares (million) – basic	**464.2**	**–**	**464.2**	464.2	–	464.2
Basic earnings per share (pence)	**54.4p**	**–**	**54.4p**	52.8p	–	52.8p
Weighted average number of ordinary shares (million) – diluted	**469.4**	**–**	**469.4**	470.6	–	470.6
Diluted earnings per share (pence)	**53.8p**	**–**	**53.8p**	52.1p	–	52.1p

	YEAR ENDED 31 MARCH	
CALCULATION OF AVERAGE NUMBER OF ORDINARY SHARES	**2021 MILLION**	2020 MILLION
Weighted average number of ordinary shares – basic	**464.2**	464.2
Effects of dilution from:		
• Sharesave plan	**–**	0.1
• Performance share plan/Restricted share awards/Group Bonus plan – deferred element	**5.2**	6.3
Weighted average number of ordinary shares – diluted	**469.4**	470.6

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:

		YEAR ENDED 31 MARCH	
CONTINUING OPERATIONS	NOTES	**2021 £M**	2020 £M
Profit attributable to owners of the Company		**253**	245
Adjusting items:			
• exceptional items	8	**42**	24
• amortisation of acquired intangible assets	18	**10**	11
• tax impact of adjusting items	11	**(11)**	(8)
• exceptional US tax credit	8, 11	**(7)**	–
Adjusted profit attributable to owners of the Company	4	**287**	272
Adjusted basic earnings per share (pence)		**61.9p**	58.6p
Adjusted diluted earnings per share (pence)		**61.2p**	57.8p

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	
	2021 PENCE	2020 PENCE
Per ordinary share:		
• interim dividend paid	**8.8**	8.8
• final dividend proposed	**22.0**	20.8
Total dividend	**30.8**	29.6

The Directors propose a final dividend for the financial year of 22.0p per ordinary share that, subject to approval by shareholders, will be paid on 6 August 2021 to shareholders who are on the Register of Members on 25 June 2021.

Dividends on ordinary shares paid in the financial year:

	YEAR ENDED 31 MARCH	
	2021 £M	2020 £M
Final dividend paid relating to the prior financial year	**97**	97
Interim dividend paid relating to the financial year	**40**	40
Total dividend paid	**137**	137

Based on the number of ordinary shares outstanding at 31 March 2021 and the proposed amount, the final dividend for the financial year is expected to amount to £102 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. (Refer to Note 2).

	AT 31 MARCH	
	2021 £M	2020 £M
Raw materials and consumables	**280**	232
Work in progress	**21**	20
Finished goods	**231**	204
Total[1]	**532**	456

[1] Includes a £44 million positive fair value adjustment (2020 – £24 million negative) as a result of certain inventories in the US being designated as hedged items with a fair value hedging relationship.

Finished goods inventories of £2 million (2020 – £2 million) are carried at net realisable value, this being lower than cost.

In the year ended 31 March 2021, the Group recognised a write-down of inventories totalling £2 million (2020 – £6 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 and which are subject to an insignificant risk of change in value. The credit rating of short-term highly liquid investments, other than £7 million (2020 – £nil), is AAA or equivalent (2020 – AAA or equivalent).

	AT 31 MARCH	
	2021 £M	2020 £M
Short-term highly liquid investments	**305**	222
Cash at bank	**66**	49
Cash and cash equivalents	**371**	271

15. CASH AND CASH EQUIVALENTS CONTINUED

The carrying amount of cash and cash equivalents was denominated in the following currencies:

	AT 31 MARCH	
	2021 £M	2020 £M
US dollar	**311**	195
Euro	**9**	15
Sterling	**19**	42
Other	**32**	19
Total	**371**	271

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.

The Group participates in supply-chain financing arrangements. Refer to Note 5 and Note 29.

	AT 31 MARCH	
	2021 £M	2020 £M
Trade receivables	**304**	306
Less loss allowance provision	**(9)**	(12)
Trade receivables – net	**295**	294
Prepayments and accrued income	**14**	16
Margin deposits	**–**	2
Other receivables	**24**	11
Total	**333**	323

The amounts above do not include non-current other receivables of £1 million (2020 – £nil).

The carrying amount of trade and other receivables was denominated in the following currencies:

	AT 31 MARCH	
	2021 £M	2020 £M
US dollar	**219**	227
Euro	**58**	53
Sterling	**10**	4
Other	**47**	39
Total	**334**	323

The gross amount of receivables, reflecting the maximum exposure to credit risk, is £343 million (2020 – £335 million).

The loss allowance provision for trade receivables as at 31 March 2021 reconciles to the opening loss allowance for that provision as follows. There was no additional impairment of trade receivables in the year (2020 – £nil). The effect of expected credit loss on other receivables is not material.

	AT 31 MARCH 2021				
£M UNLESS OTHERWISE STATED	CURRENT	30 – 60 DAYS PAST DUE	60 – 90 DAYS PAST DUE	GREATER THAN 90 DAYS PAST DUE	TOTAL
Expected loss rate %	**1%**	**0%**	**0%**	**100%**	
Gross carrying amount	**284**	**12**	**1**	**7**	**304**
Loss allowance provision	**2**	**–**	**–**	**7**	**9**
	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

16. TRADE AND OTHER RECEIVABLES CONTINUED

	YEAR ENDED 31 MARCH 2021 £M	2020 £M
At 1 April	**12**	7
Utilisation of provision	**(1)**	–
Change in loss allowance recognised in the income statement during the year	**(2)**	5
At 31 March	**9**	12

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.

	FINANCIAL ASSETS AT FVPL £M	FINANCIAL ASSETS AT FVOCI £M	TOTAL INVESTMENTS IN EQUITIES £M
At 1 April 2020	**36**	**27**	**63**
Total gains/(losses)			
• in operating profit	**–**	**–**	**–**
• in other comprehensive income	**–**	**3**	**3**
Non-qualified deferred compensation arrangements	**8**	**–**	**8**
Purchases	**4**	**–**	**4**
Disposals	**(3)**	**–**	**(3)**
Transfer of investment on acquisition of controlling interest	**(11)**	**–**	**(11)**
Currency translation differences	**(5)**	**–**	**(5)**
At 31 March 2021	**29**	**30**	**59**
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

On 30 November 2020, the Group acquired the remaining 85% of the shares of Sweet Green Fields it did not already own. The amounts recognised at FVPL were re-measured at the date of acquisition to fair value resulting in no change in value. The fair value of the previously held investment has been included in accounting for business combinations. Refer to Note 34.

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 £29 million (2020 – £23 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 30.

The carrying value of equity investments was denominated in the following currencies:

	AT 31 MARCH 2021 £M	2020 £M
US dollar	**51**	55
Sterling	**3**	3
Euro	**5**	5
Total	**59**	63

18. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill arising in a business combination is recognised as an intangible asset and is allocated to the Cash Generating Unit (CGU) or group of CGUs that is expected to benefit from the synergies of the business combination. Goodwill is carried at cost less any recognised impairment losses (impairment tested annually).

Acquired intangible assets, principally customer relationships and know-how, were recognised as part of previous business combinations and are amortised on a straight-line basis over the periods of their expected benefit to the Group, which range from three to 15 years.

Other intangible assets comprise product development and computer software (including global IS/IT systems) and are amortised on a straight-line basis over the periods of their expected benefit to the Group. Product development is amortised over five to ten years. Capitalised costs in respect of core global IS/IT systems included within computer software are being amortised over a period of five to seven years.

Product development costs incurred on the development, design and testing of new or improved products are capitalised only when the technical and commercial feasibility of the product has been established and prior to the product going into full production. Any such assets which have not been brought into use are tested annually for impairment. Research and other related expenditures are charged to the 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 2020	**212**	**204**	**416**	**320**	**736**
Additions at cost	**–**	**–**	**–**	**19**	**19**
Subsidiaries acquired (provisional)	**40**	**18**	**58**	**–**	**58**
Disposals and write-offs	**–**	**–**	**–**	**(4)**	**(4)**
Currency translation differences	**(16)**	**(9)**	**(25)**	**(26)**	**(51)**
At 31 March 2021	**236**	**213**	**449**	**309**	**758**
Accumulated amortisation and impairment					
At 1 April 2020	**10**	**179**	**189**	**207**	**396**
Impairment charge	**–**	**–**	**–**	**5**	**5**
Amortisation charge	**–**	**10**	**10**	**23**	**33**
Disposals and write-offs	**–**	**–**	**–**	**(4)**	**(4)**
Currency translation differences	**(2)**	**(9)**	**(11)**	**(15)**	**(26)**
At 31 March 2021	**8**	**180**	**188**	**216**	**404**
Net book value at 31 March 2021	**228**	**33**	**261**	**93**	**354**
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

At 31 March 2021, the carrying value of other intangible assets is represented by product development of £31 million (2020 – £40 million), computer software of £62 million (2020 – £68 million) and assets under construction of £nil (2020 – £5 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 2021 £M	 2020 £M
Allocated by operating segment		
Food & Beverage Solutions	**200**	171
Primary Products	**28**	31
Total	**228**	202

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 1% decrease in the growth rate across the five-year cash flows would decrease headroom by 9% 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 9.4% and 8.3% in the Food & Beverage Solutions and Primary Products models respectively (2020 – 9.3% and 8.1%). 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.

Acquisitions completed during the year ended 31 March 2021 were reviewed for impairment. The carrying values were not more than their fair value less costs of disposal, and accordingly no impairment was recorded.

Impairment charge

No impairment charges in relation to goodwill have been recognised in the current financial year (2020 – £nil).

Possibility of impairment in the near future

As explained above, at the time of carrying out the annual impairment test, there were no reasonably possible changes in assumptions that would give rise to an impairment loss now or during the coming year.

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

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 2020	**694**	**2 736**	**92**	**3 522**
Additions at cost	**1**	**15**	**139**	**155**
Subsidiaries acquired	**9**	**11**	**1**	**21**
Transfers on completion	**19**	**101**	**(120)**	**–**
Disposals and write-offs	**(7)**	**(37)**	**(1)**	**(45)**
Currency translation differences	**(62)**	**(262)**	**–**	**(324)**
At 31 March 2021	**654**	**2 564**	**111**	**3 329**
Accumulated depreciation and impairment				
At 1 April 2020	**348**	**1 984**	**–**	**2 332**
Depreciation charge	**23**	**125**	**–**	**148**
Impairment charge	**3**	**–**	**–**	**3**
Disposals and write-offs	**(6)**	**(35)**	**–**	**(41)**
Currency translation differences	**(32)**	**(186)**	**–**	**(218)**
At 31 March 2021	**336**	**1 888**	**–**	**2 224**
Net book value at 31 March 2021	**318**	**676**	**111**	**1 105**
Cost				
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

Amounts relating to right-of-use assets under IFRS 16, which are included in the amounts above, are presented in more detail in Note 20. In the consolidated statement of cash flows, cash outflows relating to purchase of property, plant and equipment are lower than the amount of additions in this table primarily due to the inclusion of right-of-use assets in the figures above. The payment profile of right-of-use assets will be in line with the associated lease contracts.

20. LEASES

All leases where the Group is the lessee and the Group has the right to control the use of the identified asset are recognised in the statement of financial position (with the exception of short-term and low-value leases). The Group's leases principally comprise railcars, properties and other miscellaneous leases such as motor vehicles or machinery. At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of future lease payments. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date.

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost including the amount of lease liabilities recognised and initial direct costs incurred less any incentives granted by the lessor. Right-of-use assets are subject to impairment. Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the right-of-use assets, unless there is a transfer of ownership or purchase option which is reasonably certain to be exercised at the end of the lease term, in which case depreciation is over the useful life of the underlying asset.

Leases of buildings usually have lease terms between 1 and 16 years, while plant and machinery generally have lease terms between 1 and 20 years. The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value (typically below US$5,000). The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases and recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

20. LEASES CONTINUED

The movements in the carrying value of the Group's right-of-use assets are summarised as follows:

	LAND AND BUILDINGS £M	PLANT AND MACHINERY £M	TOTAL £M
Cost			
At 1 April 2019	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
Additions to right-of-use assets	**–**	**14**	**14**
Depreciation charge	**(7)**	**(22)**	**(29)**
Impairment	**(2)**	**–**	**(2)**
Currency translation differences	**(3)**	**(9)**	**(12)**
At 31 March 2021	**36**	**85**	**121**

The statement of profit or loss shows the following amounts relating to leases:

	YEAR ENDED 31 MARCH	
	2021 £M	2020 £M
Depreciation expense of right-of-use assets	**29**	31
Interest expense on lease liabilities	**6**	7
Expense relating to short-term leases	**–**	–
Expense relating to leases of low-value assets	**1**	2
Expense relating to variable lease payments not included in the measurement of lease liability	**–**	–
Income from sub-leasing right-of-use assets	**(1)**	(1)
	35	39

The total cash outflow for leases in the year ended 31 March 2021 was £36 million (2020 – £37 million), excluding cash outflow of £1 million (2020 – £2 million) relating to leases of low-value items. The movement in the lease liability balances is shown in Note 25 and the undiscounted maturity is shown in Note 29.

The Group has several lease contracts that include extension and termination options. The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of £1 million (2020 – £1 million). The future cash outflows relating to leases that have not yet commenced are disclosed in Note 33.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The Group has an arrangement in respect of an energy procurement contract and related infrastructure which has not been recognised as an IFRS 16 lease because the Group has determined that it does not have the right to direct the use of the related asset for the following reasons: 1) the Group did not design the asset (pipeline), 2) the amount of power to be transported is predetermined in the contract, 3) the gas supplier operates and maintains the pipeline, and 4) the Group has no rights to change how the pipeline is used.

21. 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) (refer to 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	**2021 £M**	2020 £M
At 1 April		**91**	102
Share of profit after tax of joint ventures – total operations		**26**	28
Other comprehensive expense (including foreign exchange)	23	**(6)**	(3)
Dividends paid		**(4)**	(35)
Other movements (including contributions)		**(3)**	(1)
At 31 March		**104**	91

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, Bio-PDO's statutory reporting date is also 31 December, therefore both results are consolidated on the basis of management accounts for the year to 31 March.

Income statement

	YEAR ENDED 31 MARCH 2021		
	ALMEX £M	**BIO-PDO £M**	**TOTAL £M**
Revenue	**586**	**51**	**637**
Depreciation and amortisation	**(2)**	**(9)**	**(11)**
Other expense	**(518)**	**(37)**	**(555)**
Net finance expense	**(1)**	**–**	**(1)**
Profit before tax	**65**	**5**	**70**
Income tax expense	**(17)**	**(1)**	**(18)**
Profit for the year from total operations	**48**	**4**	**52**
Other comprehensive expense (including foreign exchange)	**(4)**	**(8)**	**(12)**
Total comprehensive income/(expense)	**44**	**(4)**	**40**
Dividends	**(6)**	**(8)**	**(14)**

	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 foreign exchange)	(10)	4	(6)
Total comprehensive income	38	11	49
Dividends	(50)	(27)	(77)

21. INVESTMENTS IN JOINT VENTURES CONTINUED

Statement of financial position

	AT 31 MARCH 2021		
	ALMEX £M	BIO-PDO £M	TOTAL £M
Assets			
Non-current assets	**48**	**53**	**101**
Cash and cash equivalents	**7**	**19**	**26**
Other current assets	**200**	**18**	**218**
	255	**90**	**345**
Liabilities			
Non-current liabilities	**16**	**–**	**16**
Current borrowings	**47**	**–**	**47**
Other current liabilities	**65**	**9**	**74**
	128	**9**	**137**
Net assets	**127**	**81**	**208**

	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

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 2020	**91**	**90**	**181**
Profit for the year from total operations	**48**	**4**	**52**
Other comprehensive expense (including foreign exchange)	**(4)**	**(8)**	**(12)**
Dividends	**–**	**(8)**	**(8)**
Other movements (including contributions)	**(8)**	**3**	**(5)**
Closing net assets at 31 March 2021	**127**	**81**	**208**
Interest in joint venture (%)	**50%**	**50%**	
Carrying value at 31 March 2021	**64**	**40**	**104**
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 foreign 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

22. SHARE CAPITAL AND SHARE PREMIUM

	ORDINARY SHARE CAPITAL £M	SHARE PREMIUM £M	TOTAL £M
At 1 April 2019 and 2020	**117**	**406**	**523**
Allotted under share option schemes	**–**	**1**	**1**
At 31 March 2021	**117**	**407**	**524**

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 2021		YEAR ENDED 31 MARCH 2020	
	NUMBER OF SHARES*	COST £M	NUMBER OF SHARES*	COST £M
At 1 April	**468 401 671**	**117**	468 345 950	117
Allotted under share option schemes	**56 722**	**–**	55 721	–
At 31 March	**468 458 393**	**117**	468 401 671	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 (refer Note 31). 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 2021		YEAR ENDED 31 MARCH 2020	
	NUMBER OF SHARES	COST £M	NUMBER OF SHARES	COST £M
At 1 April	**5 122 967**	**38**	5 251 587	38
Purchased in the market[1]:				
• into the EBT	**–**	**–**	1 635 490	13
Transferred to employees:				
• from treasury	**–**	**–**	(805 138)	(6)
• from the EBT	**(1 155 773)**	**(8)**	(958 972)	(7)
At 31 March	**3 967 194**	**30**	5 122 967	38

[1] IFRS 2 permits net settled share-based payments to be treated as equity-settled in full, if certain criteria were met, rather than the tax element being cash-settled. The amount transferred to the tax authorities in the year was £5 million (2020 – £9 million) and has been recognised within financing activities in the consolidated statement of cash flows.

	AT 31 MARCH 2021			AT 31 MARCH 2020		
	NUMBER OF SHARES	MARKET VALUE £M	% OF OUTSTANDING SHARE CAPITAL	NUMBER OF SHARES	MARKET VALUE £M	% OF OUTSTANDING SHARE CAPITAL
Shares held in the EBT	**3 967 194**	**30**	**0.8%**	5 122 967	34	1.1%
Total	**3 967 194**	**30**	**0.8%**	5 122 967	34	1.1%

23. OTHER RESERVES

	HEDGING RESERVE £M	FVOCI RESERVE £M	CURRENCY TRANSLATION RESERVE £M	PRE-IFRS RESERVES £M	TOTAL £M
At 1 April 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
Cash flow hedges:					
• fair value gain in the year	**1**	**–**	**–**	**–**	**1**
• hedging loss transferred to inventory	**12**	**–**	**–**	**–**	**12**
• tax effect of the above items	**(3)**	**–**	**–**	**–**	**(3)**
FVOCI financial assets:					
• fair value gain in the year	**–**	**3**	**–**	**–**	**3**
Currency translation differences:					
• loss on currency translation of foreign operations	**–**	**–**	**(141)**	**–**	**(141)**
• fair value gain on net investment hedges	**–**	**–**	**39**	**–**	**39**
Share of other comprehensive expense of joint ventures	**(4)**	**–**	**(2)**	**–**	**(6)**
At 31 March 2021	**4**	**4**	**32**	**104**	**144**

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 including investments in equity.

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 28.

The pre-IFRS reserve relates to amounts previously recorded in reserves prior to transition to IFRS and relates predominantly to merger reserves.

24. 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 2021 £M	 2020 £M
Current payables		
Trade payables	**267**	250
Social security	**12**	6
Accruals and deferred income	**108**	101
Margin payables	**16**	–
Other payables	**28**	13
Total	**431**	370

There were no non-current other payables as at 31 March 2021 (2020 – £nil).

The carrying amount of trade and other payables was denominated in the following currencies:

	AT 31 MARCH 2021 £M	 2020 £M
US dollar	**287**	268
Euro	**67**	58
Sterling	**31**	21
Other	**46**	23
Total	**431**	370

25. 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 (refer to Note 28).

Non-current borrowings

	AT 31 MARCH 2021 £M	 2020 £M
2,394,000 6.5% cumulative preference shares of £1 each	**2**	2
Industrial Revenue Bonds 2023–2036 (US$70,100,000)	**51**	56
US Private Placement Notes[1]	**577**	480
Bank loans (unsecured)	**–**	3
Total loan notes	**630**	541
Lease liabilities	**116**	141
Total non-current borrowings	**746**	682

[1] At 31 March 2021, the US Private Placement Notes consisted of US$800 million (2020 – US$600 million) that will mature from calendar year 2023 to 2032 (2020 – 2023 to 2031) and are net of deferred arrangement fees.

25. BORROWINGS CONTINUED

Current borrowings

	AT 31 MARCH	
	2021 £M	2020 £M
Short-term loans and facilities	**15**	10
Total loan notes	**15**	10
Lease liabilities	**27**	30
Total current borrowings	**42**	40

On 6 August 2020, the Group issued a US$200 million (£152 million) debt private placement comprising US$100 million 2.91% notes maturing in 2030 and US$100 million 3.01% notes maturing in 2032.

In the prior year, 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.

Effective interest rates

The effective interest rates of the Group's borrowings are as follows:

	YEAR ENDED 31 MARCH	
	2021	2020
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	**1.7%**	3.4%
2,394,000 6.5% cumulative preference shares of £1 each	**6.5%**	6.5%
Lease liabilities	**3.6%**	3.8%
Industrial Revenue Bonds 2023–2036 (US$70,100,000)[2]	**0.2%**	1.6%
US$100m 3.31% US Private Placement Notes 2029	**3.3%**	3.3%
US$100m 3.41% US Private Placement Notes 2031	**3.4%**	3.4%
US$100m 2.91% US Private Placement Notes 2030	**2.9%**	–
US$100m 3.01% US Private Placement Notes 2032	**3.0%**	–
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] In the prior year the 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. The effective interest rate of short-term loans is 5.8% (2020 – 5.8%).

Credit facilities and arrangements

During May 2020, the Group extended the maturity of its committed but undrawn US$800 million revolving credit facility by one year to March 2025. In March 2021, US$700 million of this facility was then extended for a further year to March 2026. The financial covenant thereon is described in the 'Liquidity risk management' section of Note 29. At 31 March 2021, the facility had a sterling equivalent value of £579 million (2020 – £642 million) and was undrawn.

The facility incurs commitment fees at market rates prevailing when the facility was arranged. The lenders have the right, but not the obligation, to cancel their commitments in the event of specified events of default (principally an expected covenant breach or insolvency of the Group).

26. CHANGE IN WORKING CAPITAL AND OTHER NON-CASH MOVEMENTS

	YEAR ENDED 31 MARCH	
	2021 £M	2020 £M
Increase in inventories	**(27)**	(16)
(Increase)/decrease in receivables	**(38)**	11
Increase in payables	**40**	19
Movement in derivative financial instruments (excluding debt-related derivatives)	**(20)**	(7)
Increase/(decrease) in provisions for other liabilities and charges	**12**	(8)
Change in working capital	**(33)**	(1)
Other non-cash movements	**9**	3
Change in working capital and other non-cash movements	**(24)**	2

27. NET DEBT

Reconciliation of the movement in cash and cash equivalents to the movement in net debt:

	YEAR ENDED 31 MARCH	
	2021 £M	2020 £M
Net debt at beginning of the year	**(451)**	(504)
Net increase/(decrease) in cash and cash equivalents	**135**	(17)
Net (increase)/decrease in borrowings and leases	**(113)**	114
Decrease in net debt resulting from cash flows	**22**	97
Currency translation differences[1]	**39**	(22)
Fair value and other movements	**–**	2
Subsidiaries acquired	**(7)**	–
Leases non-cash movements	**(20)**	(24)
Decrease in net debt in the year	**34**	53
Net debt at end of the year	**(417)**	(451)

[1] Includes the foreign currency element of the fair value movement on cross currency swaps (2020 only) 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 £M	DEBT-RELATED DERIVATIVES £M	TOTAL £M
At 1 April 2019	285	(764)	(25)	(504)
Movement from cash flows	(17)	85	29	97
Currency translation differences[1]	3	(24)	(1)	(22)
Fair value and other movements	–	5	(3)	2
Leases non-cash movements	–	(24)	–	(24)
At 31 March 2020	271	(722)	–	(451)
Movement from cash flows	**135**	**(113)**	**–**	**22**
Currency translation differences[1]	**(35)**	**74**	**–**	**39**
Subsidiaries acquired	**–**	**(7)**	**–**	**(7)**
Fair value and other movements	**–**	**–**	**–**	**–**
Leases non-cash movements	**–**	**(20)**	**–**	**(20)**
At 31 March 2021	**371**	**(788)**	**–**	**(417)**

[1] Includes the foreign currency element of the fair value movement on cross currency swaps (2020 only) and the translation of foreign denominated borrowings.

At 31 March 2021, total liabilities arising from financing activities were £788 million (2020 – £722 million).

At 31 March 2021, the Group held no debt-related derivative financial instruments (i.e. there were no currency and interest rate swaps used to manage the currency and interest rate profile of the Group's net debt). Such derivative financial instruments matured in November 2019 on the refinancing of the £200 million bond and no additional debt-related derivative financial instruments were entered into after that date. As such, at 31 March 2021 and 31 March 2020, the Group had no debt-related derivative financial instruments.

27. NET DEBT CONTINUED

Net debt is denominated in the following currencies:

	AT 31 MARCH 2021 £M	2020 £M
US dollar	**(440)**	(488)
Euro	**(1)**	14
Sterling	**5**	13
Other	**19**	10
Total	**(417)**	(451)

28. FINANCIAL INSTRUMENTS

Financial instruments comprise investments (other than investments in joint ventures), trade receivables, cash and cash equivalents, payables and accruals, borrowings and derivative financial instruments.

Derivatives are measured at fair value with any related transaction costs expensed as incurred. The treatment of changes in the value of derivatives depends on their use as explained below.

Fair value hedges Hedging relationships are classified as fair value hedges where the hedging instrument hedges the exposure to changes in the fair value of a recognised asset or liability that is attributable to a particular risk. Where the hedging relationship is classified as a fair value hedge, the carrying amount of the hedged asset or liability is adjusted by, or a firm commitment is recorded for, the change in its fair value attributable to the hedged risk only and the resulting gain or loss is recognised in the 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 2021 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	**–**	**–**	**–**	**59**	**59**	**59**
Trade and other receivables	16	**320**	**–**	**–**	**–**	**320**	**320**
Cash and cash equivalents	15	**371**	**–**	**–**	**–**	**371**	**371**
Trade and other payables	24	**(419)**	**–**	**–**	**–**	**(419)**	**(419)**
Borrowings	25	**(788)**	**–**	**–**	**–**	**(788)**	**(815)**
Forward foreign exchange contract		**–**	**–**	**–**	**–**	**–**	**–**
Commodity derivative net assets		**–**	**15**	**–**	**–**	**15**	**15**
Other net financial assets							
• commodity pricing contracts		**–**	**–**	**6**	**–**	**6**	**6**

28. FINANCIAL INSTRUMENTS CONTINUED

Financial instruments by category continued

		AT 31 MARCH 2020					
	NOTES	AMORTISED COST/CASH £M	DERIVATIVES IN A HEDGING RELATIONSHIP £M	HEDGED ITEM (FAIR VALUE HEDGE) £M	INVESTMENTS IN EQUITIES £M	TOTAL CARRYING VALUE £M	FAIR VALUE £M
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	24	(364)	–	–	–	(364)	(364)
Borrowings	25	(722)	–	–	–	(722)	(727)
Forward foreign exchange contract		–	1	–	–	1	1
Commodity derivative net liabilities		–	(17)	–	–	(17)	(17)
Other net financial assets							
• commodity pricing contracts		–	–	48	–	48	48

Investments in equities comprise financial assets recognised at fair value through the income statement (FVPL), and financial assets recognised at fair value through OCI (FVOCI). Further analysis is provided in Note 17.

Trade and other receivables presented above excludes £14 million (2020 – £16 million) relating to prepayments. Trade and other payables presented above excludes £12 million (2020 – £6 million) relating to social security.

There are no listed bonds as at 31 March 2021 (2020 – £nil). At that date, the Group held US$800 million US Private Placement Notes with a carrying value of £577 million (2020 – US$600 million US Private Placement Notes with a carrying value of £480 million) and a fair value of £604 million, (2020 – £485 million) measured by discounted estimated cash flows based on broker dealer quotations and are categorised as Level 3 for fair value measurement. The remaining borrowings had a fair value measured by discounted estimated cash flows with an applicable market quoted yield and are categorised as Level 2 for fair value measurement.

Derivatives assets/(liabilities) and other financial assets/(liabilities) are presented in the statement of financial position as follows:

	AT 31 MARCH 2021		AT 31 MARCH 2020	
	ASSETS £M	**LIABILITIES £M**	ASSETS £M	LIABILITIES £M
Non-current derivative financial instruments	**1**	**–**	1	(2)
Current derivative financial instruments	**23**	**(9)**	5	(20)
	24	**(9)**	6	(22)
Other non-current financial assets/(liabilities)	**–**	**–**	–	–
Other current financial assets/(liabilities)	**32**	**(26)**	67	(19)
	32	**(26)**	67	(19)

Derivatives are only used for economic hedging purposes and not as speculative investments.

Fair value hedges

In the 2020 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 29. These derivative financial instruments matured in November 2019 on the refinancing of the £200 million bond and no additional debt-related derivative financial instruments were entered into after that date. This fair value hedge was therefore discontinued during the prior financial year.

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.

	AT 31 MARCH	
US NET CORN POSITION (FUTURES AND BASIS) IN EFFECTIVE FAIR VALUE HEDGE ACCOUNTING RELATIONSHIPS	**2021 £M**	2020 £M
Nominal amounts of corn futures contracts (expressed in millions of bushels)	**(1)bu**	37bu
Gross carrying amount of outstanding hedged items: assets	**88**	41
Gross carrying amount of outstanding hedged items: liabilities	**(71)**	(36)
Carrying amount of hedging instrument	**3**	(4)
Hedge ratio	**1:1**	1:1
Change in intrinsic value of outstanding hedging instruments used to determine hedge effectiveness	**7**	(2)
Change in intrinsic value of outstanding hedging item used to determine hedge effectiveness	**12**	4
Ineffectiveness recognised in profit or loss	**19**	2

28. FINANCIAL INSTRUMENTS CONTINUED

Fair value hedges continued

US NET CORN POSITION (NET CO-PRODUCTS) IN EFFECTIVE FAIR VALUE HEDGE ACCOUNTING RELATIONSHIPS	AT 31 MARCH 2021 £M	 2020 £M
Nominal amounts of co-product futures contracts (expressed in metric tonnes)	**–**	–
Gross carrying amount of outstanding hedged items: assets	**46**	27
Gross carrying amount of outstanding hedged items: liabilities	**(13)**	(8)
Carrying amount of hedging instrument	**–**	–
Hedge ratio	**1:1**	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	**14**	2
Ineffectiveness recognised in profit or loss	**14**	2

Net investment hedges

The Group held some currency swaps contracts that matured in November 2019 on the refinancing of the £200 million bond and no additional debt-related derivative financial instruments were entered into after that date. This net investment hedge was therefore discontinued during the prior financial year.

The Group employs borrowings to hedge the currency risk associated with its net investments in subsidiaries located in the US and Europe. The Group's borrowings designated as net investment hedges are principally in US dollars and are presented in the table below.

BORROWINGS USED TO NET INVESTMENT HEDGE CURRENCY TRANSLATION RISK	AT 31 MARCH 2021 £M	 2020 £M
Notional principal amounts of borrowings (weighted liability)	**363**	396
Gain/(loss) on translation of borrowings recognised in currency translation reserve	**39**	(16)
Carrying amount of hedging instrument	**363**	396
Maturity date	**Oct 2023-Aug 2032**	Oct 2023-Nov 2031
Hedge ratio	**1:1**	1:1
Change in intrinsic value of outstanding hedging instruments used to determine hedge effectiveness	**39**	(16)
Change in intrinsic value of outstanding hedging item used to determine hedge effectiveness	**(39)**	16
Weighted average foreign currency rate for the year (/£1)	**$1.34**	$1.27
Ineffectiveness recognised in profit or loss	**–**	–
Cumulative loss remaining in translation reserve[1]	**(78)**	(117)

[1] Cumulative loss remaining in translation reserve in relation to US Private Placement Notes is £22 million (2020 – £61 million).

In addition, in the year ended 31 March 2021, a weighted average total of £3 million (2020 – £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 £nil (2020 – £1 million loss).

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 2021 is £5 million asset (2020 – £6 million liability). There was no ineffectiveness recorded in the current or prior financial year. As at 31 March 2021 the Group also held forward foreign exchange contracts designated as cash flow hedges with a fair value of £nil (2020 – £1 million assets).

Financial instruments measured at fair value: the fair value hierarchy

Fair value measurements are categorised into three different levels based on the degree to which the inputs used to arrive at the fair value of the assets and liabilities are observable and the significance of the inputs to the fair value measurement in its entirety, as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date. The prices of equity shares or bonds quoted on the London Stock Exchange are examples of Level 1 inputs.
- Level 2 inputs are those, other than quoted prices included in Level 1 that are observable either directly or indirectly.
- Level 3 inputs are unobservable inputs. The Group generally classifies assets or liabilities as Level 3 when their fair value is determined using unobservable inputs that individually, or when aggregated with other unobservable inputs, represent more than 10% of the fair value of the observable inputs of the assets or liabilities. This would include expected future cash flows from budgets and forecasts the Group has made. 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.

28. FINANCIAL INSTRUMENTS CONTINUED

Financial instruments measured at fair value: the fair value hierarchy continued

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 2021 and 31 March 2020:

		AT 31 MARCH 2021			
	NOTES	LEVEL 1 £M	LEVEL 2 £M	LEVEL 3 £M	TOTAL £M
Assets at fair value					
Financial assets at FVPL	17	**–**	**–**	**29**	**29**
Financial assets at FVOCI	17	**–**	**–**	**30**	**30**
Derivative financial instruments:					
• forward foreign exchange contracts		**–**	**–**	**–**	**–**
• commodity derivatives		**24**	**–**	**–**	**24**
Other financial assets (commodity pricing contracts)[1]		**–**	**21**	**11**	**32**
Assets at fair value		**24**	**21**	**70**	**115**
Liabilities at fair value					
Derivative financial instruments:					
• currency swaps		**–**	**–**	**–**	**–**
• commodity derivatives		**(9)**	**–**	**–**	**(9)**
Other financial liabilities (commodity pricing contracts)[1]		**–**	**–**	**(26)**	**(26)**
Liabilities at fair value		**(9)**	**–**	**(26)**	**(35)**

[1] Fair value adjustments due to risks hedged.

		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.

28. FINANCIAL INSTRUMENTS CONTINUED

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 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
Income statement:					
• prior year amounts settled	**(67)**	**15**	**–**	**–**	**(52)**
• current year net gain/(loss)[1]	**11**	**(25)**	**–**	**–**	**(14)**
Other comprehensive income	**–**	**–**	**–**	**3**	**3**
Non-qualified deferred compensation arrangements (Note 17)	**–**	**–**	**8**	**–**	**8**
Purchases	**–**	**–**	**4**	**–**	**4**
Disposals	**–**	**–**	**(3)**	**–**	**(3)**
Transfer of investment on acquiring controlling interest	**–**	**–**	**(11)**	**–**	**(11)**
Currency translation differences	**–**	**–**	**(5)**	**–**	**(5)**
At 31 March 2021	**11**	**(26)**	**29**	**30**	**44**

[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 29. The table below describes the valuation techniques in relation to Level 3 financial instruments and isolates the unobservable inputs.

TYPE	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	SENSITIVITY OF THE FAIR VALUE MEASUREMENT IN REASONABLE CHANGES TO INPUTS
Net corn position (refer to Fair value of purchases, sales and inventory of corn-based products section in Note 2).	Based on the Group's own assessment of the commodity, supply and demand, as well as expected pricing.	1. Co-products	1. A 25% increase/(decrease) in the price of co-products would result in a net increase/(decrease) in fair value of £14 million (2020 – £6 million) in respect of Level 3 financial instruments.
		2. Basis	2. A 50% increase/(decrease) in the cost of basis would result in a net increase/(decrease) in fair value of £9 million (2020 – £2 million) in respect of Level 3 financial instruments.

Assets classified as FVOCI are long-term strategic investments that we do not control, nor have significant influence over. The investments are non-listed and are mainly start-ups or in the earlier stages of their lifecycle. Therefore, fair value has been determined based on the most recent funding rounds adjusted for indicators of impairment. The fair values assigned to each of the investments have different significant unobservable inputs. Assets classified as FVPL largely consists of a 'non-qualified defined contribution' pension scheme for which the movements in its assets are largely offset by corresponding movements on retirement benefit liabilities. For more details refer to Note 17.

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.

In addition to the above, the Group's FVOCI and FVPL financial assets are sensitive to a number of market and non-market factors.

29. 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 28.

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 2021		AT 31 MARCH 2020	
	INCOME STATEMENT -/+ £M	**EQUITY -/+ £M**	INCOME STATEMENT -/+ £M	EQUITY -/+ £M
Sterling/US dollar 10% change	**1**	**38**	1	44
Sterling/euro 10% change	**–**	**–**	–	–

Interest rate management

The Group has an exposure to interest rate risk, arising principally from changes in US dollar interest rates. In the 2021 and 2020 financial years, the objective of optimising net finance expense and reducing volatility in reported earnings was achieved by ensuring an optimal mix of fixed and floating rate debt. The Group retains the option of entering into interest rate swaps and a recommendation is made to the Group's Board each year on how to best manage interest rate risk for the forthcoming 12 months. The Group currently has low levels of net debt and secure long-term borrowings which are mostly fixed at low interest rates.

The proportion of gross debt managed by the Group's treasury function at 31 March 2021 that was fixed or capped for more than one year was 80% (2020 – 75%). At 31 March 2021, the longest term of any fixed rate debt held by the Group was until 2032 (2020 – until 2031).

Given the proportion of debt that is fixed rate debt, as at 31 March 2021, if interest rates increased by 100 basis points, Group profit before tax would increase by £2 million (2020 – £1 million increase). If interest rates decreased by 100 basis points, or less where applicable, Group profit before tax would decrease by £nil (2020 – £nil). 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 (2020 – £2 million).

29. RISK MANAGEMENT CONTINUED

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 certain derivative 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 2021, a 50% increase/decrease in the price of corn would result in a decrease/increase to the income statement of £1 million (2020 – £2 million) and related decrease/increase in other components of equity of £2 million (2020 – £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 28. Full details of the valuation technique are also included in Note 28.

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 28.

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 Dun & Bradstreet (2020 – Credit Safe). 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 175. Refer to Note 16 for the effect of expected credit loss on the Group's trade receivables.

Liquidity risk management

The Group manages its exposure to liquidity risk and ensures maximum flexibility in meeting changing business needs by maintaining access to a wide range of funding sources, including capital markets and bank borrowings. The majority of the Group's borrowings are raised through the Group treasury company, Tate & Lyle International Finance PLC, and are then on-lent to the business units on an arm's length basis.

At the year end, the Group held cash and cash equivalents of £371 million (2020 – £271 million) and had committed undrawn facilities of £579 million (2020 – £642 million). These resources are maintained to provide liquidity back-up and to meet the projected maximum cash outflow from debt repayment, capital expenditure and seasonal working capital needs foreseen for at least a year into the future at any one time. The Group policy requires that available liquidity (undrawn committed facilities plus cash) is greater than £400 million and minimum liquidity requirements are maintained in order to retain an investment grade credit rating, per any relevant published definitions of Standard & Poor's and Moody's.

At 31 March 2021, the average maturity of the Group's drawn financing was 7.3 years (2020 – 7.3 years).

To allow more effective management of interest rate risk and optimisation of overall cost of debt, the Group policy is as follows; a) no more than 20% of the total Group gross debt plus undrawn committed facilities should mature within 12 months from balance sheet date b) the Group's core undrawn committed bank facility must be refinanced no later than 12 months prior to its full maturity, and c) at least 50% of drawn debt should have a maturity of more than 2.5 years. At 31 March 2021, after taking account of undrawn committed facilities, the Group was compliant with the policy.

The Group has a core committed revolving credit facility of US$800 million. In March 2021, the Group extended the maturity of US$700 million of the US$800 million revolving credit facility by a year, to March 2026. This facility is unsecured and contains one financial covenant, that the multiple of net debt to EBITDA, as defined in the facility agreement, should not be greater than 3.5 times. The Group policy requires that net debt is managed within the target range of 1.5 – 2.5 times EBITDA (including the impact of IFRS 16).

At 31 March 2020, the Group had US$600 million of US Private Placement notes which mature between 2023 and 2031. In August 2020, the Group issued a further US$200 million of US Private Placement notes consisting of US$100 million 2.91% notes maturing in 2030 and US$100 million 3.01% notes maturing in 2032. Therefore, at 31 March 2021, the Group had US$800 million of US Private Placement notes which mature between 2023 and 2032. These notes contain financial covenants that the multiple of net debt to EBITDA, as defined in the note purchase agreement, should not be greater than 3.5 times.

The ratios for this financial covenant were:

	YEAR ENDED 31 MARCH	
	2021 TIMES	2020 TIMES
Net debt/EBITDA[1]	**0.6**	0.6

[1] This financial covenant applies to both the revolving credit facility and US Private Placement notes at 31 March 2021 and 31 March 2020.

29. RISK MANAGEMENT CONTINUED

Liquidity risk management continued

The Group monitors compliance against all its financial obligations and it is Group policy to manage the consolidated statement of financial position so as to operate well within these covenanted restrictions. In both the current and prior reporting periods, the Group complied with its financial covenants at all measurement points. (The Group is required to report on covenants after the interim and year-end reporting dates).

In the past, the net debt to EBITDA ratio was reported as key performance metrics in line with the calculation methodology used for financial covenants on the Group's borrowing facilities. Following the refinancing of the revolving credit facility and the amended covenant definitions, the Group has simplified the calculation of its KPIs to make them more directly related to information in the Group's financial statements. The simplified calculation of net debt to EBITDA is reported in Note 4.

The table below analyses the undiscounted cash flows related to the Group's non-derivative financial liabilities and derivative assets and liabilities.

	AT 31 MARCH 2021		
Liquidity analysis	**< 1 YEAR £M**	**1 – 5 YEARS £M**	**> 5 YEARS £M**
Borrowings	**(8)**	**(229)**	**(404)**
Lease liabilities	**(32)**	**(95)**	**(32)**
Interest on borrowings	**(20)**	**(74)**	**(55)**
Trade and other payables	**(419)**	**–**	**–**
Derivative contracts:			
• receipts	**84**	**–**	**–**
• payments	**(84)**	**–**	**–**
Commodity derivatives	**12**	**2**	**–**

	AT 31 MARCH 2020		
Liquidity analysis	< 1 YEAR £M	1 – 5 YEARS £M	> 5 YEARS £M
Borrowings	(2)	(112)	(431)
Lease liabilities	(36)	(110)	(48)
Interest on borrowings	(19)	(69)	(54)
Trade and other payables	(364)	–	–
Derivative contracts:			
• receipts	90	–	–
• payments	(90)	–	–
Commodity derivatives	(16)	(1)	–

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 forward exchange contracts. Commodity pricing contracts included above represent options and futures. Commodity pricing contracts classified within Level 2 and Level 3 of fair value measurement (included in other current financial assets/(liabilities) on the balance sheet) are not included in the liquidity analysis above as they are not settled for cash.

The Group also participated in certain customer-led supply chain financing arrangements which resulted in an earlier payment through an intermediary (usually a bank) at a discount. Other than a working capital benefit relating to these arrangements of £203 million in the year ended 31 March 2021 (2020 – £174 million) and the supply chain financing costs, there is no further impact on the Group's accounting on the basis that once the intermediary has settled the receivable there is no further recourse to the Group in the event the customer defaults on its payment to the intermediary. The classification of the receivable is not changed as the Group is not able to instigate collection ahead of the contractual terms of this arrangement meaning that the business model's objective continues to be holding assets in order to collect contractual cash flows. The discount incurred is recorded as a reduction of revenue.

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 2021, the long-term credit rating from Moody's was Baa2 (stable outlook) (2020 – Baa2) and from S&P was BBB (stable outlook) (2020 – BBB).

The Group regards its total capital as follows:

	NOTE	**2021 £M**	2020 £M
Net debt	27	**417**	451
Equity attributable to owners of the Company		**1 459**	1 399
Total capital		**1 876**	1 850

30. 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. At 31 March 2021, the Group's retirement benefit obligations are in a net deficit of £140 million (2020 – deficit of £203 million).

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.

In the prior year the Group supported the trustees of the main UK pension scheme in completing a £930 million bulk annuity insurance policy 'buy-in' for that scheme. As a result, the assets of the main UK pension scheme were replaced with an insurance asset matching UK scheme liabilities. Under a 'buy-in', an insurance company undertakes to 'track' the liability with an insurance policy that exactly matches the liability, thereby enabling a full netting of the liability being tracked. A 'buy-in' is not a settlement and the liability is not derecognised as the Group retains the ultimate responsibility for funding of the plan. The impact of this transaction in the year ended 31 March 2020, was to record a re-measurement loss of £195 million to other comprehensive income. There was no impact on profit before tax. As a result, in the current year, the actuarial movements in the liabilities subject to the 'buy-in' are matched by an equal and opposite movement on its assets both recorded in other comprehensive income.

The UK plans are closed to new entrants and to future accrual. In the UK, scheme members can elect to forego a portion of their future pension benefits, in return for a lump sum payment, or a transfer out to other arrangements. These amounts are excluded from future benefit projections.

The US plans, presented below, principally comprise:

- two funded plans where plan assets are held separately from those of the Group in funds that are under the control of an investment management committee. These plans are closed to new entrants and to future accrual
- a retirement benefit plan to certain employees which is funded but the associated assets do not qualify for recognition as IAS 19 plan assets. As such the plan is presented below as funded. The related assets are recognised as FVPL assets within investments in equities (refer to Note 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 2021 was £57 million (2020 – £75 million). The Group paid £3 million (2020 – £4 million) into this plan in the year. Details on assumptions applied in the calculation of the liability and sensitivity analysis thereon is included in this note.

The Group operates defined contribution pension plans in a number of countries. Contributions payable by the Group to these plans during the year amounted to £8 million (2020 – £8 million).

30. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

Movement in net defined benefit asset/(liability)

Analysis of net defined benefit asset/(liability)

	AT 31 MARCH 2021			AT 31 MARCH 2020		
	UK PLANS* £M	US PLANS £M	TOTAL £M	UK PLANS* £M	US PLANS £M	TOTAL £M
Benefit obligations:						
Funded plans	**(957)**	**(505)**	**(1 462)**	(896)	(569)	(1 465)
Unfunded plans	**(3)**	**(108)**	**(111)**	(4)	(141)	(145)
	(960)	**(613)**	**(1 573)**	(900)	(710)	(1 610)
Fair value of plan assets	**942**	**491**	**1 433**	881	526	1 407
Net deficit	**(18)**	**(122)**	**(140)**	(19)	(184)	(203)
Presented in the statement of financial position as:						
Retirement benefit surplus	**3**	**15**	**18**	3	1	4
Retirement benefit deficit	**(21)**	**(137)**	**(158)**	(22)	(185)	(207)
Net deficit	**(18)**	**(122)**	**(140)**	(19)	(184)	(203)

* Includes £3 million (2020 – £4 million) relating to legacy unfunded retirement benefit plans of European subsidiaries.

Net defined benefit asset/(liability) reconciliation

	UK PLANS £M	US PLANS FUNDED £M	US PLANS UNFUNDED* £M	TOTAL £M
Net deficit at 1 April 2020	**(19)**	**(43)**	**(141)**	**(203)**
Income statement:				
• current service costs	**–**	**–**	**(1)**	**(1)**
• administration costs	**(1)**	**(1)**	**–**	**(2)**
• net interest expense US plans	**–**	**(1)**	**(4)**	**(5)**
Other comprehensive income:				
• actual return higher than interest on plan assets	**99**	**30**	**–**	**129**
• actuarial (loss)/gain:				
– changes in financial assumptions	**(107)**	**–**	**7**	**(100)**
– changes in demographic assumptions	**(3)**	**4**	**1**	**2**
– experience against assumptions	**9**	**–**	**9**	**18**
Other movements:				
• employer's contribution	**2**	**2**	**7**	**11**
• non-qualified deferred compensation arrangements	**–**	**(9)**	**–**	**(9)**
• currency translation differences	**2**	**4**	**14**	**20**
Net deficit at 31 March 2021	**(18)**	**(14)**	**(108)**	**(140)**

* Included within US unfunded plans is the retirement medical plan of £57 million (2020 – £75 million).

Analysis of movement in the benefit obligations

	UK PLANS £M	US PLANS FUNDED £M	US PLANS UNFUNDED £M	TOTAL £M
At 1 April 2020	**(900)**	**(569)**	**(141)**	**(1 610)**
Income statement:				
• current service costs	**–**	**–**	**(1)**	**(1)**
• interest costs	**(20)**	**(15)**	**(4)**	**(39)**
Other comprehensive income:				
• actuarial (loss)/gain:				
– changes in financial assumptions	**(107)**	**–**	**7**	**(100)**
– changes in demographic assumptions	**(3)**	**4**	**1**	**2**
– experience against assumptions	**9**	**–**	**9**	**18**
Other movements:				
• benefits paid	**58**	**28**	**7**	**93**
• non-qualified deferred compensation arrangements	**–**	**(9)**	**–**	**(9)**
• currency translation differences	**3**	**56**	**14**	**73**
At 31 March 2021	**(960)**	**(505)**	**(108)**	**(1 573)**

30. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

Analysis of movement in plan assets

	UK PLANS £M	US PLANS FUNDED £M	US PLANS UNFUNDED £M	TOTAL £M
At 1 April 2020	**881**	526	–	1 407
Income statement:				
• administration costs	**(1)**	(1)	–	(2)
• interest gains	**20**	14	–	34
Other comprehensive income:				
• actual return higher than interest on plan assets	**99**	30	–	129
Other movements:				
• employer contributions	**2**	2	–	4
• benefits paid	**(58)**	(28)	–	(86)
• currency translation differences	**(1)**	(52)	–	(53)
At 31 March 2021	**942**	**491**	**–**	**1 433**

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 2021		AT 31 MARCH 2020	
PRINCIPAL ASSUMPTIONS	UK	US	UK	US
Inflation rate	**2.7%/3.4%**	**2.5%**	1.8%/2.8%	2.5%
Expected rate of salary increases	**n/a**	**3.0%**	n/a	3.0%
Expected rate of pension increases:				
• deferred pensions	**2.7%**	**n/a**	1.8%	n/a
• pensions in payment	**3.3%**	**n/a**	2.8%	n/a
Discount rate	**1.9%**	**2.9%**	2.3%	2.9%
Average life expectancy				
• male aged 65 now/in 20 years	**21.3/22.9 years**	**20.6/23.3 years**	21.1/22.8 years	20.6/22.2 years
• female aged 65 now/in 20 years	**23.7/25.4 years**	**22.5/25.2 years**	23.5/25.2 years	22.5/24.1 years

Principal assumptions used in calculating the US medical benefit obligation are medical cost inflation and the discount rate applied to the expected benefit payments. The Group has assumed medical cost inflation at 6.5% per annum (2020 – 7.0%), grading down to 6% by 2023, and used a discount rate of 2.8% (2020 – 2.8%).

At 31 March 2021, 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	**48**	**(46)**
Life expectancy	1 year	**74**	**(73)**
Discount rate	50 bp	**(93)**	**103**

[1] Inflation rate sensitivity covers the inflation assumption, expected rate of salary increases assumption and expected rate of pensions in payment increases assumption.

30. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

Analysis of plan assets

	YEAR ENDED 31 MARCH 2021			YEAR ENDED 31 MARCH 2020		
	UK £M	US £M	TOTAL £M	UK[2] £M	US £M	TOTAL £M
Quoted[1]						
Equities	**3**	**–**	**3**	2	–	2
Corporate bonds	**2**	**–**	**2**	2	–	2
Investment funds	**5**	**–**	**5**	6	–	6
Liability Driven Investments (LDI) fixed income	**–**	**487**	**487**	–	522	522
Cash	**8**	**–**	**8**	9	–	9
Unquoted						
Investment funds	**–**	**–**	**–**	1	–	1
Insurance policies	**924**	**4**	**928**	861	4	865
	942	**491**	**1 433**	881	526	1 407

[1] Quoted assets contain certain pooled funds where the underlying assets are quoted.

[2] During the prior 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 £3 million (2020 – £4 million) into the US unfunded retirement medical plans and £4 million (2020 – £4 million) into the US unfunded pension plans to meet the cost of providing benefits in the financial year.

Maturity profile

At 31 March 2021, the weighted average duration of the plans and the benefit payments expected by the plans are as follows:

	UK PLANS £M	US PLANS £M	TOTAL £M
Weighted average duration (years)	**14.9**	**11.1**	**13.4**
Benefit payments expected:			
• within 12 months	**41**	**36**	**77**
• between 1 to 5 years	**169**	**144**	**313**
• between 6 to 10 years	**216**	**170**	**386**

Funding of the plans

As required by local regulations, actuarial valuations of the US pension plans are carried out each year and those of the UK pension plans are carried out at least every three years. The main UK scheme triennial valuation as at 31 March 2019 was concluded during the year ended 31 March 2020 and, given that the liabilities were secured through the purchase of a bulk annuity insurance policy, both core contributions to the scheme and supplementary contributions to the secured funding account has ceased. In the year ended 31 March 2021, £1 million was paid to fund on-going administration costs of the main UK scheme.

In respect of the US plans £2 million of contributions were paid to the funded plans, £4 million to the unfunded pension plan with £3 million paid for health plans.

During the year ending 31 March 2022 the Group expects to contribute approximately £8 million to its defined benefit pension plans and to pay approximately £4 million in relation to retirement medical benefits, principally in the US. The Group also expects to make a one-off contribution to settle a post transaction price adjustment in respect of the bulk annuity policy 'buy-in' of the main UK plan.

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.

30. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

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 2021 £928 million (2020 – £865 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.

31. 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 2021 and 2020 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 £8 million (2020 – £14 million). Other than the Sharesave Plan, all option awards have a nil exercise price. The following arrangements existed during the period:

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.

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 110 to 128.

31. SHARE-BASED PAYMENTS CONTINUED

Movements in the year

Movements in the awards outstanding during the year were as follows:

	YEAR ENDED 31 MARCH 2021		YEAR ENDED 31 MARCH 2020	
	AWARDS (NUMBER)	WEIGHTED AVERAGE EXERCISE PRICE (PENCE)	AWARDS (NUMBER)	WEIGHTED AVERAGE EXERCISE PRICE (PENCE)
Outstanding at 1 April	**10 293 944**	**15p**	11 452 236	13p
Granted	**3 491 921**	**9p**	3 768 268	15p
Exercised	**(1 919 388)**	**17p**	(2 977 197)	10p
Lapsed	**(2 073 138)**	**10p**	(1 949 363)	10p
Outstanding at 31 March	**9 793 339**	**14p**	10 293 944	15p
Exercisable at 31 March	**233 167**	**82p**	59 749	254p

The weighted average market price of the Company's ordinary shares on the dates on which awards were exercised during the year was 679p (2020 – 726p).

Awards granted in the year

During the year, PSP awards were granted over 3,324,590 shares (2020 – 3,592,831 shares), RSAs were granted over 80,253 shares (2020 – 78,984 shares), Shares issued under the Group Bonus Plan were granted in the year were 26,433 (2020 – nil) and Sharesave options were granted over 60,645 shares (2020 – 96,453 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 2021		YEAR ENDED 31 MARCH 2020	
	PSP	SHARESAVE	PSP	SHARESAVE
Fair value at grant date	**605p**	**116p**	691p	166p
Exercise price	**–**	**531p**	–	568p
Principal assumptions:				
Share price on grant date	**664p**	**656p**	756p	748p
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**	**-0.05%/0.03%**	n/a	0.60%/0.63%
Dividend yield on the Company's shares	**4.45%**	**4.51%**	3.89%	3.96%
Volatility of the Company's shares	**n/a**	**25%**	n/a	25%

There were 26,433 shares issued under the Group Bonus Plan during the year (2020 – nil). 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 2021		AT 31 MARCH 2020	
Exercise price	AWARDS (NUMBER)	WEIGHTED AVERAGE CONTRACTUAL LIFE (MONTHS)	AWARDS (NUMBER)	WEIGHTED AVERAGE CONTRACTUAL LIFE (MONTHS)
Nil	**9 542 752**	**48.7**	10 011 329	46.7
400p to 799p	**250 587**	**28.8**	282 615	30.9
Total	**9 793 339**	**48.2**	10 293 944	46.3

32. 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 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
Provided in the year	**4**	**2**	**–**	**17**	**23**
Released in the year	**–**	**–**	**–**	**(2)**	**(2)**
Utilised in the year	**(3)**	**(6)**	**(7)**	**–**	**(16)**
Exchange	**(1)**	**–**	**–**	**(1)**	**(2)**
At 31 March 2021	**7**	**3**	**–**	**25**	**35**

	AT 31 MARCH 2021 £M	AT 31 MARCH 2020 £M
Provisions are expected to be utilised as follows:		
• within one year	**24**	21
• after more than one year but before five years	**11**	11
Total	**35**	32

Insurance provisions include amounts provided by the Group's captive insurance subsidiary in respect of the expected level of insurance claims.

Restructuring provisions include certain costs for the Group programme to deliver US$150 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.

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 continues to recognise a provision in respect of this. Following a favourable insurance claim to recover a portion of the associated legal expenses, the Group has reappraised the provision to £5 million (2020 – £6 million). 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 2021 will have a material adverse effect on the Group's financial position.

33. COMMITMENTS

Total commitments for the purchase of tangible and intangible non-current assets are £33 million (2020 – £51 million).

In addition, the Group has various lease contracts that have not yet commenced as at 31 March 2021. The future lease payments for these non-cancellable lease contracts are £nil within one year, £6 million within five years and £3 million thereafter. Commitments in respect of retirement benefit obligations are detailed in Note 30.

34. ACQUISITIONS

Business combinations

A business combination is a transaction or other event in which the Group obtains control over a business. Business combinations are accounted for using the acquisition method, the key elements of which are below.

Identifiable assets and liabilities of the acquired business are generally measured at their fair value at the acquisition date. Retirement benefit obligations and deferred tax assets and liabilities are measured in accordance with the Group's accounting policies.

Consideration transferred represents the sum of the fair values at the acquisition date of the assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control over the acquired business. Acquisition-related costs are charged to the income statement in the period in which they are incurred.

Any non-controlling interest in the acquired business is measured either at fair value or at the non-controlling interest's proportionate share of the identifiable assets and liabilities of the business.

Goodwill arising in a business combination represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquired business and, where a business combination is achieved in stages, the fair value at the acquisition date of the Group's previously held equity interest, over the net total of the identifiable assets and liabilities of the acquired business at the acquisition date. Any re-measurement gain or loss on the previously held equity interest is recognised in the income statement. Any shortfall, or negative goodwill, is recognised immediately as a gain in the income statement.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for within equity. Any gain or loss upon loss of control is recognised in the income statement.

In the 2021 financial year:

Sweet Green Fields ("SGF")

On 30 November 2020, the Group acquired the remaining 85% of the equity of SGF which it did not already own. Total provisional consideration in respect of the acquisition was £61 million (including the fair value of the 15% that the Group already owned). The provisionally determined fair value of identifiable net assets acquired was £25 million, resulting in provisional goodwill at the date of acquisition of £36 million. This is not deductible for tax purposes. The goodwill of £36 million remains provisional subject to finalisation of the completion accounts and working capital adjustments. The acquisition of SGF brings a broad portfolio of stevia products and a fully integrated stevia supply chain to the Group including leaf sourcing, leaf varietal development, established agricultural programmes and cost-efficient manufacturing. It strengthens the Group's position as a leading provider of innovative sweetener solutions with the capabilities to create foods and beverages that are lower in sugar and calories and with cleaner labels for customers across the world. The acquisition of the remaining shares simplifies the existing relationship by creating a fully integrated supply chain and commercial organisation, unified research and development capabilities, and combined strengths to accelerate innovation and optimise production technologies. The provisional goodwill primarily represented the premium paid to acquire an established business with a fully integrated supply chain and growth potential in the speciality food ingredients market.

The acquired business contributed revenue of £7 million and an operating loss of £2 million for the period from acquisition on 30 November 2020 until the end of the 2021 financial year (including the amortisation of acquired intangibles recognised from the acquisition). Had the business been acquired at the beginning of the 2021 financial year, it would have contributed revenue of £41 million and an operating profit of £nil in the 2021 financial year.

Chaodee Modified Starch Co., Ltd ("CMS")

On 10 February 2021, the Group acquired 85% of the shares of CMS a well-established tapioca modified food starch manufacturer located in Thailand. Total provisional consideration in respect of the CMS acquisition was £13 million. The provisionally determined fair value of identifiable net assets acquired was £9 million, resulting in provisional goodwill at the date of acquisition of £4 million. This is not deductible for tax purposes. The goodwill of £4 million remains provisional subject to finalisation of the completion accounts and working capital adjustments. This investment extends the Group's presence in speciality tapioca-based texturants and establishes a dedicated production facility in the main tapioca region of eastern Thailand. The acquisition will enable the Group to offer a broader range of tapioca-based solutions to meet customers' needs for better tasting and clean label foods in categories including dairy, bakery, snacks, noodles and soup, sauces and dressings. The provisional goodwill primarily represented the premium paid to acquire an established business with a manufacturing plant which has the potential for modernisation and expansion.

The acquired business contributed revenue and operating profit that was immaterial to the Group.

The Group has elected to measure the non-controlling interests in the acquiree at fair value.

34. ACQUISITIONS CONTINUED

The following table provides a summary of the acquisition accounting for Sweet Green Fields:

	SWEET GREEN FIELDS £M
Cash consideration	**50**
Non-cash consideration (fair value of existing interest in SGF)	**11**
Purchase price adjustments	**–**
Total consideration	**61**
Less: fair value of net assets acquired	**25**
Provisional goodwill	**36**

Cash flows:	
Total cash consideration (including purchase price adjustments)	**(50)**
Less: net cash and working capital adjustments	**1**
Acquisition of business, net of cash acquired	**(49)**

The fair value of net assets recognised on acquisition is comprised as follows:

	SWEET GREEN FIELDS £M
Intangible assets (customer relationships £2 million, intellectual property £16 million)	**18**
Property, plant and equipment	**13**
Inventories	**20**
Trade and other receivables[1]	**10**
Cash and cash equivalents	**1**
Trade and other payables	**(26)**
Borrowings	**(7)**
Tax liabilities	**(4)**
Net assets at fair value on acquisition	**25**

[1] At the date of acquisition, trade and other receivables are presented at fair value. This amount equals the gross contractual amounts receivable of which the full amount is expected to be collected when due.

In the 2020 financial year:

There were no equity acquisitions or disposals in the year ended 31 March 2020.

35. 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	
	2021 £M	2020 £M
Sales of goods and services to joint ventures	**128**	164
Purchases of goods and services from joint ventures	**–**	–
Receivables due from joint ventures	**6**	7
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.

36. EVENTS AFTER THE BALANCE SHEET DATE

There are no other post balance sheet events requiring disclosure in respect of the year ended 31 March 2021.

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[2]	1 Kingsway, London WC2B 6AT, UK
Hahntech International Limited	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 Mold UK Limited	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 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 box, 10-11, 9320 Aalst, Belgium
Bermuda	
Tate & Lyle Management & Finance Limited	Aon House, 30 Woodbourne Avenue, Pembroke, HM 08, 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
British Virgin Islands	
SGF (Asia) Co., Limited	Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands
SGF Investment Co., Limited	Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands
Canada	
Tate & Lyle Ingredients Canada Limited	Suite 400, Phoenix Square, 371 Queen Street, Fredericton NB E3B 4Y9, Canada
Cayman Islands	
Sweet Green Fields Group Co., Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands

COMPANY NAME	REGISTERED ADDRESS
Chile	
Tate & Lyle Chile Commercial Ltda	Isidora Goyenechea 2800, Piso 43, Las Condes, Santiago, Chile
China	
Sweet Green Fields Co., Limited[4]	Anji Economic Development Zone, Health Medicine Industry Garden, Huzhou, Zhejiang, China
Tate & Lyle Trading (Shanghai) Co. Ltd[4]	Room 1401, Building 11, No. 1582, Gumei Road, Xuhui District, Shanghai, 200233, China
G.C. Hahn & Co. Food Stabiliser Business (Shanghai) Ltd[4]	Unit A, Room 1301, Building 11, No. 1582, Gumei Road, Xuhui District, Shanghai, 200233, China
Tate & Lyle Food Ingredients (Nantong) Company Limited[4]	New & Hi-Tech Industrial Development District, Rudong county, Nantong city, 226400, China
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.	Radnička cesta 80, Zagreb, 10 000, Croatia
Czech Republic	
G.C. Hahn & Co. stabilizacni technika, s.r.o.	Kateřinská 466/40, Nové Město, 120 00 Praha 2, Czech Republic
Egypt	
Tate & Lyle Egypt LLC	87 Street 9, Maadi, Cairo, Egypt
France	
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.	69 K. N Papadaki, Thessaloniki, 54248 Thessaloniki, Greece
Hong Kong	
Sweet Green Fields International Co., Limited	2701, 27th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
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 20002 Ossona, Milano, Italy
Ivory Coast	
Tate & Lyle Ivory Coast	Abidjan Cocody 2, Plateaux 01, BP 659 ABJ 01, Cote d'Ivoire

37. RELATED UNDERTAKINGS CONTINUED

COMPANY NAME	REGISTERED ADDRESS
Japan	
Tate & Lyle Japan KK	2F Oak Minami-Azabu Building, 3-19-23 Minami-Azabu, Minato-ku, Tokyo, Japan
Lithuania	
UAB G.C. Hahn & Co.	Vito Gerulaičio str. 10-101, LT-08200, Vilnius, Lithuania
Mexico	
Tate & Lyle México, S. de R.L. de C.V.[4]	Piso 2, Av. Universidad 749, Col del Valle Sur, Ciudad de 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.	Ul. Sterlinga 8A, 91425, Łódź, Poland
Tate & Lyle Global Shared Services Sp.z o.o.	Ul. Sterlinga 8A, 91425, Łódź, Poland
Singapore	
Tate & Lyle Asia Pacific Pte. Ltd.	3 Biopolis Drive, #05-11-16 Synapse, 138623 Singapore
Tate & Lyle Singapore Pte Ltd	One Marina Boulevard #28-00, 1 Marina Boulevard, 018989 Singapore
Slovakia	
Tate & Lyle Boleraz s.r.o.	114, Boleráz, 91908, Slovakia
Tate & Lyle Slovakia s.r.o	114, Boleráz, 91908, Slovakia
South Africa	
Tate and Lyle South Africa Proprietary Limited	1 Gravel Drive, Kya Sand Business Park, Kya Sand, 2163, South Africa
Spain	
G.C. Hahn Estabilizantes y Tecnologia para Alimentos	Calle Príncipe de Vergara 112, Planta Cuarta, 28002, Madrid, Spain
Ebromyl S.L.	Ps. de la Constitución 10, Entlo. Dcha., 50008, Zaragoza, Zaragoza, Spain
Sweden	
Tate & Lyle Sweden AB	Mäster Samuelsgatan 17, Box 1432, 111 84, Stockholm, Sweden
Thailand	
Chaodee Modified Starch Co., Ltd (88%)	No. 345, Moo 14, Hin Dat Subdistrict, Dan Khun Thot District, Nakhom Ratchasima Province, Thailand
Tate & Lyle (Trading) Thailand Limited	No. 345, Moo 14, Hin Dat Subdistrict, Dan Khun Thot District, Nakhom Ratchasima Province, Thailand
Turkey	
Tate and Lyle Turkey Gıda Hizmetleri Anonim Şirketi	Esentepe Mah., Büyükdere Cad., 193 Plaza Kat: 2 193/235A14 Şişli, İstanbul, Turkey

COMPANY NAME	REGISTERED ADDRESS
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
USA	
Staley Holdings LLC	1209 North Orange Street, Wilmington, DE 19801, USA
Staley International Inc.	1209 North Orange Street, Wilmington, DE 19801, USA
Sweet Green Fields USA LLC	11 Bellwether Way, Suite 305, Bellingham WA 98225, United States
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

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[4] (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).

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 2021 £M	2020 £M
ASSETS			
Fixed assets			
Tangible fixed assets (including right-of-use assets of £5 million (2020 – £9 million))	2	**5**	9
Intangible assets	2	**5**	4
Investments in subsidiary undertakings	2	**1 085**	1 079
Total		**1 095**	1 092
Current assets			
Debtors	4	**1 516**	1 592
		1 516	1 592
Creditors – amounts falling due within one year	5	**(1 227)**	(1 320)
Borrowings (including lease liabilities of £1 million (2020 – £1 million))	6	**(1)**	(1)
Net current assets		**288**	271
Total assets less current liabilities		**1 383**	1 363
Creditors – amounts falling due after more than one year	5	**(2)**	(2)
Borrowings (including lease liabilities of £7 million (2020 – £9 million))	6	**(7)**	(9)
Net assets		**1 374**	1 352
Capital and reserves			
Called up share capital	8	**117**	117
Share premium account		**407**	406
Capital redemption reserve		**8**	8
Retained earnings		**842**	821
Total shareholders' funds		**1 374**	1 352

The Company recognised profit for the year of £153 million (2020 – £199 million).

The notes on pages 196 to 199 form part of these financial statements. The Parent Company's financial statements on pages 194 to 199 were approved by the Board of Directors on 26 May 2021 and signed on its behalf by:

Nick Hampton
Director

Vivid Sehgal
Director

Tate & Lyle PLC
Registered number: 76535

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	CALLED UP SHARE CAPITAL £M	SHARE PREMIUM ACCOUNT £M	CAPITAL REDEMPTION RESERVES £M	RETAINED EARNINGS £M	TOTAL EQUITY £M
At 1 April 2019	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
Profit for the year	**–**	**–**	**–**	**153**	**153**
Purchase of own shares including net settlement	**–**	**–**	**–**	**(5)**	**(5)**
Issue of share capital	**–**	**1**	**–**	**–**	**1**
Share-based payments	**–**	**–**	**–**	**10**	**10**
Dividends paid	**–**	**–**	**–**	**(137)**	**(137)**
At 31 March 2021	**117**	**407**	**8**	**842**	**1 374**

At 31 March 2021, the Company had realised profits available for distribution in excess of £725 million (2020 – in excess of £640 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 2021, with comparative figures as at 31 March 2020.

For the reasons set out on page 147, 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 10.

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 31 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 9.

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 £M	PLANT AND MACHINERY £M	INTANGIBLE ASSETS £M	INVESTMENTS IN SUBSIDIARIES £M
Cost				
At 1 April 2020	9	5	8	1 229
Additions	–	–	1	6
At 31 March 2021	**9**	**5**	**9**	**1 235**
Accumulated depreciation/amortisation/impairment				
At 1 April 2020	1	4	4	150
Depreciation/amortisation/impairment charge	4	–	–	–
At 31 March 2021	**5**	**4**	**4**	**150**
Net book value at 31 March 2020	8	1	4	1 079
Net book value at 31 March 2021	**4**	**1**	**5**	**1 085**

3. LEASES

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of future lease payments. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date.

The right-of-use assets presented in the Company balance sheet comprise of tangible fixed assets being leases of office buildings. The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost including the amount of lease liabilities recognised and initial direct costs incurred less any incentives granted by the lessor. Right-of-use assets are subject to impairment. Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the right-of-use assets.

Movements in right-of-use assets are presented as land and buildings in Note 2 Fixed Assets.

The total cash outflow for leases in the year ended 31 March 2021 was £2 million (2020 – £2 million).

Leases of buildings usually have lease terms between 1 and 16 years.

4. DEBTORS

	AT 31 MARCH	
	2021 £M	2020 £M
Due within one year		
Current tax	**29**	48
Amounts owed by subsidiary undertakings[1]	**1 479**	1 541
Other debtors[1]	**5**	3
Due after one year		
Deferred tax	**3**	–
Total	**1 516**	1 592

[1] The effective interest rate applicable to amounts owed by subsidiary undertakings at 31 March 2021 is 1.7% (2020 – 2.6%). Amounts owed by subsidiary undertakings are receivable on demand. There is no security for non-trading amounts. The Company has assessed the effect of expected credit loss on amounts owed by subsidiary undertakings and other debtors and has concluded that no provision is necessary (2020 – £nil).

5. CREDITORS

	AT 31 MARCH	
	2021 £M	2020 £M
Due within one year		
Amounts owed to subsidiary undertakings[1]	**1 195**	1 297
Other creditors	**7**	5
Accruals and deferred income	**25**	18
Total	**1 227**	1 320

[1] The effective interest rate applicable to amounts owed to subsidiary undertakings at 31 March 2021 was 2.2% (2020 – 3.1%). Amounts owed to subsidiary undertakings are repayable on demand. There is no security for non-trading amounts.

There are £2 million (2020 – £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.

6. BORROWINGS

At 31 March 2021, borrowings of £8 million (2020 – £10 million) relate to lease liabilities. £1 million (2020 – £1 million) of the total relates to current lease liabilities. Lease liabilities are measured at the present value of the remaining lease payments, discounted using lessee's weighted average incremental borrowing rate of 2.1% at the date of IFRS 16 adoption.

7. GUARANTEES AND FINANCIAL COMMITMENTS

At 31 March 2021, the Company had given guarantees in respect of committed financing of certain of its subsidiaries and joint ventures totalling £1,288 million (2020 – £1,282 million), against which amounts drawn totalled £647 million (2020 – £574 million). The Company had given guarantees in respect of lease commitments of certain of its subsidiaries and joint ventures totalling £192 million (2020 – £242 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 11.

At 31 March 2021 and 31 March 2020, the Company had no outstanding capital commitments.

8. SHARE CAPITAL AND SHARE PREMIUM

Allotted, called up and fully paid equity share capital

	YEAR ENDED 31 MARCH 2021		YEAR ENDED 31 MARCH 2020	
	NUMBER OF SHARES	**COST £M**	NUMBER OF SHARES	COST £M
At 1 April	**468 401 671**	**117**	468 345 950	117
Allotted under share option schemes	**56 722**	**–**	55 721	–
At 31 March	**468 458 393**	**117**	468 401 671	117

Refer to Note 22 in the consolidated financial statements for details of movement in share premium and shares held in the Employee Benefit Trust.

9. DIVIDENDS ON ORDINARY SHARES

Dividends on ordinary shares in respect of the financial year:

	YEAR ENDED 31 MARCH	
	2021 PENCE	2020 PENCE
Per ordinary share:		
• interim dividend paid	**8.8**	8.8
• final dividend proposed	**22.0**	20.8
Total dividend	**30.8**	29.6

The Directors propose a final dividend for the financial year of 22.0p per ordinary share that, subject to approval by shareholders, will be paid on 6 August 2021 to shareholders who are on the Register of Members on 25 June 2021.

Dividends on ordinary shares paid in the financial year:

	YEAR ENDED 31 MARCH	
	2021 £M	2020 £M
Final dividend paid relating to the prior year	**97**	97
Interim dividend paid relating to the year	**40**	40
Total dividend paid	**137**	137

Based on the number of ordinary shares outstanding at 31 March 2021 and the proposed amount, the final dividend for the financial year is expected to amount to £102 million.

10. PROFIT AND LOSS ACCOUNT DISCLOSURES

The Company recognised a profit for the year of £153 million (2020 – £199 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 (2020 – £0.1 million).

The Company employed an average of 153 people (including Directors) during the year (2020 – 161). Staff costs are shown below:

	YEAR ENDED 31 MARCH	
	2021 £M	2020 £M
Wages and salaries	**27**	27
Social security costs	**4**	5
Other pension costs	**3**	3
Share-based incentives	**2**	5
Total	**36**	40

Directors' emoluments disclosures are provided in the Directors' Remuneration Report on pages 110 to 128 and in Note 9 of the consolidated financial statements.

No deferred tax assets have been recognised in respect of tax losses of £341 million (2020 – £341 million) as there is uncertainty as to whether taxable profits against which these assets may be recovered will be available.

11. RETIREMENT BENEFIT OBLIGATIONS

Plan information

The Company participates in a defined benefit plan together with another subsidiary company, Tate & Lyle Industries Ltd. In the prior year, a bulk annuity insurance policy 'buy-in' was completed for the main UK scheme, refer to Note 30 of the consolidated financial statements for further details. The plan is closed to new entrants and future accruals. The Company has 304 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 £1 million (2020 – £2 million).

The Company has provided a full liability guarantee in respect of the pension obligations of Tate & Lyle Industries Ltd, the other participating employer.

Funding commitments of the plan

As required by UK regulations, actuarial valuations are carried out every three years. The latest main UK scheme triennial valuation as at 31 March 2019 was concluded during 2019. Following the purchase of the bulk annuity insurance policy (buy-in) in the main UK scheme, the previously agreed core funding contributions of £18 million per year ceased and the 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 continues to fund the UK plan administration costs.

12. EVENTS AFTER THE BALANCE SHEET DATE

There are no post balance sheet events requiring disclosure in respect of the year ended 31 March 2021.

OUR 2020 HEROES

2020 was a year of incredible challenges. Given the exceptional performance of so many people across the Company, we launched a special '2020 Heroes Awards' to recognise those people who had gone above and beyond in supporting their colleagues, our communities and customers during the pandemic.

We asked everyone to nominate their colleagues that most deserved gratitude and recognition and we received 575 nominations for individuals and teams. We whittled these deserving submissions down to 45 nominees, and 30 eventual winners.

These winners are shown on the divider pages in this Report to celebrate and recognise their outstanding contributions.

Read more online at **www.tateandlyle.com**

AVANTI PATEL
Director, Corporate Development,
London, UK

For working tirelessly to complete our acquisition of Sweet Green Fields during the pandemic when travel was not possible, and bringing global teams together.

JASON STOKES
Control Room Operator, Decatur, Illinois, USA

For going the extra mile since the start of the pandemic – moving between teams and locations as needed, and proactively finding ways to improve our operations.

CATHY RENTSCHLER
TMS Analyst, Decatur, Illinois, USA

For enduring pride in her work, and her ongoing support both professionally and personally to colleagues during the pandemic.

JOHANNA MARTINEZ
Application and Technical Service Engineer,
Cali, Colombia

For working across four categories in the Andean Region, supporting three account managers, customers and distributors – and always delivering outstanding work.

RANDALL SQUIREK
Plant Services Coordinator, Lafayette South,
Indiana, USA

For leading Covid-19 preparations in the plant, remaining proactive and positive, and helping others do the same.

LORI DONLEY
HR Manager, Decatur, Illinois, USA

For ensuring the safety of everyone in the Decatur facility, helping colleagues to understand the Covid-19 protocols and procedures in place to support them.

SULEY SANIK
Brand Manager, London, UK

For creating a safe space for colleagues to share experiences and discuss challenges related to the LGBTQ+ community, and promoting allyship across Tate & Lyle, helping to move our inclusion and diversity discussions to a new level.

USEFUL INFORMATION

IN THIS SECTION

GROUP FIVE-YEAR SUMMARY

	YEAR ENDED 31 MARCH				
	2017 £M	2018* £M	2019 £M	2020 £M	**2021 £M**
Results summary					
Continuing operations					
Revenue	2 753	2 710	2 755	2 882	**2 807**
Adjusted operating profit	264	300	305	331	**339**
Amortisation of acquired intangible assets	(12)	(12)	(11)	(11)	**(10)**
Exceptional items	(19)	2	(58)	(24)	**(42)**
Operating profit	233	290	236	296	**287**
Adjusted net finance expense*	(25)	(27)	(26)	(28)	**(30)**
Net retirement benefit interest expense	(7)	(5)	–	–	**–**
Net finance expense	(32)	(32)	(26)	(28)	**(30)**
Share of profit after tax of joint ventures and associates	32	28	30	28	**26**
Profit before tax	233	286	240	296	**283**
Income tax credit/(expense)	22	(23)	(59)	(51)	**(30)**
Profit for the year from continuing operations	255	263	181	245	**253**
Profit for the year from discontinued operations	1	2	–	–	**–**
Non-controlling interests	–	–	–	–	**–**
Profit for the year attributable to owners of the Company	256	265	181	245	**253**
Adjusted profit before tax	271	296	309	331	**335**

* 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.

	AT 31 MARCH				
	2017 £M	2018 £M	2019 £M	2020 £M	**2021 £M**
Employment of capital					
Goodwill and intangible assets	401	360	342	340	**354**
Property, plant and equipment	1 061	965	982	1 190	**1 105**
Other assets	30	37	59	63	**59**
Working capital (including provisions and non-debt derivatives)	394	385	401	409	**421**
Net pension (deficit)/surplus	(139)	18	24	(203)	**(140)**
Net operating assets	1 747	1 765	1 808	1 799	**1 799**
Investment in joint ventures and associates	96	85	102	91	**104**
Net debt	(452)	(392)	(337)	(451)	**(417)**
Net tax liability	(59)	(91)	(84)	(40)	**(26)**
Total net assets	1 332	1 367	1 489	1 399	**1 460**
Capital employed					
Called up share capital	117	117	117	117	**117**
Reserves	1 215	1 250	1 372	1 282	**1 342**
	1 332	1 367	1 489	1 399	**1 459**
Non-controlling interests	–	–	–	–	**1**
Total equity	1 332	1 367	1 489	1 399	**1 460**

Per share information	2017	2018*	2019	2020	**2021**
Earnings per share continuing operations:					
• basic (pence)	55.0p	57.0p	39.2p	52.8p	**54.4p**
• diluted (pence)	54.2p	56.1p	38.6p	52.1p	**53.8p**
Basic earnings per share total operations:					
• reported (pence)	55.2p	57.4p	39.2p	52.8p	**54.4p**
• adjusted basic (pence)	47.9p	50.3p	52.8p	58.6p	**61.9p**
Diluted earnings per share total operations:					
• reported (pence)	54.4p	56.5p	38.6p	52.1p	**53.8p**
• adjusted diluted (pence)	47.1p	49.4p	52.0p	57.8p	**61.2p**
Dividends per ordinary share (pence)	28.0p	28.7p	29.4p	29.6p	**30.8p**
Closing share price at 31 March (pence)	764.5p	544.6p	725.8p	656.0p	**767.2p**
Closing market capitalisation at 31 March (£million)	3 580	2 550	3 399	3 073	**3 594**

Business ratios					
Net debt to EBITDA (times)[1]	0.9x	0.9x	0.8x	0.9x	**0.8x**
Net debt divided by pre-exceptional EBITDA					
Gearing[3]	34%	29%	23%	32%	**29%**
Net debt as a percentage of total net assets[2]					
Adjusted operating margin	9.6%	11.1%	11.1%	11.5%	**12.1%**
Adjusted operating profit as a percentage of revenue[2]					
Return on capital employed	14.3%	16.2%	17.1%	17.5%	**17.2%**
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]	2.0x	2.0x	1.4x	1.8x	**1.8x**
Adjusted basic earnings per share divided by dividends per share[2]	1.7x	1.8x	1.8x	2.0x	**2.1x**

[1] Following the refinancing of the revolving credit facility in the year to 31 March 2020 (refer to Note 25) 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 2021 £1 =	 2020 £1 =
Average rates		
US dollar	**1.31**	1.27
Euro	**1.12**	1.14
Year-end closing rates		
US dollar	**1.38**	1.25
Euro	**1.17**	1.13

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 2021 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	2021 £M	FX £M	2021 AT CONSTANT CURRENCY £M	UNDERLYING GROWTH £M	2020 £M	CHANGE %	CHANGE IN CONSTANT CURRENCY %
Revenue	**2 807**	91	2 898	16	2 882	(3%)	1%
Food & Beverage Solutions	**177**	4	181	19	162	10%	12%
Sucralose	**55**	2	57	(6)	63	(12%)	(9%)
Primary Products	**158**	9	167	9	158	(1%)	5%
Central	**(51)**	(1)	(52)	–	(52)	1%	–%
Adjusted operating profit	**339**	14	353	22	331	2%	7%
Net finance expense	**(30)**	–	(30)	(2)	(28)	(7%)	(9%)
Share of profit after tax of joint ventures	**26**	3	29	1	28	(6%)	7%
Adjusted profit before tax	**335**	17	352	21	331	1%	6%
Adjusted income tax expense	**(48)**	–	(48)	11	(59)	19%	19%
Adjusted profit after tax	**287**	17	304	32	272	6%	12%
Adjusted diluted EPS (pence)	**61.2p**	3.6p	64.8p	7.0p	57.8p	6%	12%

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.

INFORMATION FOR INVESTORS CONTINUED

FINANCIAL CALENDAR

2021 Annual General Meeting	29 July 2021
Announcement of half-year results for the six months to 30 September 2021	4 Nov 2021[1]
Announcement of full-year results for the year ending 31 March 2022	26 May 2022[1]
2022 Annual General Meeting	28 July 2022[1]

DIVIDENDS PAID ON ORDINARY SHARES DURING THE YEAR ENDED 31 MARCH 2020

PAYMENT	DIVIDEND DESCRIPTION	DIVIDEND PER SHARE
31 July 2020	Final 2020	20.8p
6 January 2021	Interim 2021	8.8p

DIVIDEND CALENDAR FOR DIVIDENDS ON ORDINARY SHARES

	2021 FINAL	2022 INTERIM	2022 FINAL
Announced	27 May 2021	4 November 2021[1]	26 May 2022[1]
Payment date	6 August 2021[2]	5 January 2022[1]	2 August 2022[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 corn and basis, 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 2021 performance at actual exchange rates and at constant currency exchange rates have been included in the additional information on page 204.

Continuing operations
Operations of the Group excluding any discontinued operations
(as defined separately).

Co-products
Corn gluten feed, corn gluten meal and corn oil.

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.

E

EHSQS
Environment, Health, Safety, Quality and Security.

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.

N

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))
Revenue less net operating expenses.

P

Profit before tax (PBT)
Sales, less net operating expense, less net finance expense and including the Group's share of profit after tax of joint ventures.

PROMITOR® Soluble Fibre
A prebiotic soluble fibre.

S

Stabiliser Systems
Systems customising ingredient blends to improve product mouthfeel, texture and stability profile.

STA-LITE® Polydextrose
A soluble fibre with prebiotic properties made from corn and used to provide body and texture in reduced calorie, no-added sugar and high-fibre foods.

Sucralose
A operating segment and part of the Food & Beverage Solutions division.

T

TASTEVA® M Stevia Sweetener
A zero-calorie sweetener made from stevia.

TEXTURE-VANTAGE® Expert Systems
Cutting-edge texture design tools aim at predicting product and ingredient performance and reducing development time.

DEFINITIONS/EXPLANATORY NOTES

NON-RELIANCE STATEMENT

This Annual Report has been prepared solely to provide additional information to shareholders to assess the Group's strategy and the potential of that strategy to succeed, and should not be relied upon by any other party or for any other purpose.

CAUTIONARY STATEMENT

This Annual Report contains certain forward-looking statements with respect to the financial condition, results, operations and businesses of Tate & Lyle PLC. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts.

TATE & LYLE PLC

Tate & Lyle PLC is a public limited company listed on the London Stock Exchange and is registered in England and Wales.

More information about Tate & Lyle can be found on the Company's website, www.tateandlyle.com

DEFINITIONS

In this Annual Report:

- 'Company' means Tate & Lyle PLC
- '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 2021.

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.

If you have finished with this Annual Report and no longer wish to retain it, please pass it on to other interested readers or dispose of it in your recycled paper waste.

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