

# Chair's statement:

## A year of performance, progress and re-launch



**Gerry Murphy**  
Chair



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

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

### **A new chapter for Tate & Lyle**

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

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

As we worked through the complex separation of Primient, we've been able to devote more of the Board's attention to our innovation and growth agenda, and to what it will take to be a

world class customer-centred and science-driven business. We've spent quality time with our R&D, applications, product development, platform and commercial teams throughout the year to make sure we understand where to target our resources and investments to deliver our growth strategy.

### **Science: investing in the core of our future**

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

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

### **Solutions: moving ideas from the lab to solving customer challenges**

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

As a Board, we've also been listening to our customers to understand what 'good' looks like for them, find out what they're looking for in a strategic technology and service partner, and ultimately why they choose Tate & Lyle. We serve a diverse mix of customers, from innovative market disruptors, to strong regional

### Chair's statement continued

businesses and large global food and beverage multinationals. It's important we adapt our solutions offering to our different types of customers, and it's been encouraging to see this happen first-hand this year.



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

### Society: making a positive impact

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

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

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

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

### Welcoming new Board members

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

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

### Looking ahead

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

**Gerry Murphy**  
Chair

### Dividends

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

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

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

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

### Full-year dividend

# 18.5pence per share