

# Global Operations

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

## What we do

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

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

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

## Integrating our acquisitions

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

## Resetting our network and strengthening regional supply chains

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

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

## Focusing on productivity and sustainability as we grow

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

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

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

## Looking ahead

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

