

Tate & Lyle's approach to tax

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Introduction

Tate & Lyle is a growth focused speciality food and beverage solutions business.

T&L's ingredients and solutions are used by our customers to add taste, texture, nutrition and functionality to products used by millions of people every day.

Our business activities generate a variety of taxes. We pay corporate income taxes, stamp duties, excise duties, employment and other taxes. In addition, we collect and pay employee taxes as well as indirect taxes such as sales and use tax and VAT. The taxes we pay and collect form part of our economic contribution to the countries in which we operate.

Tate & Lyle is committed to complying with tax laws in a responsible manner and to having open and constructive relationships with tax authorities. Tate & Lyle supports efforts to increase public trust in tax systems.

Tate & Lyle's Values (<https://www.tateandlyle.com/about-us/our-values>) set out what is expected of everyone at Tate & Lyle and our approach to tax aligns with these values. Tate & Lyle's Purpose (<https://www.tateandlyle.com/purpose>) also focuses on acting responsibly on wider issues including healthy living, building thriving communities and caring for the planet. Our commitment is underpinned by the following principles:

1. Tax planning

Tax is one of the commercial risks that the Group is exposed to as a result of its activities worldwide. Our management of tax aims to ensure that the Group pays and collects the correct amount of tax and meets its local tax obligations. We organize our tax affairs in such a way that supports our business and reflects commercial and economic activity and reality.

We respect the tax laws applicable in each country, including the intent underlying the law, and do not engage in arrangements that would be seen as contrary to the spirit or purpose of the law. Where there can be uncertainty in respect of the interpretation of tax law, in addition to our own understanding of the situation, we will seek advice from external parties to better understand the law and/or seek to resolve the uncertainty through dialogue with the relevant tax authorities.

We understand our corporate responsibilities to pay the appropriate amount of tax. While meeting this obligation, the Group also has a responsibility to shareholders to plan, manage and control tax costs.

We conduct transactions between group companies on an arm's-length basis and in accordance with current OECD principles.

Tax incentives and exemptions are sometimes implemented by governments and fiscal authorities in order to support investment, employment and economic development. Where they exist we seek to apply them in a responsible manner.

We establish entities in jurisdictions suitable to hold our overseas investments, giving consideration to our business activities, the prevailing regulatory environment and, where appropriate, in line with joint venture requirements.

2. Relationships with tax authorities

We seek to maintain transparent and constructive relationships with HMRC and other tax authorities wherever we do business. This includes, where appropriate, regular and open dialogue on material tax issues.

We seek to build and sustain relationships with governments and fiscal authorities that are constructive and based on mutual respect. In the UK, we regularly discuss with HMRC their assessment of the Group to ensure it reflects the size and complexity of the Group's operations and the tax the Group pays (principally corporation tax and employment tax) and collects on HMRC's behalf (principally VAT, insurance premium tax and employment taxes including national insurance contributions). For significant transactions, we discuss the key tax issues contemporaneously with HMRC.

Outside the UK, we endeavour to work in a similar constructive and open manner on all tax matters. We work collaboratively wherever possible with fiscal authorities to resolve disputes and to achieve early agreement and clarity over our tax affairs. Where significant tax issues arise, we conduct open dialogue with the Tax Authorities.

We engage with governments on the development of tax laws either directly or through trade associations and other similar bodies as appropriate.

3. Transparency

Tax Transparency is increasingly important for the various stakeholders, including governments, and the communities in which we operate. Tate & Lyle continues to work on simplifying and enhancing the group reporting of tax for the benefit of shareholders and other stakeholders.

We support the principle behind multilateral moves towards greater transparency that increase understanding of tax systems and build public trust. We make efforts to explain the tax risks being encountered by the Group and the factors that drive our effective tax rate.

4. Tax risk management

We take a responsible approach to managing our tax affairs and operate in a way that is consistent with Tate & Lyle's Values.

Tax risk management is part of our overall system of internal control processes and is also considered by the Board and executive management as part of the Enterprise Risk Management process. The Global Head of Tax reports on a periodic basis to the Board and/or the Audit Committee on how tax risks are managed, monitored and on improvements that are being made. In this way both the Board and the Audit Committee provide the governance and oversight of tax risks.

Tax risk management processes are reviewed periodically by our internal audit teams with findings reported to the Audit Committee.

We seek to understand activities within the commercial, R&D, business development and manufacturing functions as well as enabling functions like Legal, Treasury, HR and IT, thereby mitigating tax risk and identifying opportunities to support business transactions.

We consider the wider business and reputational issues of our actions and take into account the wider stakeholder population in matters relating to tax.

We identify, assess and manage tax risks and account for them appropriately. We implement risk management measures including controls over compliance processes and monitor their effectiveness. Our controls include a robust internal review process and working collaboratively with other areas of the business to meet the Tate & Lyle Minimum Control Standards. Our Delegated Authority Framework also ensures that a sufficient level of approval is required for material or unusual transactions, thus ensuring that any risks, tax or otherwise, are identified upfront along with mitigation strategies prior to implementation.

5. Governance

Responsibility for tax governance and strategy lies with the Chief Financial Officer, with oversight from the Board and Audit Committee. The Group Tax Strategy is informed and underpinned by the Group's Values (<https://www.tateandlyle.com/about-us/our-values>) which include integrity, and the Tate & Lyle Code of Ethics (<https://www.tateandlyle.com/about-us/code-ethics>) which provides the principles for every employee at Tate & Lyle to do business the right way, including but not limited to financial integrity.

The Global Head of Tax has day to day accountability for the application of the Group Tax Strategy and is also responsible for ensuring that policies and procedures that support the approach are in place, maintained and used consistently around the world, and that the global tax team has the skills and experience to implement the approach appropriately.

Reliance is placed on external advisors where there is a need for specialist guidance and support, particularly where the activities in such locations are insufficient to warrant a full-time tax resource for the more routine compliance and reporting matters.

Further information

The approach to tax is applicable across the Tate & Lyle Group. We review and update this document annually. It was last approved on 27 March 2024. You can email the Tate & Lyle Group Tax team at approachtotax@tateandlyle.com.