Task Force on Climate-related Financial Disclosures

Integrating TCFD and TNFD across the Annual Report

To avoid repetition, we have cross-referenced to relevant information elsewhere, as follows:

- **Governance** – see Environment section, page 55
- **Risk management** – see Risk report, pages 64 to 73
- **Strategy** – see Environment section, pages 53 to 63 and disclosures below
- **Metrics and targets** – see Environment section, pages 53 to 63.

We have summarised our compliance with the Task Force on Climate-related Financial Disclosures (TCFD) in the table on page 79 with cross-references for every disclosure.

We consider this statement to be consistent with the TCFD Recommendations and Recommended Disclosures, and, therefore, compliant with the requirements of Listing Rule 6.6.6(8). We began reporting on nature-related issues in our 2024 Annual Report, and took more steps this year to further align with the TNFD Recommendations and Recommended Disclosures and increase our reporting.

Introduction

The climate and nature crises are two of the most urgent challenges facing the world today. And while we have a responsibility to reduce our own impact on the natural environment, we must also understand, and prepare for, the climate- and nature-related risks and opportunities that could affect our business, so that we are resilient enough to withstand future challenges, while flexible enough to adapt to new opportunities as they arise. This includes our dependence on the natural resources we need to make our ingredients and solutions.

Nature provides the water, air and food – part of what's known as ecosystem services – to sustain life, as well as many of the raw materials that support human prosperity and long-term health. But human activity is having a detrimental impact: our natural habitats are deteriorating, and biodiversity is declining faster than at any time in human history.

Since our business and supply chains are both reliant on, and part of, those ecosystem services, we understand how important it is that we make our products in ways that lower our impact on the natural world. In doing so we can also minimise the risks that nature-related issues pose to our business.

CP Kelco

Our disclosures this year do not include the CP Kelco business we acquired in November 2024. We are working to integrate this business into Tate & Lyle including our enterprise risk management process and, over the coming year, we will be updating our assessments of climate change, water and nature-related risks to include CP Kelco and its key supply chains. This will be reflected in our disclosures in our 2026 Annual Report.

The first step towards adapting to the changes brought by climate- and nature-related issues is to understand what they are – and which are the most material issues for us and our stakeholders (see page 54 for details). In 2022, the Board implemented a new principal risk, climate change and sustainability, which incorporates both climate- and nature-related risks into our enterprise risk management process.

As discussed in the Environment section on pages 53 to 63, we have a robust governance structure in place to embed climate- and nature-related risks and opportunities into our day-to-day thinking and at all levels of the business. It includes considering:

- Potential climate- and nature-related issues as part of our five-year strategic planning process
- Environmental impact or benefits of capital investments as part of our capital approval process
- The carbon footprint and impact on nature of potential acquisitions and new products being developed in our innovation pipeline.

Additional strategy disclosures

Our operations are exposed to a wide variety of physical climate- and nature-related risks, as well as the opportunities and risks associated with the transition to a low-carbon economy.

Working with sustainability experts AECOM in 2021, we carried out a physical and transition climate change risk assessment (CCRA) of our production facilities and the key raw materials in our supply chain. We conducted the CCRA before we separated from Primient in April 2022. Therefore, in 2023 AECOM helped us update the CCRA to specifically consider the sites, countries and regions within Tate & Lyle's new operational footprint and supply chain. This updated assessment included acquisitions such as Quantum Hi-Tech and Sweet Green Fields in China. Over the next 12 months, we will be updating our CCRA again to incorporate our new CP Kelco business.

We depend on natural resources, such as fresh water, to run our operations. In turn, our operations have an impact on nature, for example, through our greenhouse gas (GHG) emissions and wastewater discharge. So we have a responsibility to help restore nature, which we do through initiatives like our corn and stevia regenerative agriculture programmes.

In early 2024, we updated our water risk assessment and carried out a gap analysis and LEAP (Locate, Evaluate, Assess and Prepare) scoping exercise to better understand where we align with the TNFD. We continued to strengthen that understanding this year, working with AECOM to conduct a new high-level assessment of other potential nature-related risks and opportunities for our manufacturing facilities and key commodity supply regions, beyond water.

We took an iterative approach to the assessment, reviewing the 'Locate' and 'Evaluate' elements of the LEAP framework, while also starting to 'Assess' Tate & Lyle's nature-related risks and opportunities. Our focus in the coming year will be on incorporating into this initial assessment the key supply chains that our new CP Kelco sites rely on. After that, we will look at conducting a more detailed assessment of our nature-related risks and opportunities, in line with TNFD's LEAP framework.

What we have learnt from our work has helped us strengthen our enterprise risk management process system, with better integration of climate- and nature-related risks and opportunities, and disclosures that are more closely aligned with TCFD and TNFD.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Assessing climate- and nature-related risks and opportunities

The CCRA analysed physical and transition risks and opportunities over three different timeframes. Transition risks were considered over a shorter timeframe (to 2035 and beyond), since changes in legislation, policy and technology related to the transition to a low-carbon economy are constantly evolving. By contrast, the physical impact of climate change and extreme weather events is likely to be felt over much longer periods, with projection data typically available up to the end of this century. Therefore, physical risks were considered to 2039, 2059 and beyond.

For each risk and opportunity, we considered the likelihood of it occurring, alongside the nature and magnitude of its impact, to determine its overall potential impact and financial implications, in line with our enterprise risk management process. We then assigned each potential risk an overall risk rating. The tables on pages 77 to 79 set out the parameters of our analysis as well as the key risks and opportunities most likely to affect us.

Our most significant impact on nature comes from procuring agricultural raw materials and processing those materials into ingredients at our manufacturing facilities. So we focused our initial assessment of our nature-related risks and opportunities on our manufacturing facilities and our corn and stevia supply chains. Our greatest nature-related dependencies in both are associated with water. For example, our sites rely on good water quality and supply to operate, with several located in areas that, by 2050, may become water stressed. Poor water quality and water scarcity can also affect our corn supply chains, leading to reduced crop yields and degraded soil quality and, in turn, increased production costs and environmental harm. Similarly, water scarcity can lead to reduced yields and lower quality stevia leaves, affecting overall production and profitability.

Our facilities also have the potential to adversely affect nature, through water, air and soil pollution. Many of our sites operate under strict environmental permits, and we monitor adherence to those requirements and mitigate any related risks. Our corn and other supply chains are also at risk of pollution. For corn, this is primarily because of farming machinery and the use of fertilisers, which can lead to poor air quality and chemical 'runoff', polluting waterways and harming aquatic life. Our investment in agriculture programmes incentivises regenerative farming practices to reduce these risks and to restore nature.

Building resilience across our operations and supply chain

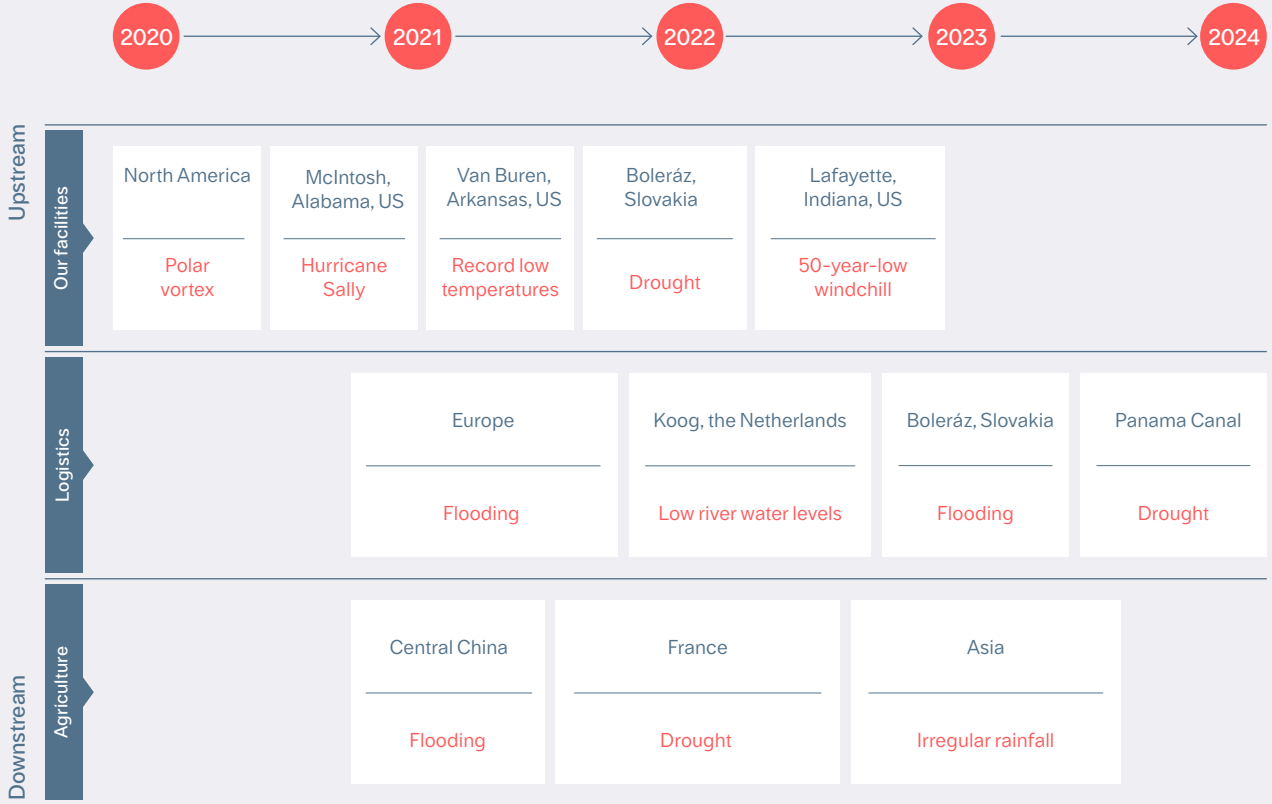
In 2024, supported by the Board, we built on the CCRA by carrying out a review of the impact of climate change on our manufacturing, logistics and agricultural supply chains over the past five years, the measures we had put in place to mitigate its effects, and their effectiveness (see page 76 for more details). For example, in that period, the US has seen increasingly severe winter weather, from the polar vortex of 2020 through to a 50-year-low windchill in 2023. Both events had an operational impact for us and, as a result, we have put in place winterisation plans for all our plants located in areas that may be affected. Overall, our review confirmed that we have good mitigation plans for our plants to cope with extreme weather and that there is no current need to relocate any capacity from existing sites.

Nonetheless, with the rapid pace of change, what works today may well not be sufficient for the years ahead, and so our review also looked to the next five years and beyond, and highlighted areas for improvement. These included the need for greater flexibility in our raw material supply, such as sourcing corn from areas that are less likely to experience water scarcity. For example, in the summers of 2022 and 2023 a drought in France reduced the availability of the less widely grown waxy corn variant. Our analysis found that, if this drought continued over a consecutive three-year period, the impact on the availability and price of waxy corn could affect yields by around 20%. We recognised that alternative supplies would be needed to meet customer demand and, as a result, to mitigate the risk, we identified alternative corn sourcing regions.

We will continue to adapt our climate-related plans as needed and to ensure nature-related risks are fully identified and incorporated. This includes, in 2025, assessing climate- and nature-related risks associated with CP Kelco's operations and supply chain. Our aim remains to minimise the negative effects and costs of climate- and nature-related risks, while maximising our ability to serve our customers.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Climate- and nature-related events affecting our operations and supply chain since 2020



Priorities and mitigating actions

- **Protect people and assets:** put plans in place to respond to emergencies and to prepare for extreme weather events
- **Build resilience:** drive resilience through the supply chain by increasing flexibility (for example, multiple sources of supply for key ingredients, different transportation routes)
- **Reduce exposure:** limit exposure to areas and inputs predicted to be highly affected by climate change (for example, areas of water scarcity)
- **Develop ecosystems:** invest in technologies and/or partnerships that help to predict climate-related risks, and build mutually supportive ecosystems
- **Decarbonise at scale:** play our part in solving the climate crisis by committing to a 1.5°C pathway of greenhouse gas emissions reductions in our operations and supply chain.

Financial impact

- We estimate the total financial impact of climate-related events (2020-2024) set out in the table opposite was between US$25 million and US$30 million after mitigating actions were taken into account.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

SUMMARY OF OUR KEY CLIMATE-RELATED RISKS

PHYSICAL RISK

Risks analysed under CCRA: Increase in extreme weather events, such as higher maximum and average temperatures, drought, wildfire, flooding and tropical storms. These events could affect all aspects of our business, causing operational disruption, asset damage, and increased raw material and utility costs.

Timeframes :
- Short term – 2020-2039
- Medium term – 2040-2059
- Long term – beyond 2059

Tate & Lyle sites: 14 production sites across Brazil, China, Thailand, Italy, Slovakia, the Netherlands and the US

Supply regions: ten corn-growing regions in the US, France and Slovakia

Transportation: transport, distribution and logistics (upstream and downstream)

Emissions concentration pathway: high emissions scenario (+4°C, RCP 8.5 pathway)

SUMMARY OF RISK	POTENTIAL IMPACT	WHAT WE ARE DOING
Production facilities		
In the short term, our McIntosh facility in Alabama, US, is likely to experience the greatest increase in temperature. All facilities except Noto, Italy, would experience more frequent and intense heavy rainfall. We expect these trends to continue in the medium and long term, affecting some other sites. All sites would experience higher maximum and average temperatures and more frequent, longer and severe heatwaves.	Production could be disrupted and sites could face asset damage, equipment failure and occupational health risks. This could lead to revenue loss, higher operating costs for energy and water, repair and/or replacement costs, reduced work capacity, increased insurance premiums, and/or associated reputational damage.	We continue to monitor potential physical risks to our facilities and ensure we have adequate controls in place to mitigate them. These include plans to manage the impacts of extreme weather (hot and cold) and capital investment to maintain and replace key equipment.
Distribution network		
More frequent and severe cold weather, flooding and wildfires present the main risks, primarily to road, rail and sea freight. We expect their frequency and severity to rise through the medium and long term, with more frequent and severe storms, storm surges and rising sea levels creating additional risk.	Our strategic distribution and logistics network could be disrupted and we could see delays in our product distribution. We have already experienced port closures as a result of hurricanes, as well as winter rainfall and flooding across our road transportation network. These risks could reduce profitability since we may not be able to pass on additional shipment re-routing or product replacement costs to customers.	We continuously review logistics and shipment risks associated with climate-related events, including alternative shipping routes, multiple suppliers and inventory management. We are also investing in digital tools to enhance our logistical effectiveness.
Corn and stevia supply		
In the short term, changes in total annual rainfall, increased seasonal variability of rainfall, and more severe droughts could occur. The US Midwest corn-growing region could see more frequent and severe tornadoes, and higher rainfall in spring and lower in summer. In Europe, extreme rainfall and frequent flooding are the key risks. We expect these trends to continue into the medium and long term, alongside higher temperatures, and are also expected to affect other regions as well.	Supply uncertainty and declining yields could increase operating costs and we could face greater price volatility. This could reduce our profits and damage our reputation.	We are reducing our dependence on corn-based products by diversifying our raw materials, acquiring businesses that use tapioca, stevia, chickpea, sugar cane, citrus peel and seaweed. We are also sourcing corn and stevia from more regions to mitigate the impact on their availability in regions affected by flooding, drought or disease.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

SUMMARY OF OUR KEY CLIMATE-RELATED RISKS CONTINUED

TRANSITION RISK

Risks analysed under CCRA: Increasing expectations from society, changes in regulation, policy and technology and rising costs associated with the transition to a lower-carbon economy could all have an impact on our business.

Timeframes:
- Short term – 2020-2025
- Medium term – 2026-2035
- Long term – beyond 2035

Tate & Lyle sites: 14 production sites across Brazil, China, Thailand, Italy, Slovakia, the Netherlands and the US

Transportation: transport, distribution and logistics (upstream and downstream)

Procurement and commercial: global policy trends with potential effects on Tate & Lyle's key geographies and markets

Emissions concentration pathway: aggressive mitigation scenario (+2°C, RCP 2.6 pathway)

SUMMARY OF RISK	POTENTIAL IMPACT	WHAT WE ARE DOING
Group		
Customers and other stakeholders are looking for more ambitious commitments to accelerate decarbonisation efforts.	Not meeting our commitments could damage our reputation with our stakeholders. It could also affect demand, since customers looking to meet their own sustainability goals may choose to work with other suppliers.	We have had science-based targets to reduce our GHG emissions since 2020. In May 2024, we announced ambitious new science-based targets, aligned to a 1.5°C pathway, and are making tangible progress against those targets.
Production facilities		
In the short to medium term, predicted changes in regulation, policy and technology are likely to affect us financially. We expect the following to be most relevant: national climate commitments in countries where we have major production facilities, and decreasing caps on carbon allowances.	New and emerging carbon tax legislation and pricing mechanisms and a global move to lower-carbon transport could lead to an increase in the cost of raw materials and energy at our sites. The need to adapt to lower-carbon alternatives for our products and materials could also lead to higher costs, for example in research and development. Such alternatives may also lead to additional processing, which could indirectly trigger higher carbon emissions and costs associated with minimising those emissions. Utility and supply costs are likely to continue rising over the long term, for example due to a lack of lower-carbon alternatives and continued market expectations for low-carbon production. This could affect the competitiveness of different sites.	As part of our sustainability commitments, we continue to work towards lower-carbon production, introducing renewable electricity and cleaner energy options where available. We factor the impact of GHG emissions and water use into our engineering feasibility studies for capital projects and continue to respond to emerging regulation. We look for ways to improve our overall operational efficiency and reduce our exposure to variable fossil fuel prices and carbon taxes.
Distribution network		
The global switch to lower-carbon transport could result in higher costs.	Our transport costs could increase as our sub contracted hauliers switch from diesel to lower-carbon vehicles to meet their own sustainability goals.	Our logistics team ensures we have sufficient flexibility in our distribution network to use different suppliers, where needed, to meet our economic and sustainability goals.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

SUMMARY OF OUR KEY CLIMATE-RELATED RISKS CONTINUED

TRANSITION OPPORTUNITIES

OPPORTUNITY	DESCRIPTION	WHAT WE ARE DOING
Market demand for low-carbon, plant-based products in the food industry could increase.	In the short to medium term, such demand could open up access to new markets and customers.	We assess all new products in our innovation pipeline for their sustainability impact.
Production processes and renewable energy sources could be more efficient.	By embracing new technology and adopting new processes or sources of energy, we could increase our efficiency and significantly reduce the carbon footprint of our business and products.	In 2024, we signed new agreements for renewable electricity and associated renewable energy certificates (RECs), which, together, mean 100% of the electricity we procure globally (excluding CP Kelco sites) will come from renewable sources and associated RECs on an annualised basis. As a result, we have achieved our 2030 renewable energy target more than five years ahead of schedule.
Lower-carbon transport options could become available.	This is both a risk and an opportunity for Tate & Lyle, since costs could fall in the medium to long term as more businesses adopt low- and zero-emissions transport options. This could improve our efficiency and reduce our costs.	We continue to work with our logistics suppliers to find more carbon efficient ways to transport our raw materials and finished products, such as using electrified modes of transport.

Looking ahead

In the 2026 financial year, we will continue to align our reporting more closely with TCFD and TNFD, including:

- Integrating and embedding CP Kelco into our existing governance and enterprise risk management process so we can continue to manage all our climate- and nature-related impacts, along with broader sustainability issues.
- Updating our assessment of climate change risks to include CP Kelco. Our updated assessment will align with the latest guidance and requirements set out by the ISSB's reporting standard, IFRS S2, Climate-related Disclosures.
- Updating our high-level assessment of nature-related issues to include CP Kelco.
- Updating our water risk assessment to include CP Kelco's operations and key supply chains.
- Continuing to measure progress against our targets and commitments to 2028 and 2030.
- Looking to identify additional climate- and nature-related metrics and targets to assess and report against our progress.

TCFD table of concordance

The table below cross-refers to where the relevant disclosures in this Annual Report have been made against the 11 principles of the TCFD.

TCFD principles		Page(s)
1.	**Governance**	
1.1	Describe the Board's oversight of climate-related risks and opportunities	55
1.2	Describe management's role in assessing and managing climate-related risks and opportunities	55
2.	**Strategy**	
2.1	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	74-79
2.2	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	74-79
2.3	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	74-79
3.	**Risk management**	
3.1	Describe the organisation's processes for identifying and assessing climate-related risks	65-66, 74-79
3.2	Describe the organisation's processes for managing climate-related risks	65-66, 74-79
3.3	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	65-66, 74-79
4.	**Metrics and targets**	
4.1	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	54, 56-63
4.2	Disclose Scope 1, Scope 2 and if appropriate Scope 3 GHG emissions and the related risks	56-63, 74-79
4.3	Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets	54, 56-63