



This section shows how our Board and executive management aim to uphold the highest standards of corporate governance, and how we apply our four core values – safety, integrity, knowledge, innovation – to everything we do.

How we run the business

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Production meeting at Koog, the Netherlands

Board of directors



1 Sir David Lees
Chairman



2 Iain Ferguson CBE
Chief Executive



3 Tim Lodge
Group Finance Director



4 Sir Peter Gershon
Independent non-executive director
and Chairman-elect



5 Richard Delbridge
Senior Independent Director



6 Elisabeth Airey
Independent non-executive director

1 Sir David Lees
Chairman

Joined the Board and was appointed Chairman in October 1998. Sir David joined GKN plc in 1970 and was appointed Group Finance Director in 1982, Group Managing Director in 1987 and then Chairman and Chief Executive in 1988 before becoming non-executive Chairman of GKN in 1997 until his retirement in May 2004. He served as a non-executive director of the Bank of England (1991-1999) and as Chairman of Courtaulds plc (1996-1998). Sir David is currently Deputy Chairman and Senior Independent Director of QinetiQ Group plc; a governor of the Royal Ballet School; a member of the Panel on Takeovers and Mergers and Chairman of the Court of the Bank of England. He is a Fellow of the Institute of Chartered Accountants in England and Wales, and is a Deputy Lieutenant of the County of Shropshire. Aged 72.

2 Iain Ferguson CBE
Chief Executive

Joined the Group and was appointed Chief Executive in May 2003. Previously Iain worked for Unilever where he held a number of senior positions including Executive Chairman of Birds Eye Wall's in 1995 and then Senior Vice President Corporate Development. He is a former Commissioner on the UK Government's Policy Commission on the Future of Farming and Food, and a former President of both the Food & Drink Federation (2006-2008) and the Institute of Grocery Distribution (2003-2004). Iain is currently Chairman of the Wilton Park Departmental Board and Advisory Council, a member of the UK Government's Council of Food Policy Advisers, a member of the Institute of Grocery Distribution's Policy Issues Council, a non-executive director of Greggs plc and Honorary Vice President of the British Nutrition Foundation. Aged 53.

3 Tim Lodge
Group Finance Director

Joined the Group in 1988 and joined the Board in December 2008 as Group Finance Director. Tim has held a number of senior operational and financial roles at Tate & Lyle, both in the UK and internationally, including Managing Director of Zambia Sugar; Group Financial Controller; Finance Director of the Food & Industrial Ingredients, Europe division; and Director of Investor Relations. He is an Associate of the Chartered Institute of Management Accountants. Aged 44.

4 Sir Peter Gershon
Independent non-executive
director and Chairman-elect

Joined the Board in February 2009. Sir Peter was formerly Chief Executive of the Office of Government Commerce, Managing Director of Marconi Electronic Systems and a member of the GEC plc Board.



7 Evert Henkes
Independent non-executive director



8 Robert Walker
Independent non-executive director

7 Evert Henkes

Independent non-executive director
Joined the Board in December 2003. Evert worked for the Royal Dutch/Shell Group of companies for 30 years, during which time he held a number of senior management positions in Europe and Asia Pacific culminating in his appointment as Chief Executive of Shell Chemicals in 1998. He retired from Shell in April 2003. He is also a member of the international advisory board of CNOOC Ltd and a non-executive director of Outokumpu OYJ, Air Products and Chemicals Inc, and SembCorp Industries Ltd. Aged 65.



9 Dr Barry Zoumas
Independent non-executive director



10 Robert Gibber
Company Secretary & General Counsel

8 Robert Walker

Independent non-executive director
Joined the Board in January 2006. Robert is Chairman of WH Smith PLC and of BCA Holdings Ltd. He was previously Chairman of Williams Lea, and has served on various FTSE 100 and 250 boards, including Wolseley, BAA, Signet, Thomson Travel Group and Severn Trent, where he was Group Chief Executive. He has also served as adviser to Cinven. He started his career at Procter and Gamble and McKinsey & Co., then spent over 20 years with PepsiCo, culminating as Division President. Aged 64.

9 Dr Barry Zoumas

Independent non-executive director
Joined the Board in May 2005. Barry is currently the Alan R. Warehime Professor of Agribusiness and Professor of Food Science and Nutrition at Penn State University, USA. He is also Global Chairman of the International Life Sciences Institute. Barry spent his early career at Mead Johnson before joining Hershey Foods Corporation in 1970 where he worked for 27 years, holding a number of positions, culminating as Corporate Vice President of Science and Technology. Aged 66.

10 Robert Gibber

Company Secretary & General Counsel
A solicitor, Robert joined Tate & Lyle in 1990 as a commercial lawyer. He previously worked for City law firms Wilde Sapte and Herbert Oppenheimer. He graduated from Wadham College, Oxford in Oriental Studies (Chinese) in 1984. He was appointed General Counsel in 1997 and then also Company Secretary in 2001. Aged 46.

He is also Non-Executive Chairman of Premier Farnell plc, GHG Limited (General Healthcare Group) and Vertex Data Science Limited; and a member of the Advisory Board of the UK Defence Academy and the Court and Council of Imperial College. Aged 62.

5 Richard Delbridge Senior Independent Director

Joined the Board in September 2000 and was appointed Senior Independent Director in December 2003. A Chartered Accountant, Richard is a former Partner of Arthur Andersen & Co. In 1976, he joined JP Morgan and was Group Comptroller and later Managing Director of the London offices. In 1989, he was appointed Director, Group Finance, at Midland Bank plc, later becoming Group Finance Director, HSBC Holdings plc.

In 1996, Richard was appointed Director and Group Chief Financial Officer of National Westminster Bank Plc, a position he held until April 2000. He is a non-executive director of JP Morgan Cazenove Holdings and a Council Member and Treasurer of The Open University. Aged 67.

6 Elisabeth Airey

Independent non-executive director
Joined the Board in January 2007. From 1990 to 1999 Elisabeth served as Finance Director of Monument Oil and Gas plc until its sale to Lasmo plc. She is currently a non-executive director and Chairman of the JP Morgan European Fledgling Investment Trust PLC. She is Chairman of the Unilever UK Pension Fund and is also a non-executive director of Dunedin Enterprise Investment Trust PLC. Aged 50.

Executive management

The Group Executive Committee oversees the development and execution of the Group's strategy, and has overall responsibility for achieving business results.

Members of the Group Executive Committee

Iain Ferguson (Chairman)
Chief Executive
Iain's biography is on page 60.

Tim Lodge
Group Finance Director
Tim's biography is on page 60.

Robert Gibber
Company Secretary and General Counsel
Robert's biography is on page 61.

Ian Bacon
Chief Executive, Sugars
Ian joined Tate & Lyle in November 2005 and became Chief Executive, Sugars in January 2006. He joined from Unilever where he was Vice President, Global Customer Development with responsibility for increasing sales growth across the business. A graduate of Birmingham University, Ian began his 26-year career with Unilever in 1979, holding a number of senior positions including Vice President, Operations North Africa, Middle East and Turkey; and General Manager, Birds Eye Wall's.

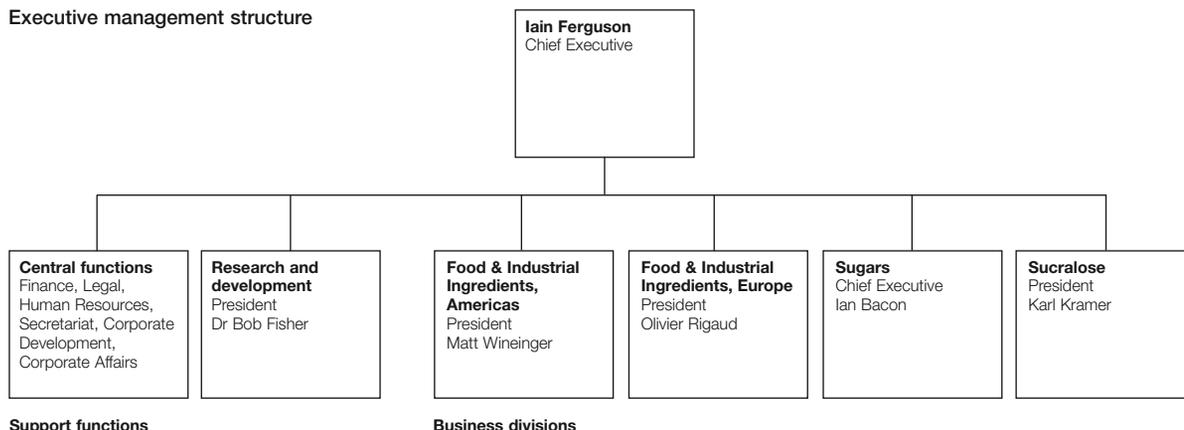
Dr Bob Fisher
President, Global R&D
Bob joined Tate & Lyle as Head of Global R&D in December 2006 and was appointed President Global R&D in July 2008. He joined from the International Life Science Institute, North America, where he was Executive Director and Chief Operating Officer. Prior to that, he was Executive Vice President, Business Development and New Technology for John I. Haas, a leading producer and trader of hops, and before that Vice President, Research & Development, North America, for The Campbell Soup Company. Bob has a PhD in Food Science.

Karl Kramer
President, Sucralose
Karl joined Tate & Lyle in April 2008 and became President, Sucralose in June 2008. A graduate of Chemical Engineering from the New Jersey Institute of Technology, Karl began his career in R&D at General Foods. He then worked in brand management for Nestlé, and in international sales for the NutraSweet Kelco Division of Monsanto. Before joining Tate & Lyle, Karl held various general management roles in the flavour division of Givaudan. Karl holds an MBA from the New York University Stern School of Business.

Olivier Rigaud
President, Food & Industrial Ingredients, Europe
After graduating in Chemistry from University Aix-Marseille in 1988 Olivier joined Tate & Lyle (Amylum business) as a sales manager in France. He then held various management positions including in industrial products, liquid sweeteners and alcohol sales. In 2000, Olivier became Vice President Food Ingredients, Europe. In July 2008 he was appointed President, Food & Industrial Ingredients, Europe.

Matt Wineinger
President, Food & Industrial Ingredients, Americas
Matt joined Tate & Lyle in March 2008 and became President, Food & Industrial Ingredients, Americas in July 2008. He joined from Swift and Co, where he was President of their Australian Meat Holdings division. A graduate of Kansas State University, Matt started his career in the Food Products Division at Procter & Gamble and then worked in a variety of roles for Monsanto. In 2000 he joined Cargill, becoming President of Sales, Marketing and Research & Development in 2002 for its Meat Solutions division in Kansas.

Executive management structure



Corporate governance

Tate & Lyle is committed to high standards of corporate governance which the Board believes are central to achieving the Group's objectives and maximising shareholder value.

Compliance with the Combined Code

Tate & Lyle's ordinary shares are listed on the Official List of the UK Listing Authority. Therefore, the Company is required to state whether it has complied with the provisions in Section 1 of the UK Financial Reporting Council's Combined Code on Corporate Governance (as updated in 2006) (the Code) during the financial year under review. The Board confirms that the Company has complied with all the provisions set out in Section 1 of the Code during the financial year ended 31 March 2009.

This report, together with the directors' remuneration report on pages 84 to 96, provides details of how the Company applies the principles and complies with the provisions of the Code.

Board of directors

The Board is collectively responsible for promoting the success of the Company and for providing entrepreneurial leadership within a framework of prudent and effective controls that enable risk to be assessed and managed. It sets the Company's objectives and ensures that the necessary financial and human resources are in place to enable them to be met, and reviews management performance. The Board also sets the Company's values and standards and ensures that its obligations to shareholders and others are understood and met.

The Board has a schedule of matters reserved to it for its decision. This schedule is reviewed annually and includes approval of:

- Group strategy;
- annual budget and operating plans;
- major capital expenditure, acquisitions or divestments;
- annual and half-year financial results and interim management statements;
- safety and environmental policies;
- Board and Company Secretary appointments;
- senior management structure, responsibilities and succession plans;
- treasury policies;
- directors' conflicts of interest;
- system of internal control and risk management; and
- dividend policy.

Other responsibilities are delegated to Board Committees, which operate within defined terms of reference. Details of these are given on pages 66 to 68.

The directors' responsibilities for the preparation of financial statements are explained on page 83 and their statement on going concern is on page 58.

Board and Committee meetings

There were nine scheduled Board meetings during the year ended 31 March 2009, with two held at operating locations. Five additional meetings were held primarily to approve such matters as the publication of trading updates and changes to the composition of the Board. All directors also met off-site for a day to consider the Group's strategy.

Directors' attendance at the Board and Committee meetings that they were eligible to attend is shown in the table below.

Director	Board	Audit Committee	Nominations Committee	Remuneration Committee
Elisabeth Airey	13/14	5/5	11/12	11/11
Richard Delbridge	13/14	5/5	11/12	10/11
Iain Ferguson	13/14	–	10/12	–
Sir Peter Gershon	2/2	–	1/1	2/2
Evert Henkes	13/14	4/5	11/12	11/11
Sir David Lees	14/14	–	12/12	11/11
Tim Lodge	3/3	–	–	–
Stanley Musesengwa	4/4	–	–	–
John Nicholas	4/5	–	–	–
Stuart Strathdee	4/4	–	–	–
Robert Walker	13/14	5/5	11/12	11/11
Dr Barry Zoumas	13/14	4/5	11/12	9/11

In the few instances where a director is unable to attend a meeting, his or her comments on the briefing papers are given in advance to the relevant Chairman.

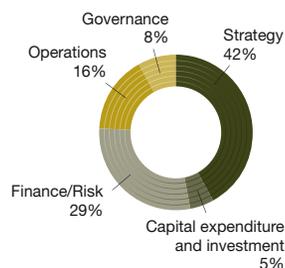
A rolling programme of items for discussion by the Board, which is constantly updated to reflect topical matters, has been in operation for a number of years. Board meetings are structured to allow open discussion and all directors participate in discussing strategy, trading, financial performance and risk management.

Corporate governance continued

All substantive agenda items have comprehensive briefing papers, which are circulated five days before the meeting. Members of executive management attend Board meetings and make presentations regularly.

The chart below shows the approximate time the Board has spent discussing agenda items during the year, separated into broad categories.

Board allocation of time
Year ended 31 March 2009



Board support

All directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board processes are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole. There is also a formal procedure whereby, in the furtherance of their duties, directors can obtain independent professional advice, if necessary, at the Company's expense.

The Company maintains appropriate insurance cover in respect of legal proceedings and other claims against its directors.

Chairman and Chief Executive

The roles of the Chairman and Chief Executive are separated and their responsibilities are clearly established, set out in writing and agreed by the Board. The Chairman is responsible for the leadership and workings of the Board and ensuring its effectiveness, while the Chief Executive is responsible for the running of the business and implementing strategy and policy.

Other significant commitments of the Chairman, Sir David Lees, are set out in his biography on page 60. The Board is satisfied that they do not unduly restrict him from carrying out his duties as Chairman effectively.

Board balance and independence

The Board currently comprises the Chairman, who has no executive responsibilities, two executive directors and six non-executive directors, including the Chairman-elect. The names and biographies of the directors are on pages 60 and 61.

With the exception of the Chairman, who is presumed under the Code not to be independent, the Board considers all the non-executive directors, including the Chairman-elect, to be independent.

Richard Delbridge is the Senior Independent Director and is available to shareholders if they have any issues or concerns.

The non-executive directors have a wide range of skills and knowledge and combine broad business and commercial experience with independent and objective judgement.

The terms and conditions of appointment of the non-executive directors can be inspected at the Company's registered office and will be available for inspection at the Annual General Meeting (AGM).

Directors' conflicts of interest

A new statutory duty on directors to avoid conflicts of interest with the Company came into force on 1 October 2008. The Company's Articles of Association, which were amended in July 2008, permit directors to authorise conflicts of interest and the Board has adopted a policy and procedures for managing and, where appropriate, authorising, actual or potential conflicts of interest. Under those procedures, directors are required to declare all directorships or other appointments to organisations that are not part of the Group and which could result in actual or potential conflicts of interest, as well as other situations which could result in a potential conflict of interest.

The Board is required to review directors' actual or potential conflicts of interest at least annually. Directors are required to disclose proposed new appointments to the Chairman before taking them on, to ensure that any potential conflicts of interest can be identified and addressed appropriately. Any potential conflicts of interest in relation to proposed directors are considered by the Board prior to appointment.

Re-election of directors

The Company's Articles of Association require all directors to seek re-election by shareholders at least once every three years. In addition, any directors appointed by the Board must stand for re-election at the first AGM following their appointment. Any non-executive directors who have served for more than nine years are subject to annual re-election.

The names of the directors retiring and standing for re-election at the 2009 AGM are set out on page 82. Further details are given in the letter from the Chairman to shareholders in the Notice of Meeting document.

Information, induction and professional development

The Chairman, assisted by the Company Secretary, is responsible for ensuring that the directors receive accurate, timely and clear information on all relevant matters.

On appointment to the Board, directors receive a comprehensive induction programme, which includes site visits and meetings with senior management across the Group. New directors receive background reading about the Group and details of Board procedures and other governance-related matters. Major shareholders have been offered the opportunity to meet new non-executive directors as part of the directors' induction programme.

Directors receive ongoing training and updates on relevant issues as appropriate, taking into account their individual qualifications and experience. A number of training sessions for directors were held outside the scheduled meetings on subjects of particular relevance during the year. The Company Secretary helps directors undertake any other professional development they consider necessary to assist them in carrying out their duties. Visits to external events or organisations are also arranged for the Board to help non-executive directors in particular to gain a deeper insight into the Group's operating environment.

Performance evaluation

During the year, the Chairman led an exercise to evaluate the effectiveness of the Board and its Committees.

As part of the process, the Chairman held one-to-one meetings with each director and the Company Secretary. The main themes and observations on the Board's effectiveness were summarised in a report to the Board. It concluded that the Board continued to operate in an effective manner but made a number of recommendations for improvements such as the timing of Committee meetings and further enhancements to the format and content of Board papers. Actions are being or will be taken to address the matters raised by the evaluation with progress monitored by the Company Secretary.

With regards to the performance of individual directors, the Chairman concluded that all directors continue to make an effective contribution to the Board's work, are

well prepared and informed about issues they need to consider and that their commitment remains strong.

During the year, the non-executive directors met together without the Chairman, under the chairmanship of the Senior Independent Director, to appraise the Chairman's performance (the Senior Independent Director having first sought the views of the executive directors). In addition, the Chairman held a private meeting with the non-executive directors to appraise the Chief Executive's performance and to address any other matters the non-executive directors wished to raise.

The Audit, Nominations and Remuneration Committees also undertook an evaluation of their work and effectiveness during the year, the results of which were reported to the Board by the respective Committee Chairmen. The reviews concluded that each Committee was operating effectively.

Shareholder communications

The Chief Executive, Group Finance Director and Director of Investor Relations maintain a regular programme of visits and presentations to major institutional shareholders both in the UK and overseas. The Chairman and Senior Independent Director participate in this programme as appropriate and the Chairman provides feedback to the Board on any matters raised with him by major shareholders. The Investor Relations Department provides the Board with a detailed report on discussions with major institutional shareholders each time it meets. All directors receive copies of analysts' reports on the Company and the Board is briefed periodically by the Company's financial advisers on investors' perceptions of Tate & Lyle and its investor relations activities.

The non-executive directors are encouraged to attend presentations to analysts and shareholders, and in particular the full year and interim results presentations.

The Company aims to present a balanced and clear assessment in all its reports to the public and to regulators. Key announcements, financial reports and other information about the Group can be found on the Company's website at www.tateandlyle.com.

Shareholders who attend the AGM are given the opportunity to put questions to the Board on matters relating to the Group's operations and performance. Approximately 250 shareholders attended the AGM in 2008. The level of proxy votes received in respect of each resolution, together with the level of abstentions, are announced to shareholders at the AGM, notified to the market and published on the Company's website.

Corporate governance continued

Board Committees

There are three main Board Committees: Remuneration, Nominations and Audit. The terms of reference of each Committee, which are reviewed annually by the Board, are available on the Company's website, www.tateandlyle.com, or from the Company Secretariat at the registered office.

The Committees are supported by the services of the Company Secretariat and, if deemed necessary, can obtain independent professional advice at the Company's expense. The Company Secretary, Robert Gibber, is Secretary to each Board Committee.

Remuneration Committee

The Committee comprises the independent non-executive directors and the Chairman of the Board. The members of the Committee during the year and up to the date of this report were:

Evert Henkes, Chairman
Elisabeth Airey
Richard Delbridge
Sir Peter Gershon (from 1 February 2009)
Sir David Lees
Robert Walker
Dr Barry Zoumas

The Committee meets as required, usually before each Board meeting, and has a formal calendar of items for consideration at each Committee meeting.

The Committee determines the remuneration packages of each executive director and the other members of the Group Executive Committee. This includes base salary, bonus, long-term incentives, benefits and terms of employment, including those upon which their service may be terminated. The Committee also determines the base salary, long-term incentives and benefits of certain other senior executives. In consultation with the Chief Executive, the Committee also determines the remuneration of the Chairman. The remuneration of non-executive directors is determined by the executive directors and the Chairman. More information on policy, practice and the workings of the Committee can be found in the directors' remuneration report on pages 84 to 96.

Nominations Committee

The Committee comprises the non-executive directors and the Chief Executive under the chairmanship of the Chairman of the Board (except when the Committee is dealing with the appointment of a successor to the Chairman, when the Senior Independent Director chairs the Committee).

The members of the Committee during the year and up to the date of this report were:

Sir David Lees, Chairman
Elisabeth Airey
Richard Delbridge
Iain Ferguson
Sir Peter Gershon (from 1 February 2009)
Evert Henkes
Robert Walker
Dr Barry Zoumas

The main responsibilities of the Committee are to:

- review the size and composition of the Board, including succession planning, and the leadership needs of the Group generally;
- make recommendations on candidates for appointment as executive and non-executive directors and as Company Secretary, taking into account the balance of the Board and the required blend of skills and experience;
- make recommendations on the processes for the appointment of the Chairman of the Board;
- review annually the performance of each member of the Group Executive Committee and to report on that review to the Remuneration Committee; and
- make recommendations on the nomination of the Senior Independent Director, the reappointment of non-executive directors upon the expiry of their term of office, and the proposed re-election of directors retiring by rotation at the AGM.

When recruiting non-executive directors, the Committee considers the particular skills, knowledge and experience that would most benefit the Board, and external recruitment consultants are engaged to assist in the recruitment process.

During the year, the Senior Independent Director, Richard Delbridge, led the search for a successor to the Chairman, with the help of external consultants. The Chairman did not chair the Nominations Committee meetings when the issue of his successor was being discussed. As a result, the Committee recommended the appointment of Sir Peter Gershon as a non-executive director and Chairman-elect. Sir Peter was appointed by the Board with effect from 1 February 2009 and his biography is set out on page 60.

With the help of external recruitment consultants and following a competitive selection process, the Committee also recommended that Tim Lodge be appointed Group Finance Director from 4 December 2008. The recommendation was approved by the Board.

Following the end of the financial year and after a competitive selection process which was undertaken with the assistance of external recruitment consultants, the Committee recommended that Javed Ahmed be appointed Chief Executive. The recommendation was approved by the Board. As announced on 19 May 2009, Javed Ahmed will join the Company and the Board by 15 November 2009.

Audit Committee

The Committee consists solely of independent non-executive directors. Elisabeth Airey succeeded Richard Delbridge as Chairman of the Audit Committee following the AGM on 23 July 2008.

The members of the Committee during the year and up to the date of this report were:

Elisabeth Airey, Chairman
Richard Delbridge
Sir Peter Gershon (from 1 February 2009)
Evert Henkes
Robert Walker
Dr Barry Zoumas

All the Committee members have extensive management experience in large international organisations and the Chairman, Elisabeth Airey, is an investment banker and former finance director of Monument Oil and Gas plc.

The Committee meets at least four times each year. The Chairman of the Company, Chief Executive, Group Finance Director, Head of Global Risk and Assurance (who leads the internal audit function) and other members of the senior management team (as invited by the Committee), together with the external auditors, usually attend meetings. The minutes of each meeting are circulated to the Board. Both the Head of Global Risk and Assurance and the external auditors have direct access to, and meet regularly with, the Chairman of the Committee outside formal Committee meetings.

The Committee maintains a formal calendar of items for consideration at each meeting and within the annual audit cycle to ensure that its work is in line with the requirements of the Code.

The main responsibilities of the Committee are to:

- monitor the integrity of the annual and half-year financial statements and any formal announcements relating to the Company's financial performance, paying particular attention to significant reporting judgements contained therein, including critical accounting policies and practices;
- review the Group's internal financial controls and its internal control and risk management systems;

- review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- make recommendations for submission to shareholders for their approval in general meeting in relation to the appointment, reappointment and removal of the external auditors and to approve their remuneration and terms of engagement;
- monitor and review the effectiveness of the internal audit function;
- develop and implement a policy on the engagement of the external auditors to supply non-audit services; and
- review arrangements by which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or other matters.

During the year and up to the date of this annual report, the Audit Committee discharged its responsibilities as set out in its terms of reference by undertaking the following work:

- meeting prior to the Board meetings at which the annual report and financial statements, the half-year report and interim management statements were approved. In doing so, the Committee reviewed significant accounting policies, financial reporting issues and judgements and reports from the external auditors;
- reviewing the effectiveness of the external audit process, the external auditors' strategy and plan for the audit, and the qualifications, expertise, resources and independence of the external auditors;
- agreeing the terms of engagement and fee of the external auditors for the audit and recommending to the Board that PricewaterhouseCoopers LLP be proposed to shareholders at the AGM for reappointment as external auditors to the Company;
- reviewing the policy on auditor independence and the basis of the provision of non-audit services by the external auditors;
- meeting with representatives of the external auditors in the USA (while on a scheduled site visit);
- receiving and considering regular reports from the Head of Global Risk and Assurance on the Group's risk management system, findings from reviews of internal financial controls, and the remit, organisation, annual plan and resources of the internal audit function;
- undertaking a review of the effectiveness of the internal audit function. The review in 2009 was generally positive but some improvements to processes and practices were identified and are being implemented;

Corporate governance continued

- reviewing the Committee's terms of reference and its effectiveness, and recommending changes to the Board as a result of this review. The review in 2009 concluded that no substantive amendments to the terms of reference were required and that the Committee had fulfilled its role and responsibilities appropriately;
- reviewing the annual report disclosure items relevant to the Committee, including the going concern statement and the reports on risk management and internal control;
- reviewing the potential impact on the Group's financial statements of significant corporate governance and accounting matters;
- reviewing the findings of the external auditors, their management letters on accounting procedures and internal financial controls and audit representation letters;
- meeting separately with the Chief Executive, Group Finance Director, external auditors and the Head of Global Risk and Assurance in order to understand any concerns relevant to the Audit Committee that they might have;
- reviewing procedures under which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or other matters; and
- reviewing an annual report on the Group's systems of internal control and its effectiveness, and reporting the results of the review to the Board.

The Committee operates a policy to safeguard the objectivity and independence of the external auditors. This policy sets out certain disclosure requirements by the external auditors to the Committee; restrictions on the employment of the external auditors' former employees; partner rotation; and procedures for the approval of non-audit services by the external auditors. During the year, the Committee reviewed the processes that PricewaterhouseCoopers LLP have in place to safeguard their independence and received a letter from them confirming that, in their opinion, they remained independent.

The procedure for the provision of non-audit related services by the external auditors is governed by a schedule appended to the policy on auditor independence which states the services that the external auditors are not permitted to provide and those that the external auditors may provide, together with the appropriate approvals processes.

Each time it meets, the Committee receives a report setting out the non-audit services provided by the external auditors during the year and the fees charged.

Details of the amounts paid to the external auditors are given in Note 7 of the financial statements. Having undertaken a review of the non-audit related services provided during the year, the Committee is satisfied that these services did not prejudice the external auditors' independence.

Risk management

The Board of Directors has overall responsibility for the Group's system of internal control and risk management. The schedule of matters reserved to the Board ensures that the directors control, among other matters, all significant strategic, financial and organisational issues.

The Group's enterprise-wide risk management and reporting process helps Group management to identify, assess and mitigate risk. The process involves the identification and prioritisation of key risks through an ongoing programme of workshops, facilitated by the risk management function, held around the Group. The risks identified cascade up through functional and divisional levels to the Group Executive Committee. This culminates in the identification of the Group's key business, financial, operational and compliance risks with associated action plans and controls to mitigate them where possible (and to the extent deemed appropriate taking account of costs and benefits).

As part of this process, senior executive management confirms to the Audit Committee once a year that these key risks are being managed appropriately within their operations, and that controls have been examined and are effective. Responsibility for managing each key risk and the associated mitigating controls is allocated to an individual executive within each division. Changes in the status of the key risks and changes to the risk matrix are reported regularly to executive management and to the Board.

During the year ended 31 March 2009, the risk assessment process was reviewed and changes were made to the process across the Group. The enhanced process broadly follows the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Framework. The COSO framework provides a process to manage the risk of failure to achieve business objectives and assurance against material loss or misstatement. A series of risk assessments were carried out which culminated in a workshop with the Group Executive Committee at which the specific Group risks and the key risks from each business area were considered. The output, a Group Risk Assessment, was subsequently reviewed by the Board.

Internal control

The Board of Directors has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. The Board delegates to executive management the responsibility for designing, operating and monitoring both the system and the maintenance of effective internal control in each of the Group's businesses. These systems of internal control are designed to manage rather than eliminate risk, and can provide only reasonable and not absolute assurance against material errors, losses, fraud or breaches of laws or regulations.

All the material joint ventures that the Group is party to currently follow the Group's formal systems of internal control, and their internal control procedures are regularly reviewed by the internal audit function. The systems of internal control are based on a process of identifying, evaluating and managing risks and include the risk management processes set out above. These accord with the guidance in the Turnbull Report and were in place throughout the year and up to the date of the signing of this annual report. The key risks that might hinder the achievement of the Group's business objectives are managed, controlled and monitored by the following processes:

- the Group's businesses operate under mandatory written policies and procedural manuals to provide an appropriate control environment. These set out the Group's commitment to competence, integrity and ethical values. The policies are reviewed by the Board annually and changes are made as appropriate to enhance existing control procedures;
- key strategic risks are addressed through the Group's process of preparation of plans by each operating unit and the compilation of these risks in the Group's operating plan;
- there is a comprehensive annual planning and financial reporting system comparing results with plan and the previous year on a monthly and cumulative basis. The process of planning, budgeting and making short-term forecasts, which is subject to an ongoing review, should provide early warning of potential financial risks. Revised forecasts for the year are produced at least four times a year;
- the Chief Executive and Group Finance Director undertake regular financial and operational reviews of the major operating units within the Group;

- the Chief Executive and the Group Finance Director submit written reports to each Board meeting, which include consideration of changing threats and opportunities within the business. The standard Board review of investments and disposals includes identification of major risks that could affect the outcome of each project, with a sensitivity analysis;
- the Company has defined procedures for the authorisation and project management of capital expenditure and investment, granting of guarantees, trading and hedging of currencies and commodities and use of treasury products; and
- formal annual reports and presentations are received by the Board on certain areas of special risk. These include insurance, treasury management, commodity trading, pensions, safety and environmental issues.

The Audit Committee periodically reviews the effectiveness of the system of internal control through reports from the external auditors and the internal audit function. The internal audit function follows a planned programme of reviews that are aligned to the risks existing in the Group's businesses. It has the authority to review any relevant aspect of the business.

The Board, with assistance of the Audit Committee, has conducted an annual assessment of the effectiveness of the systems of risk management and internal control during the financial year and up to the date of this annual report. The review, which is co-ordinated by the internal audit function, includes a Group-wide certification that appropriate internal controls are in place to facilitate the Board's review of effectiveness. The internal audit function monitors and selectively checks the results of this exercise, ensuring that the representations made are consistent with the results of the department's work during the year. Where weaknesses have been identified, plans for correcting them are also reported. The results of this exercise are summarised for the Audit Committee and the Board. In the event that any significant losses were to be incurred during the year as a result of the failure of controls, a detailed analysis would be provided to the Audit Committee and the Board. The Board confirms that no significant weaknesses were identified in relation to the review conducted during the year and accordingly no remedial action is required.

Corporate social responsibility

For Tate & Lyle, corporate social responsibility equates to applying our four core values – safety, integrity, knowledge and innovation – to the way we run our business. This means continuous progress in achieving the highest standards of safety; considering the environmental impact of every aspect of what we do; and treating our employees, suppliers and the communities in which we work as long-term partners.

Putting these concerns at the centre of our business requires proactive management at every level within the Group. The Board reviews Tate & Lyle's policies and performance annually, and the Chief Executive is the Board member accountable for all aspects of corporate social responsibility.

Business Code of Conduct

Our Business Code of Conduct (the Code of Conduct) governs our approach to corporate social responsibility. The Code of Conduct applies unconditionally to all parts of the wholly-owned Group, and we also aim to apply the Code of Conduct in those operations in which we have a 50% stake or more. Where we have a minority stake, we encourage our partners to adopt the Code of Conduct.

A copy of the Code of Conduct can be found on our website, www.tateandlyle.com. The Code of Conduct sets out how we do business, explains what stakeholders can expect from us and what we require from our employees and look for in our business partners. Doing business in a responsible manner is not only in our long-term interests, but is in the interests of all our stakeholders and of the environment. This means operating to high social, ethical and environmental standards in all circumstances.

Safety Tate & Lyle has no priority higher than safety, which we believe is fundamental to running a successful business. This means ensuring safe and healthy conditions for everyone at our sites: employees, contractors and visitors. By reporting, recognising and rewarding safety performance, we aim to ensure that all our operations focus on continuous improvement.

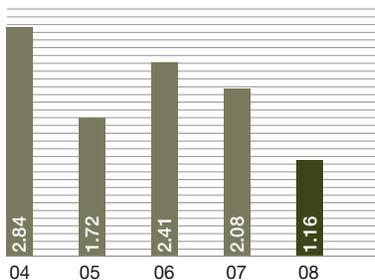
Overview

Overall, our employee safety performance showed good progress in 2008, particularly in reducing the severity rate. During another year of heavy construction activity, we were pleased that our overall contractor safety index also improved significantly, although our lost-time and recordable injury rates for contractors both worsened.

Employee safety results for calendar year 2008

Most locations equalled or improved on their 2007 performance, including 20 that reported no lost-time accidents and 10 that reported no recordable injuries for the year. Overall, we were pleased that our results improved considerably compared with calendar year 2007 with all our measures showing an improved performance other than the lost-time accident rate which worsened slightly.

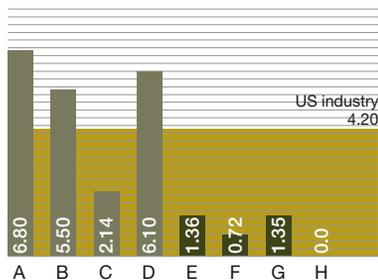
Group safety index



The smaller the index, the better the performance.

Our target is zero for every Tate & Lyle operation.

Benchmark safety recordable injury rate¹

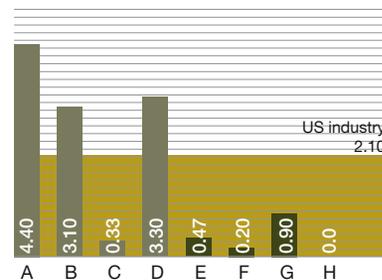


- A US food manufacturing
- B US grain milling
- C US corn refiners
- D US sugar industry
- Tate & Lyle
- E Food & Industrial Ingredients, Americas
- F Food & Industrial Ingredients, Europe
- G Sugars
- H Sucralose

¹ Number of injuries per 200,000 employee hours requiring more than first aid

US industry statistics as reported by the US Bureau of Labor Statistics

Benchmarking safety lost-time accident rate²



- A US food manufacturing
- B US grain milling
- C US corn refiners
- D US sugar industry
- Tate & Lyle
- E Food & Industrial Ingredients, Americas
- F Food & Industrial Ingredients, Europe
- G Sugars
- H Sucralose

² Rate of accidents sufficiently serious to result in lost workdays or restricted work activities

US industry statistics as reported by the US Bureau of Labor Statistics

- **Group safety index** (weighted average of injuries sustained in the workplace across Tate & Lyle, with more severe incidents having greater impact) improved by 44.2%;
- **Recordable injury rate** (injury requiring treatment beyond first aid) improved by 6.6%;
- **Lost-time accident rate** (recordable injury sufficiently severe to result in lost work days or to restrict the employee's ability to perform his/her job) worsened by 4.6%; and
- **Severity rate** (number of work days lost due to injuries per 200,000 employee hours) improved by 63.4%.

Benchmarking results

The USA and Europe compile safety statistics differently and therefore comparisons are difficult. However, we can compare the performance of each of our divisions with results from the US Bureau of Labor Statistics. The most recent results available from the Bureau are from 2007 with the exception of the US corn refiners whose results are from 2008. Again this year, our divisions are outperforming the average reported standard for their peers in their respective sectors and in the US private sector as a whole.

Contractor safety results for calendar year 2008

During another year of heavy construction activity, we made significant efforts to improve our contractor safety performance. Overall our contractor safety index rates improved significantly, with all divisions reporting improvements on the previous year. In particular, the severity rate improved considerably, although both our lost-time accident and recordable injury rates worsened this year. We are pleased, however, that our contractor safety statistics continue to compare favourably with those reported by the US Bureau of Labor Statistics.

Compared with the 2007 calendar year results:

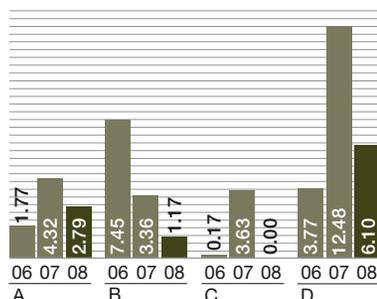
- Contractor safety index improved by 28.6%;
- Recordable injury rate worsened by 14.9%;
- Lost-time accident rate worsened by 37.6%; and
- Severity rate improved by 44.2%.

Benchmarking results

Contractor safety continues to compare well with the US Bureau of Labor Statistics 2007 (the most recent data available). The Bureau reports the overall recordable injury rate per 200,000 employee hours for US contractors to be 5.40 against 1.92 at Tate & Lyle, and the overall lost-time accident rate to be 2.80 against our 0.76.

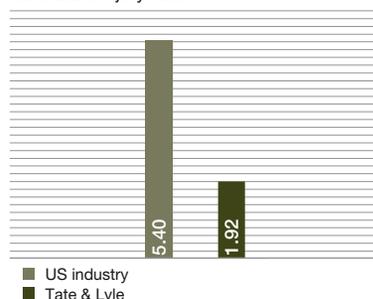
Corporate social responsibility continued

Contractor safety index



A Food & Industrial Ingredients, Americas
 B Food & Industrial Ingredients, Europe
 C Sucralose
 D Sugars

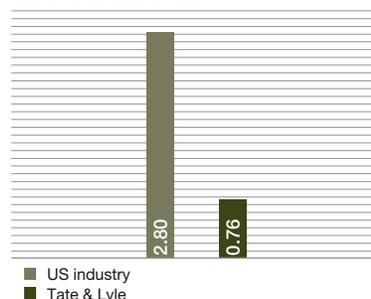
Benchmarking contractor safety recordable injury rate¹



1 Number of injuries per 200,000 employee hours requiring more than first aid

US industry statistics as reported by the US Bureau of Labor Statistics

Benchmarking contractor safety lost-time accident rate²



2 Rate of accidents sufficiently serious to result in lost workdays or restricted work activities

US industry statistics as reported by the US Bureau of Labor Statistics

Managing safety

Maintaining a consistently safe and healthy workplace for our people requires effective, proactive management. We operate network safety committees in the Americas and Europe that share knowledge and experience between plants with the aim of ensuring consistently high standards of safety across Tate & Lyle. The core elements of our approach to safety are:

- emphasis on the importance of behaviour by encouraging a culture of safety at all locations;
- improving communications and sharing best practice throughout the Group;
- the auditing of safety and loss control programmes; and
- the active involvement of senior executives in auditing and promoting safety.

Projects and activities

The driving force behind our performance continues to be our emphasis on behaviour, networking and sharing best practice, auditing and the active involvement of senior management to promote and audit safety programmes. Our network safety committees focused on a number of activities this year, including:

- Group-wide training and behavioural auditing;
- continuing to develop policies and procedures; and
- recognising and rewarding outstanding safety performance through award schemes and by marking significant milestones, both for employees and contractors.

Awards

To qualify for entry to our 'World Class Safety Excellence' awards programme, plants must:

- operate the entire year without lost time;
- have active employee participation in their safety programme;
- have an active auditing programme; and
- demonstrate adherence to Tate & Lyle's standards during executive, management and network audits.

2008 winners were:

- Large plant (over 250,000 employee hours per year): Amylum Nisasta (Turkey)
- Small plant (fewer than 250,000 employee hours per year): Dayton, Ohio (US)
- Most improved safety performance
 - Europe: Amylum Nisasta (Turkey)
 - Americas: Jurong Island (Singapore, part of Sucralose division).

Outlook

We will concentrate on developing global safety policies and procedures that can be easily shared and referenced by all Tate & Lyle sites, and also audited consistently. We will also review our benchmarking and accident reporting procedures to ensure that accurate data and comparisons can continue to be made across our business units and to related outside industries. Contractor safety training and physical and behavioural auditing will continue to be key activities at our sites.

Environment

Tate & Lyle believes that companies must take steps to manage their impact on the natural environment. As a consequence, we are committed to conducting our business in a manner that is sensitive to the environmental needs of the communities within which we operate. We aim to achieve this by upholding defined environmental standards in all of our operations, and we actively encourage our business partners to demonstrate similar levels of commitment.

Overview

All our locations fully integrate environmental management into their operational systems and procedures. The Board reviews environmental performance and the policy annually. Managing our impacts to produce a more positive result is good for the environment and also brings economic benefits to Tate & Lyle. When reviewing our environmental footprint, it has always been Tate & Lyle's policy to focus particularly on those impacts which have most effect on the environment and over which we have direct control. Our three most significant environmental impacts are, in order of magnitude, energy use, water use and non-hazardous solid waste production.

Energy use is by far our most significant impact, and we therefore give it the highest priority. Our particular focus in 2008 was to minimise unit energy consumption during start-up and expansion activities across the Group, and the successful implementation of a wide range of environment-related capital expenditure projects in many of our plants.

Environmental policy and mission statement

Tate & Lyle's environmental policy applies to all parts of the Group. A copy of the policy can be found on our website, www.tateandlyle.com. The principles of the policy are summarised in an environmental mission statement which covers the following points:

- as a minimum, we comply with all applicable laws and regulations, and we exceed local requirements or legislation where commercially feasible;
- we make continuous efforts to prevent pollution and improve environmental performance throughout all our activities;
- we seek to minimise our use of energy, materials and natural resources;
- we strive to develop renewable sources for energy and materials used in our processes;
- we assess environmental risks associated with existing and new activities (or when decommissioning facilities), and establish controls to ensure that any risks remain at an acceptable level;
- we develop renewable products for our customers to help them reduce their impact on the natural environment;
- we encourage all employees to respect and have concern for the environment through procedures and training; and
- we have clearly defined and communicated procedures as part of our management systems for achieving these commitments.

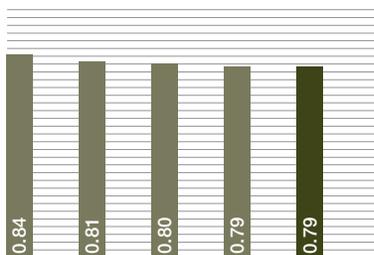
Calendar year 2008 results

We focus our measurement and our improvement efforts on the areas that have most environmental and financial impact. Compared with 2007 results:

- Energy consumption remained the same
- Water consumption increased by 3.7%
- Non-hazardous solid waste production increased by 62%

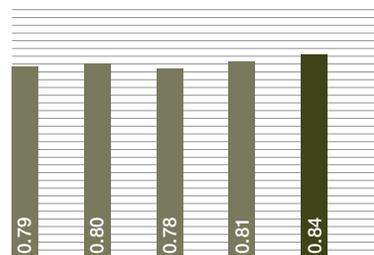
Our energy consumption in 2008 remained the same and, therefore, we did not meet our target of a per unit 3% reduction. Increased energy usage in our Americas and European ingredients businesses due to construction and expansion activities was offset by better performances in our Sugars and Sucralose plants.

Group energy index



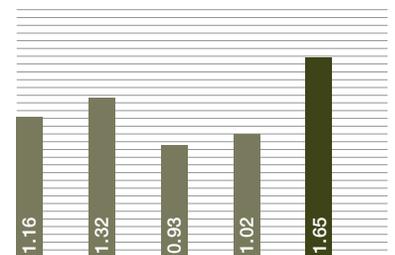
The smaller the index, the better the performance

Group water index



The smaller the index, the better the performance

Group non-hazardous solid waste index



The smaller the index, the better the performance

Corporate social responsibility continued

Both the Group water and non-hazardous solid waste production indices increased during the year. Improvements to both these indices are important targets for 2009, not only because of the environmental impacts, but also because improvements offer cost savings. Every 1% improvement in our energy index would save an estimated £2.3 million. An equivalent improvement in the water index would save £120,000 and, in the non-hazardous solid waste index, £14,000. These savings are per annum at 2008 input prices.

Carbon footprint

In 2007, with the help of environmental consultancy URS, we developed a carbon footprint model to measure the impact of our operations on the environment. We began by measuring the carbon footprint of our UK cane sugar refining business from sugar cane field to supermarket shelf. This is known as secondary carbon footprint data, as it measures indirect as well as direct emissions from the entire lifecycle of a product or service.

We then rolled out a model to measure the primary carbon footprint of our large sites across all our business divisions. A primary carbon footprint measures the carbon associated with production at a specific site, covering emissions generated through the combustion of fossil fuels and transport. The primary footprint is the most applicable measure for a business-to-business company, since the ingredients produced are then used in a wide range of other goods.

Primary carbon footprint

Tate & Lyle's primary carbon footprint in the 2008 calendar year across all its large sites was 0.33 tonnes of CO₂ per tonne of production. This represents a 15% reduction from 0.39 tonnes in the 2007 calendar year.

Because this is a relatively new area of analysis, it is difficult at this stage to benchmark our performance against others. However, we expect that, by calculating our carbon footprint, we will be much better able to manage our overall impact on the environment as well as using it to benchmark our own performance year on year.

Secondary footprint – cane sugar

Raw cane sugar milling is almost carbon neutral. Cane grows in the field, waste fibre from the cane powers the factory and the cane regrows each year, usually up to five times without the need for replanting. It is then transported to our European refineries by ship. Our current secondary carbon footprint is around 0.43 tonnes of CO₂ per one tonne of sugar produced, which means that the carbon footprint of a bag of sugar made from cane sugar is currently about half that of beet sugar. The carbon footprint of cane sugar produced at our London refinery will be reduced by more than 20% when our new biomass boiler comes on stream in 2009.

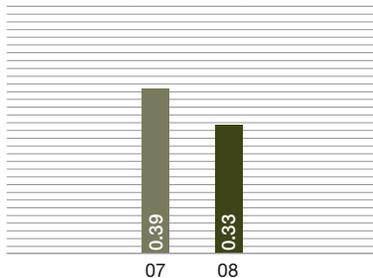
Investing in renewable energy sources

Reducing energy consumption gets more difficult each year as we produce more value added products, which typically use more energy than producing our traditional products. Energy is a particular concern for us, because not only is it a big contributor to our overall carbon footprint, but it is one of the most significant costs in our business.

To help reduce energy costs and to improve our environmental performance, we have developed proprietary technology to use renewable energy sources (biomass) in our plants. In 2009, our new £20 million biomass boiler at our London refinery will come on stream. This boiler will supply 70% of the refinery's energy requirements. Similar technology will be used at our new corn wet mill at Fort Dodge, Iowa, when it is completed and opened.

Carbon footprint¹

Tonnes of CO₂ per tonne of production



1 The primary carbon footprint of Tate & Lyle's large sites

FDF's Five-fold Environmental Ambition

In 2008, as part of the UK Food and Drink Federation's (FDF) Five-fold Environmental Ambition, Tate & Lyle signed up to two major environmental initiatives. In January 2008, Tate & Lyle was one of 20 leading food and drink companies to agree to a UK industry-wide commitment to improve water efficiency and reduce water use. This agreement was jointly developed by the FDF and resource efficiency experts Envirowise. Then, in July 2008, Tate & Lyle was one of 40 companies to sign up to the FDF's environmental 'Checklist and Clause for Greener Food Transport' which encourages companies to achieve fewer and friendlier food miles.

Violation, abatement and compliance orders

The vast majority of our operations completed 2008 without incident. Where Tate & Lyle inadvertently contravened regulations, largely to do with emission levels, we reacted immediately to correct the problems.

Managing environmental impacts

Managing environmental impacts is very important at Tate & Lyle. Environmental risks are included in the Group-wide risk management process, and are reviewed and assessed regularly. For more information, see 'External environment and risk management' on page 27 and 'Corporate Governance' on page 68.

Measuring data

We collect detailed data and report results from each operating unit quarterly, using a comprehensive system that has been validated by our internal audit function. We then normalise the data to reflect the amount of product manufactured. This protects the commercial sensitivities of the data while allowing us to report publicly on our progress, and make comparisons between years. The results are then aggregated to create a single set of indices for the Group, adjusted to take account of acquisitions and disposals.

Management systems

Every operating unit has an environmental management system. Each unit is required to assess its environmental impact and develop an improvement plan based on identified areas of priority, focus and opportunity, in line with the Group's overall environmental management strategy. Capital projects are assessed for their environmental impact, and we investigate whether there are more environmentally sound ways of achieving our aims.

Each operating unit has incident, emergency and contingency plans. These are regularly updated to meet new conditions and requirements. We have crisis management procedures to provide an effective response in case of incident or emergency, including escalation to the Group Crisis Management Team when appropriate.

Training

Employees receive regular training on managing environmental impacts and changes in legislation, so that they are always aware of relevant issues. Many operating units have environmental management committees that meet regularly to discuss progress.

Customers and suppliers

We work closely with our customers to ensure our systems meet their requirements. We brief all contractors on key environmental issues to make sure that we and they are managing our environmental impact effectively.

Outlook

Reducing per unit energy consumption and carbon emissions will continue to be our major environmental challenges in the year ahead. By continuing to invest in reducing consumption per unit, exploring alternative energy sources and technology, and encouraging a culture of concern for environmental issues at all our plants, we aim both to control costs and improve our impact on the environment.

Reducing road miles

Our target is to reduce road miles in the UK by 2.1 million miles by the end of 2009, as part of the UK Food and Drink Federation's aim to reduce the impact of food transport by 20% by 2012. A significant user of road transport, we have already moved bulk sugar distribution between our London refinery and Glasgow from road to rail freight, saving over 1.6 million road miles per year.



Corporate social responsibility continued

Employee health and wellbeing

At Tate & Lyle, we aim to lead the way in employee health. Programmes will differ across the Group according to local needs, but all are based on the principle that the Company has a role to play in helping employees improve their health by providing information, advice and other support on health and wellbeing.

Calendar year 2008 highlights

UK

Tate & Lyle's nurse-led occupational health programme emphasises education and prevention and has often been referred to as a model for other businesses and public sector organisations in the UK. Key initiatives include educating employees in health and wellbeing, and providing vocational rehabilitation as an alternative to sickness absence certificates, as well as health promotion activities, an occupational health clinic, advice on healthy eating, and counselling services.

We also share elements of our programme with partners. For example, we have helped two community partners with absence management training and advice, and we host regular visits from groups of trainee GPs and doctors from Occupational Health Diploma courses to help their understanding of occupational health in a factory environment. We also offer work experience for trainee occupational health nurses from South Bank and Brunel Universities.

We were proud to receive external recognition of the quality and benefits of our programme, winning Gold in the UK Food and Drink Federation's Community Partnerships Awards for our Rehabilitation & Absence Management Programme.

Europe

Many of our mainland Europe plants offer similar health programmes to the UK. These include: Company-sponsored fitness programmes; health and wellbeing awareness campaigns; healthy menu options in employee restaurants and annual health and fitness check-ups.

US

Tate & Lyle continues to provide programmes and tools to help employees become better informed consumers of their own healthcare services, as well as encouraging them to adopt healthy lifestyles. Some examples of our programmes include:

- **'Blue Points' system:** we offer this web-based system to all employees via our healthcare provider. It provides a platform for employees to initiate and track healthy behaviours. Employees earn points for meeting certain health targets, which can be redeemed online for health-related items such as yoga mats and gym bags.
- **Health risk self-assessment:** we encourage employees to complete this online self-assessment, which is then reviewed by medical experts from our healthcare provider. These experts then give feedback and recommendations to employees.
- **Health and fitness:** many plants offer exercise facilities or Company-sponsored fitness programmes.
- **Stopping smoking/weight management:** employees enrolled in the Blue Cross Blue Shield health plan have access to various programmes either to help stop smoking or to manage their weight.

Outlook

Our long-term goal continues to be to raise the standards of employee health and wellbeing throughout Tate & Lyle, through sharing best practice and ideas across the Company and with healthcare partners. A particular focus for 2009 will be to make further improvements to our successful UK active back care management programme.

Commercial partners/suppliers

Good, long-term relationships with our partners and suppliers are very important at Tate & Lyle. We have a consistent, Group-wide approach, based on our Code of Conduct, which covers purchasing strategies at global, regional and local levels. Supply chain ethics are important to us, and we are committed to sharing best practice and improving standards amongst suppliers.

Raw material suppliers

Growers and producers of corn and sugar cane, the raw materials we use to make our products, are our biggest suppliers, and we have developed long-standing and mutually beneficial relationships with them over many years. We apply rigorous standards to our raw materials suppliers, and survey many of them on their ethical commitment. We work closely with them to ensure compliance with our needs, implementing traceability and ensuring that our customers' requirements are fully met.

Sugar cane

Cane sugar suppliers are key to the supply chains for our EU sugar refineries. These are typically countries that have preferential access to the EU sugar market, implemented through the EU Sugar Regime. These suppliers include those that we have long-standing relationships with, such as the African, Caribbean and Pacific (ACP) countries, as well as new suppliers resulting from recent changes to EU legislation, such as in the Lao People's Democratic Republic.

In Vietnam, our suppliers are the sugar cane growers themselves. Meanwhile, in our molasses business our suppliers can be the same businesses that supply our sugar refineries, or suppliers from other parts of the world.

Auditing the supply chain

Our auditing programme, introduced in 2007, is designed to evaluate the social, ethical and environmental performance of our suppliers and to identify any shortcomings. Where these are found, we work with that supplier to encourage the necessary improvement. We do not purchase our raw sugar from farmers or sugar mills, but from contracting parties which are government organisations, co-operatives etc. Auditing the contract party alone will not necessarily determine or improve conditions in the mills supplying sugar for our refining operations, or of the farmers themselves. We therefore audit our second tier suppliers including with some random sampling of farmers.

To ensure transparency, our audit programme is run by Cert ID, an internationally recognised European auditing body, which assesses our suppliers against a range of social, ethical and sustainable criteria. During 2009 we will continue to use the process to address any outstanding issues that arise from the audits, and ensure that the process continues to help our suppliers improve. Our aim is to have audited all suppliers at least once by the end of 2010.

Fairtrade

Tate & Lyle's ongoing commitment to Fairtrade saw small-scale farmers in Belize receive nearly US\$4 million in Fairtrade premiums in 2008. The investment of this premium has been divided between production, education and social programmes that have had a direct benefit to the 6,000 producers and their families. Looking forward, there are plans to invest in longer-term projects to develop the quality of the sugar cane as well as the quantity of cane produced per acre.

Better Sugarcane Initiative

Tate & Lyle continues to work with Non Governmental Organisations (NGOs), growers, unions, biofuels companies, food manufacturers and other end users to improve the social impact of sugar cane worldwide through the Better Sugarcane Initiative (BSI).

Tate & Lyle chaired the BSI in 2008, which is developing a practical standard that will make a real global contribution towards reducing the environmental impact of sugar cane production, the social aspects associated with it and the products – mainly ethanol and sugar – derived from it.

Corn

We purchase around 2% of the US corn crop each year. The long-term relationships we have built up over the years with the family-owned grain businesses, local farmers and other commercial partners who provide us with corn ensure we have the supplies we need for our corn wet mills. See page 16 in the 'Sustainable Sourcing' section for more details.

Sustainable procurement

Aside from our raw material suppliers, we continue to review procurement to look at how we can encompass sustainability more fully in our strategies.

Outlook

We aim to continue to improve standards in our supply chain through developing our work on supply chain ethics, risk management and sustainable procurement, and by working increasingly closely with suppliers to share best practice on a range of issues. We will continue to develop our supplier audit programme to ensure consistently high standards across the Group.

Corporate social responsibility continued

Communities

Tate & Lyle aims to play a positive role in all the communities in which we operate. Over the years we have developed a Group-wide community involvement policy that forms one of the core components underpinning our ethical behaviour. Our programme involves building long-term relationships with local partners to deliver a shared objective: establishing strong, safe and healthy communities by investing time and resources into projects that directly address local needs.

Overview

Our community partnerships are well supported by employees, many of whom take part in our programmes. Tate & Lyle's community involvement benefits our employees by enhancing their own local community, offering significant personal development opportunities and making Tate & Lyle a company for which they are proud to work.

Each year we support around 300 organisations, ranging from long-established charities to fledgling community organisations. Community support takes many forms, depending on the needs of the organisation, and includes funding, employee volunteering, consultancy, donation of products and equipment and, for selected partners, free use of the Company's warehousing, office accommodation and meeting room facilities.

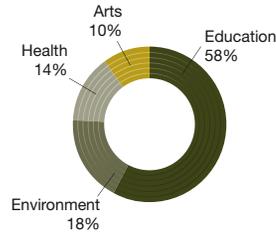
Charitable donations

Our Corporate Donations Committee oversees community policy throughout the world. Our aims are to select projects that target local needs and deliver the most positive impact, and to ensure that ultimately our community involvement work reflects our broader responsibilities as a company. Our guidelines for funding and support are:

- Education - 50%;
- Environment - 25%;
- Health - 15%;
- Arts - 10%.

Actual community spend by allocation

Year ended 31 March 2009



In the financial year ended 31 March 2009, Tate & Lyle's total worldwide charitable donations were £674,000, up from £642,000 in the previous year, while our total global pro bono contribution in goods and services is estimated to have been £221,000, down from £254,000 in the previous year. We support many initiatives and local organisations involved in community regeneration all around the world. Listed here is a selection from each region in 2008.

UK

- **Community Links:** a local charity working to regenerate the area of Newham in East London.
- **Community Food Enterprise:** a social food outlet improving community access to fresh fruit and vegetables in the East London area.
- **Richard House Children's Hospice:** London's first hospice for terminally ill children, which we have supported since it was founded in 1996.
- **East London Business Alliance:** a regeneration agency for East London which connects business to local people, alongside public and community partners, to enable social, economic and infrastructure change.

Americas

- **United Way:** employees from across the USA donate through the payroll to this organisation which gives money to local causes.
- **Education:** Tate & Lyle gives regular support to a number of educational institutions including Brush College, Associated Colleges of Illinois, and Millikin and Purdue Universities.
- **Boys & Girls Club:** sponsorship of a Decatur programme designed to inspire and enable young people to realise their full potential.

Vietnam

Our sugar business in Vietnam, Nghe An Tate & Lyle (NAT&L), supports the following programmes:

- **Roads:** provincial and communal road maintenance in the NAT&L cane catchment area.
- **Schools:** supplying text books and school stationery for under-privileged children and funding for outstanding students in primary, middle and high school.
- **University scholarships:** funding for outstanding students studying agriculture disciplines.
- **Housing:** contributing funds towards housing units for farmers and their families.

Employee volunteering

Tate & Lyle employees around the world make huge efforts to support their local communities. Their involvement is vital to maintain the long-term good relationships we have developed with these communities; volunteering also brings skills and experience from the workplace into the community that corporate funding alone cannot achieve. Several of the organisations we support have been partners for over a decade.

Volunteering also brings benefits to Tate & Lyle. Employees tell us that they benefit hugely from community work, which helps them develop their skills and become more rounded as individuals. A strong volunteer network is vital to the success of our community involvement programme, and developing that network across Tate & Lyle is an important ongoing aim. Here we highlight some of our employees' volunteering activities from around the world.

UK

- **Educational visits:** 1,000 students and 100 teachers visited Thames Refinery, Plaistow and Sugar Quay during 50 curriculum-based visits.
- **Gifted & Talented:** Tate & Lyle continues to support the UK Government's programme for gifted and talented children including, for secondary school students, a 'Science Challenge' and for primary school children a maths workshop.

Actively supporting local charities and communities

From helping disabled children ride horses in Singapore, to sponsored walks in the US and climbing mountains in the UK (pictured, employees doing the UK's Three Peaks Challenge), our employees everywhere can be found supporting local charities and communities. As well as Group-organised events, many employees take part in activities on their own initiative, helping to ensure that we play a full and positive part in the local communities in which we operate.



US

- **Supporting universities:** Tate & Lyle supports a number of research initiatives at local universities.
- **Agricultural Day at Lafayette:** employees from our plants in Lafayette South and Sagamore volunteer to help run the local agricultural day each year.
- **Local fundraising and donations:** many employees from across our plants support local causes with activities such as sponsored walks, food drives, and donating clothing, gifts and supplies for schools.

Managing our impact

Our aim is to ensure that all our sites around the world develop programmes in line with our community involvement policy, which is ratified by the Board. We continue to make progress in this, but there are different levels of activity reflecting the history of Tate & Lyle's involvement in the area and the size of our presence.

In locations where we have operated for a long time, such as the East End of London, and the Decatur, Illinois area, we have long-running partnerships with local organisations and make a considerable contribution. In other areas where we have recently acquired sites or built new plants, our involvement is at an earlier stage. Our aim continues to be to share best practice and improve internal standards and reporting around the world so that all parts of the Group develop mutually beneficial long-term community partnerships.

Awards

While we do not actively seek or measure success in terms of awards won, we value the external recognition such awards convey. In 2008 we received a Silver Payroll Giving Award in the UK which is given to businesses who actively promote payroll giving in the workplace. We also received a bronze award for our support for Caravan, a UK charity set up to help support former employees of the food manufacturing and retail sales industries.

Outlook

We continue to progress with integrating our community efforts around the world, and to focus particularly on sharing the benefits of our programmes with those operations newer to the Group.