TREATT

Annual Report & Accounts 2024

Welcome to Treatt Innovation everywhere

Our natural authentic extracts and impactful synthetic ingredients are the ultimate differentiators for the world's leading beverage brands and flavour houses.

Financial highlights

REVENUE[1]

£153.1m +3.8%

2024	£153.1m
2023	£147.4m
2022	£140.2m
2021	£124.3m
2020	£109.0m

ADJUSTED EBITDA

£24.9m +8.4%

2024	£24.9m
2023	£23.0m
2022	£18.5m
2021	£23.1m
2020	£17.0m

PROFIT BEFORE TAX & EXCEPTIONAL ITEMS[1,2]

£19.1m +10.1%

2024	£19.1m
2023	£17.3m
2022	£15.3m
2021	£20.9m
2020	£14.8m

PROFIT BEFORE TAX[1]

£18.5m +36.3%

2024	£18.5m
2023	£13.5m
2022	£16.2m
2021	£19.6m
2020	£13.7m

NET (DEBT)/CASH

£(0.7m)

2024	£(0.7m)
2023	£(10.4m)
2022	£(22.4m)
2021	£(9.1m)
2020	£0.4m

DIVIDEND PER SHARE[4]

8.41p +5.0%

2024	8.41p
2023	8.01p
2022	7.85p
2021	7.50p
2020	6.00p

1 Excluding discontinued operations in 2020. There were no discontinued operations in 2021, 2022, 2023 and 2024.

2 Excludes exceptional items, details of which are provided in note 8 of the financial statements.

3 Operating profit is calculated as profit before net finance costs and taxation.

4 The dividend per share relates to the interim dividend declared and final dividend proposed in the corresponding financial year, details of which are provided in note 10 of the financial statements.

Non-financial highlights

GOVERNANCE

Zero

reportable accidents[5]

SOCIAL

73%

employee engagement in our pulse surveys (39% in 2023)

ENVIRONMENTAL

4.6%

reduction in global scope 1 and 2 carbon emissions (compared to 2022 baseline)

UK

on-site solar installation operational from 2025 and estimated to provide 25-30% of our UK premises electricity demand

5 Reportable accidents are defined as work-related accidents which, in the UK must be reported to a statutory body or, the US require hospitalisation, loss of limb, blindness or anything that prevents an employee from working for at least seven days.

Operational highlights

Citrus growth

Impressive citrus performance with a focus on volume growth in strategic accounts and partnering with reformulation for cheaper alternatives in high commodity markets.

China growth

Exciting opportunities within our China territory with the new commercial and innovation Centre now approved.

Normalisation of demand

Following customer destocking we have seen demand return and ordering patterns stabilise, particularly in synthetic aroma.

Continued strong cash generation

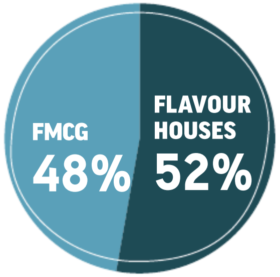
Reduction in net debt exceeded expectations, reflecting the robust cost disciplines within the business. Free cash flow of £15.4m generated in the year.[6]

6 Free cash flow is calculated as cash generated from operations, per the Group statement of cash flows, less taxation and net investment in capital expenditure.

Understanding our world

From our first-class facilities in the **UK**, the **US**, and **China**, we are leveraging our considerable heritage and continue to drive growth in existing, as well as exciting new markets.

Sales by channel



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For more information on our business model

CUSTOMERS 680	**INVESTMENT IN INNOVATION** £1.5m	**EMPLOYEES** 374
NEW CUSTOMERS 144	**TRAINING HOURS** 13,567	**PRODUCTS SOLD** 1,534

Making the world taste better *for good*

We are driven by the desire to grow our business with purpose, creating sustainable value for our customers in bold and creative ways.

Whether through ensuring quality assured supply of globally significant raw materials, launching new and innovative products aligned with consumer trends, or partnering with our customers on ground-breaking development of new technologies, we are moving forward at pace.

Our talented and ambitious people transform our customers' beverages, delighting consumers worldwide with our authentic natural extracts and impactful synthetic ingredients.

Our approach is underpinned by a steadfast commitment to our values, which are holistically developed, and owned, by our people.

OUR VALUES

We are proud to be:

PROGRESSIVE in thought and action

PASSIONATE in spirit and resilience

ACCOUNTABLE for our actions and results

TEAM PLAYERS on a global scale

Our winning strategy is built around three primary pillars

PROTECTING OUR HERITAGE

CITRUS | HERBS, SPICES & FLORALS | SYNTHETIC AROMA

ACCELERATING PREMIUM GROWTH

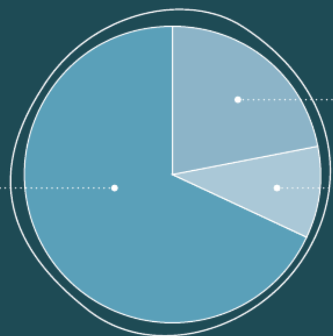
HEALTH & WELLNESS | TEA | FRUIT & VEGETABLES

GROWING IN NEW MARKETS

TREATTZEST™ | CHINA | COFFEE

TOTAL REVENUE IN 2024

£153.1m



HERITAGE
£104.3m 68%

PREMIUM
£34.8m 23%

NEW
£14.0m 9%

P. 11
For more information on our strategy

Strong performance and poised to accelerate growth

Vijay Thakrar
Chair

> ***"Treatt is in a strong position to deliver further growth. With the arrival of our new CEO, we are well-positioned to build on the strengths of our talented colleagues, enviable reputation and state-of-the-art facilities to sustain and accelerate growth in existing, adjacent and new markets."***

Performance – financial and environmental

I am pleased to report that Treatt has delivered another strong year, with progress in a number of areas as summarised below.

Revenues grew by 3.8% to £153.1 (2023: £147.4m) and profits before tax and exceptional items by 10.1% to £19.1m (2023: £17.3m), with profits before tax growing by 36.3% from £13.5m to £18.5m. Adjusted EBITDA was also at a record £24.9m (2023: £23.0m). As anticipated, our first quarter was impacted by global customer destocking. Pleasingly, our team delivered growth in each of the following three quarters, to achieve results for the year as a whole in line with expectations. Through strong discipline, net debt was reduced by £9.7m to £0.7m.

We are proud to have accelerated our sustainability journey, after the formation of our ESG Board Advisory Panel last year. For example, we have now achieved a 4.6% reduction towards our near-term SBTi validated 42% carbon reduction target by 2030. We are working to embed sustainability into every part of our business as we look to further differentiate ourselves and drive growth, by providing customers with value-add solutions that support their environmental commitments.

Our remarkable people

Our full year performance was a significant achievement in the context of a challenging first quarter, a dynamic consumer environment, and internal management changes. Full credit goes to our resilient colleagues for their hard work, commitment, and agility during the year and I would like to express my thanks to each of them.

Board and leadership

I am delighted that David Shannon joined the Board as our CEO in June 2024 to help drive Treatt's growth and deliver its considerable potential. He has significant relevant experience of delivering growth in an innovation-led environment, having spent over 25 years at Croda. David is already making an impressive impact with colleagues, customers, suppliers, investors and other stakeholders.

I would like to thank Ryan Govender, our CFO, who led the Company as Interim CEO between January and June 2024. Having seamlessly transitioned the CEO role to David, Ryan has now added the Europe Managing Director role to his responsibilities. Together, I know they will make a formidable team.

I would also like to thank Alison Sleight for leading the Company's financial operations in the Interim CFO role until June 2024. She did an outstanding job and continues to make a huge contribution in her role as Group Finance and IT Director.

Finally, as announced in November 2024, I extend my sincere gratitude to our Non-executive Director David Johnston who has decided to retire following the AGM in January 2025. David has been a dedicated and valued member of our Board and we are grateful for his insight and counsel during the 14 years of his tenure.

Defined benefit pension scheme

As shown on page 111, our defined benefit pension scheme has an accounting surplus of £5.6m (2023: £3.7m) and we have reached agreement with the trustees to suspend further pension contributions as the scheme is self-sufficient under its 2024 actuarial valuation.

This will save approximately £450,000 cash annually, freeing up funds to invest in driving business growth. We will continue to work collaboratively with the scheme trustees to further secure the scheme's long-term position.

Dividend

The Board proposes a final dividend of 5.81p (2023: 5.46p) which, if approved by shareholders, will make a total dividend for the year of 8.41p (2023: 8.01p), in line with our progressive dividend policy and medium-term objective of three times cover.

Outlook and our significant growth potential

Treatt has developed many strengths over its 138-year history, including deep customer relationships, extensive technical and sourcing expertise, a reputation for quality and fantastic facilities.

We now have the opportunity to significantly leverage these strengths by generating more revenues in existing, adjacent and new markets. Capitalising on this potential, alongside enhancing our processes, is a key priority for David, Ryan, and the management team. They are highly motivated to grow the business and increase shareholder value, supported by improving market conditions and an energised team. Based on these factors, and Treatt's delivery of solid profit growth for two consecutive years in challenging markets, the Board is optimistic about the prospects for the business.

Vijay Thakrar
Chair
4 December 2024

Our investment case

1 Established global position serving the beverage industries

- Sourcing and production expertise in natural extracts and ingredients, with broad product range
- Partnership approach on NPD with FMCGs and flavour houses, with cross-sell opportunities
- Diversified blue-chip customer base, with partner approach

2 Diversifying across addressable markets

- Well positioned in natural, 'better-for-you' product categories providing competitive advantage
- Clear strategy in place across core, premium and new markets. Well-established market position in heritage and premium, growth strategy in place for new
  - Heritage: citrus, synthetic aroma, herbs, spices & florals
  - Premium: fruit & vegetables, health & wellness, tea
  - New: China and TreattZest, with great opportunity in emerging markets

3 Increasing specialist, higher margin, value-add solutions

- Long history and global technical reputation, continuously being enhanced through a mix of newcomers and existing experience
- Leadership in separation and purification technology of essential oils
- Reduced dependency on traded citrus, with positive growth in value-added citrus
- Driving innovation and technical capabilities, a focus on NPD and leveraging customer collaboration
- Strong progression in fruit & vegetables, tea and health & wellness premium categories

4 Well invested infrastructure to support future growth

- World class investment facilities post-completion of major projects, providing material capacity and efficiencies
  - Transition to one site in the UK now complete, with increased capacity and scope for innovation
  - US manufacturing facility completed in 2020, doubling capacity and facilitating growth in the Americas
  - Wholly Owned Foreign Enterprise "WOFE" established in China as cornerstone for Treatt's third major market growth throughout the APAC region
  - Direct selling business model, expanded reach close to global customers

5 Strong financial track record

- Successfully delivering profit growth in line with commitments
- Net operating margin progression in recent years, medium-term target 15%
- Strong balance sheet and cash generation

6 Stakeholder alignment

- A strong commitment to embedding sustainability into the business has driven significant progress in delivering ESG priorities, which in turn support our customers' own commitments
- Very strong, long-standing customer base
- Alignment of shareholders' and employees' interests from share and annual bonus schemes – 63% of employees are shareholders themselves

Welcoming new leadership

David Shannon shares his perspectives since joining Treatt in June, as well as his priorities and views on the outlook for the business.

Q&A with CEO David Shannon

What attracted you to join Treatt?

I am honoured and excited to be the new CEO of Treatt. It's a business that has had an impressive success story over the last decade and I am confident that my experience working in a global speciality ingredients company will drive continued success into the future.

In was a combination of factors that align closely with my personal and professional values that attracted me to the business. Firstly, the Company's inclusive culture fosters a genuine family feel and makes everyone feel supported and part of something special.

I'm also really impressed by Treatt's focus on speciality ingredients and how the team are leveraging technology to lead in some exciting niches. The Company is not just keeping up with fast-growing markets but setting the pace.

Sustainability is another huge factor for me. It's great to see a company that's not only innovative, but also committed to making a positive impact on the environment and for its stakeholders more broadly.

And let's not forget the Company's reputation in the industry. It's fantastic to be part of a team that's known for excellence and forward-thinking strategies, and I am excited by the opportunities for further growth.

How would you describe your impressions of the business so far?

Treatt has a strong track record historically, well run, with a wide customer base and broad product portfolio and innovation at its heart. It has a state-of-the-art head office, laboratory and factory in the UK, as well as a facility in the citrus heartland of Florida, US, with great potential and capacity for growth. The Company is well-positioned to take advantage of the global and local trends in the flavours industry and has strong growth prospects. Bringing my perspectives from the wider industry, I have identified some focus areas as we develop our strategy for the future.

Which insights from your previous roles are you bringing to your new position?

Based on my experience in a larger, global business, I believe Treatt can unlock growth by expanding beyond of its core markets of US and Western Europe. Being closer to our customers is key to understanding their needs and developing novel solutions to help them win. In addition to driving best-in-class customer experience, I can help accelerate our innovation to develop a rich pipeline of short-, medium- and longer-term transformational R&D.

I am also focused on ensuring Treatt's value-added services, including industry-leading quality assurance behind our products, and a sustainability programme working towards full transparency and traceability on our raw materials, are fully recognised by our customers. As well as simplifying and standardising internal processes.

Finally, I want to continue to embed a strong safety culture, positioning safety as value within the organisation.

Looking ahead, what are your priorities for the next year and beyond?

I believe Treatt has the potential to accelerate its growth and fully deliver on its strategic objectives, which are being refined to capture the opportunities we have identified. In the next 12 months we plan to push into new geographies in Asia and Latin America in particular, while enhancing customer intimacy in the markets we serve today through investment in sales, market insights and longer-term transformational innovation to enhance our product offering and stay ahead of industry trends. I'm exploring diversification of the business in our adjacent markets, and to expand in known markets and beyond.

It is important the strategy is cascaded through the organisation such that everyone can see how their role contributes. Treatt's culture – warm, inclusive, low ego, supportive, resilient and tenacious – is a great asset to help us execute our strategy, but we also need to ensure the business is structured optimally and "match fit" for the future. There is scope to simplify and standardise some of our internal processes to be more agile and efficient.

How do you see the outlook for Treatt, and what do you see as the greatest opportunities and challenges for the business?

We will continue to develop our heritage business including our citrus platform, whilst turbocharging efforts on the premium end of our range. Health & wellness and fruit & vegetables are fast-growth markets that we are well-positioned to take advantage of. We are excited with the growth opportunities brought by the newly expanded TreattZest ingredient portfolio, as well as the opportunities in new markets such as China. In addition to our longer-term programme to develop transformational technology, we will continue to innovate locally for our customers to give them a fast route to market with on-trend solutions.

Treatt has made strong progress in this area, and there is an opportunity to further embed sustainability into everything we do and to take more of a leadership role in the industry when it comes to transparency, traceability and a well-developed decarbonisation strategy, allowing our customers to buy lower carbon ingredients and solutions to help them meet their own sustainability objectives.

In the medium-term I envisage Treatt being a truly global solutions provider of sustainably led flavour technologies. We will be recognised for our highly talented people, state-of-the-art innovation, diverse product portfolio and we will be admired by our stakeholders.

I am excited for the future and look forward to continuing to work with our talented and dedicated colleagues to realise our ambitions.

David Shannon
Chief Executive Officer
4 December 2024

Global consumer drivers

Understanding what's influencing buyer behaviour in our markets

Growing appetite for health and wellness

Consumers are increasingly aware of the health implications of their food and drink choices, with 71% of UK consumers trying to eat and drink healthily[1] all or most of the time in 2024 (an increase from 63% in 2022[1]). This has led to a surge in global demand for healthier options, such as low-sugar, low-calorie, and generally better-for-you options across all key beverage segments for Treatt.

Drinks infused with vitamins, minerals, and other functional ingredients are gaining popularity as consumers seek products that offer additional benefits beyond hydration. This trend is driven by a diverse range of consumers, from young adults to older generations, who are incorporating these beverages into their daily routines for benefits like energy, hydration, and cognitive support.

As this segment gains more importance, appeal to consumers will ultimately depend on taste, with 41% of global consumers citing flavour quality as integral to their purchasing decision[2] – which creates exciting opportunity for Treatt in this rapidly growing space.

Heightened environmental awareness

The tangible impacts of climate change, such as warmer temperatures and extreme weather conditions, are top of mind for consumers, with 51% of adults globally citing a belief that the country where they live is suffering from climate change.[3] This awareness leads to heightened eco-anxiety and a sense of urgency for action.

There is a growing call for brands and their suppliers to take the lead in combatting the climate crisis.

This extends to offering climate-friendly products as well as demonstrating genuine environmental commitments across the supply chain. Globally, 31% of consumers say that eco-impact labelling in terms of CO_2 would encourage them to purchase a product, with 63% of US consumers agreeing that it's important for beverage brands to clearly communicate their carbon footprint.[4]

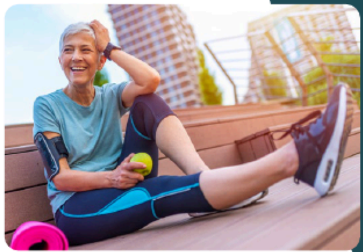
Consumer intent here is accelerating, which creates opportunity for organisations across the beverage supply chain to accelerate progress in understanding and reducing their environmental impact.

Greater convenience and personalisation

Busy lifestyles have fuelled the demand for convenient beverage options, such as single-serve cans, bottles, and pouches that can be enjoyed in flexible occasions. In China, there has been a notable rise in non-alcoholic drink launches featuring "on-the-go" and "convenient" packaging claims, with a significant year-on-year growth.[5]

This is driving a proliferation of reformulation, where brands are innovating packaging formats, as well as the ingredient decks, to maintain relevance across the growing spectrum of drinking occasions. Treatt adds value to customers in this space looking to top note their formulations with highly authentic extracts and ingredients.

1 Attitudes towards Healthy Eating – UK – 2024: Mintel.
2 Functional Drinks – US – 2024: Mintel.
3 2024 Household Care Trend: Climate Adaption: Mintel.
4 The case for carbon reporting: Mintel.
5 Beverage Blurring – China – 2024: Mintel.



Consumer Demand Spaces

Opportunities for Treatt in key markets

Always natural

41% of consumers cite 'all natural' claims as important when buying a drink[6]

Healthy ageing

People of all ages are more proactively addressing their health in a more holistic and personalised manner[7], with one in six people being over the age of 60 by 2030[8]

Conscious consumption

Over the past five years, products making ESG-related claims accounted for **56%** of all growth[9]

Meaningful value

28% of global consumers believe high-quality products and ingredients represent good value[10]

Stand-out experience

65% of Gen Z consumers report that new experiences and impactful flavours are key factors that influence their purchasing decision[11]

How our products meet consumer demand

78% product range are natural

www.treatt.com
Discover more about our authentic natural extracts online.

Pioneering solutions that effectively improve perception of sweetness

P. 12
Learn how our health & wellness capabilities are key to strategy.

A sustainability journey backed by a range of leading standards

P. 22
Review our commitment to minimising our impact.

Consistently high-quality extracts and ingredients

P. 10
Read about our commitment to product quality.

Highly impactful at low dosage rates driving cost stability

LinkedIn
Follow us to learn how our products align with consumer trends.

6 2024 Food and Drink Nutrition Claims: Mintel.
7 Health & Wellness Mega Trend Overview: Global Data.
8 United Nations data.
9 Consumers care about sustainability: McKinsey & Co.
10 Value For Money Insights Overview: Global Data.
11 Experience Economy Insights: Global Data.

Creating value

Our resources

Global sourcing network
Our approach prioritises quality, responsibility, and transparency. We build strong supplier relationships and work to gain traceability at every stage, mitigating risks for customers.

- 78% of our portfolio is natural
- 38 countries in our sourcing network

Technical expertise
We are skilled professionals in extraction, quality control, R&D, and regulatory affairs.

- 114 years of technical expertise in quality control
- BRC AA+/AA rated

Manufacturing facilities
Our UK and US manufacturing facilities are equipped for growth, with advanced blending capabilities and increased efficiency through digital controls.

Partnerships
We have strong partnerships with flavour houses and beverage manufacturers.

- 52% sales to flavour houses
- 48% sales to brand owners

Brand reputation
Recognition for quality, innovation, and customer service.

Key activities

Sourcing and extraction
Procuring natural ingredients globally and employing advanced extraction techniques.

Quality assurance
Implementing stringent quality control measures throughout the supply chain.

Research and development
Investing in innovation to develop new products and technologies.

Manufacturing
Operating agile and scalable manufacturing facilities.

Regulatory compliance
Providing expert guidance on complex flavour and fragrance regulations.

Customer service and logistics
Ensuring timely and efficient delivery of products worldwide.

The value we create

For our people
Our focus on innovation and expansion creates opportunities for employee development and career advancement.

Learn more on page 24

For customers
The breadth and stickiness of our offering provides our customers with flexibility and choice in their formulations, and our regulatory expertise in the complex flavour and fragrance landscape is highly valued and trusted by customers.

Discover how we are strengthening this on page 11

For suppliers
Our global reach provides suppliers with access to a wider market for their natural ingredients.

Dive into our supply chain at treatt.com/assured-supply

For shareholders
Efficient operations and a diverse customer base contribute to financial stability and attractive returns for shareholders.

Review our financial review on page 16

For communities
Our approach to supporting the people and places in which we operate continue to deliver value.

Read about progress in our Section 172 statement on page 71

Vision 2027

A winning growth strategy

We continue to expand and delight our customer base through sustainable differentiation and superior service in exciting growing markets.

PROTECT OUR HERITAGE

Our citrus, herbs, spices & florals, and synthetic aroma categories continue to play a significant part in our growth ambition as we look to:

- Sharpen our competitive edge through strategic and responsible sourcing
- Further embed partnerships by driving our high quality and purity standards through state of the art purification technologies
- Drive further operational efficiencies to enhance our agility and responsiveness, and reduce our carbon footprint

How we're achieving against our strategy	What we'll execute next year
Strategic sourcing teams deepening relationships with suppliers on the ground	Broadening our supply network across the world with emerging growers
Enhanced customer education, sharing our knowledge through tailored training	Growing our citrus volume by increasing share of wallet with existing customers, and winning with new accounts
Developing natural alternatives to offer customers price stability in volatile markets	Exploring new innovations, partnering with strategic customers on new technology

CASE STUDY

Paul Stott
Senior Category Manager

Strategic sourcing tour

This summer, our category teams visited 12 suppliers across several countries as we continue to deepen partnerships with our worldwide network.

Our citrus experts travelled extensively across Brazil, Argentina, and Uruguay, bringing back first-hand insights into how we can continue to drive growth in this important part of the business.

The herbs, spices & florals team explored China, visiting seven suppliers and four manufacturers across 11 cities. Seeing the plantations, distilleries, and fractionation facilities allows us to validate the stability and responsibility of our supply chain, but also provide greater transparency with our customers about their raw materials.

"This year's trip was a demonstration of our ongoing commitment and focus on the sources of our raw materials. Understanding the rapidly developing situations at origin, maintaining our long-term partnerships, and even seeing fruits on trees enables us, and our global customer base, to navigate market complexities effectively."

Paul Stott
Senior Category Manager

ACCELERATE PREMIUM GROWTH

We will drive strong growth of the extracts, essences, and distillates that make up our fruit & vegetables, tea, and health & wellness categories by:

- Marketing the strength of their alignment with consumer trends, and enviable reputation for quality and impact in the market to our existing and target customers
- Stimulating demand through a robust innovation pipeline, bringing new and exciting products to market, developed with a sustainable lens
- Leading the pack when it comes to ingredient transparency

How we're achieving against our strategy	What we'll execute next year
Raising brand awareness at key trade shows and events in a thought leader capacity	Refining our marketing to drive better alignment with how our customers buy our products
Launching new products to market, aligned with customer needs and consumer trends	Accelerating the launch of new initiatives, going beyond product and process
A wastewater flow meter installed at our US facility along with well water and glycol pumps, allowing accurate understanding of water consumption year-on-year	We are exploring technologies to reduce waste volume and maximise the value from our raw material effluent

CASE STUDY

Rosie Travers
Health & Wellness Category Manager

Health & wellness customer engagement programme

As we look to get closer to our customers, and create new opportunities for long-term partnerships, we have enhanced our focus on understanding and solving our customers' challenges in this space.

We are working more closely with our customers than ever before to create the next generation of sugar reduction tools.

This approach has resulted in stronger peer-to-peer relationships across our key accounts, as our technical experts work as an extension of our customers' teams.

"The customer response to our new approach has been fantastic, with strong feedback from the world's largest flavour houses and formulating beverage companies. Not only do they appreciate the unrivalled performance our technology delivers, but also the transparency with which they can partner with us."

Rosie Travers
Health & Wellness Category Manager

CASE STUDY

Steve Fan
General Manager for China

GROW IN NEW MARKETS

We have significant opportunities to grow in new territories, as well as further penetration in emerging product segments, and will do this by:

- Rapidly expanding in China, deepening relationships with local beverage manufacturers
- Furthering the success of new product and category launches
- Identify new segment and territory potential, with our carbon emission reduction target in mind

How we're achieving against our strategy	What we'll execute next year
Approved investment in a new commercial innovation centre in Shanghai	Executing move to the new commercial innovation centre, launching with key customers
Grew our coffee product range and focussed on building a healthy opportunity pipeline	Expanding our footprint with customer-driven coffee innovation
Launched a new range of authentic premium citrus extracts to our flavour house segment, with encouraging opportunities in pipeline	Exploring new markets, adjacencies, and territories such as LATAM to drive long-term growth

Expanding brand awareness

The China team has increased its presence at key trade shows across the region, establishing our value proposition in the territory with our growing beverage customer base, as well as creating new opportunities.

Recent exhibitions at Food Ingredients China and the Food and Beverage Innovation Forum have been exciting platforms for the team to showcase our considerable citrus expertise, as well as our extensive quality credentials, generating encouraging opportunities with new customers.

"We have made strong progress this year as our strategies to expand awareness of our brand, and expertise in citrus, have proved successful. We are excited to further accelerate our growth in the months and years ahead."

Steve Fan
General Manager for China

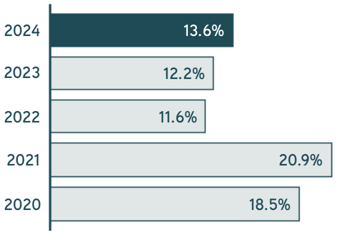
Financial KPIs

The Group has financial KPIs which it monitors on a regular basis at Board level and, where relevant, at business leadership meetings

The key performance indicators shown here cover a period of five years which is reflective of the Board's long-term thinking.

Adjusted return on average capital employed

13.6%



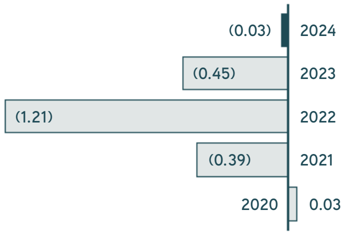
Adjusted return on average capital employed is an important measure used to assess the profitability of the Group relative to the capital being utilised.

Why
Adjusted return on average capital employed enables stakeholders to see the profitability of the business as a function of how much capital has been invested in the business.

Calculation
We divide operating profit before exceptional items (as shown in the Group income statement) by the average capital employed in the business, which we calculate as total equity (as shown in the Group balance sheet) plus net debt or minus net cash (as shown in the Group reconciliation of net cash flow to movement in net debt), averaged over the opening, interim and closing amounts.

Net cash/(debt) to adjusted EBITDA[1,2]

(0.03)



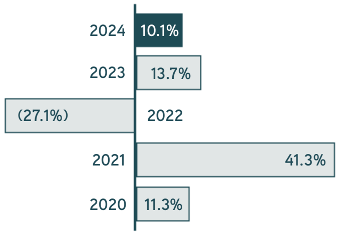
Net cash/(debt) is used to ensure that the level of debt is appropriate relative to the profits generated by the business.

Why
It is important to ensure that the level of borrowings can be supported by the cash flow in the business. EBITDA is widely recognised as a good indicator of the cash generative performance in year.

Calculation
We divide the closing net cash or debt at the year-end date by adjusted EBITDA. Adjusted EBITDA is calculated as operating profit before exceptional items (as shown in the Group income statement) plus depreciation and amortisation from continuing operations as shown in note 5 to the financial statements.

Growth in profit before tax and exceptional items

10.1%



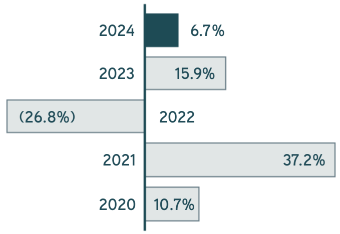
Profit before tax and exceptional items is considered the most appropriate measure of the underlying performance of the Group.

Why
Profit before tax shows the underlying performance of the business for the year. We have a clear policy on exceptional items to ensure that only items (both positive and negative) which would otherwise distort the reported performance are excluded.

Calculation
As shown in the Group income statement.

Growth in adjusted basic EPS

6.7%



Adjusted earnings per share is considered the most appropriate measure of performance which is aligned with shareholder value.

Why
Earnings per share is widely considered one of the most important metrics used by investors in order to place a value on a company and therefore in turn impact upon the share price. It lets shareholders know how much profit was made for each share they own.

Calculation
As shown in the Group income statement.

1 All KPIs are calculated excluding exceptional items (see note 8). They also exclude discontinued operations in 2020.
2 Return on average capital employed and net cash/(debt) to adjusted EBITDA are considered to be alternative performance measures, details on these and the equivalent statutory measures are provided in note 31 of the financial statements.

Non-financial KPIs

During the year we have continued to assess, develop and deliver on our non-financial KPIs

We continue to disclose KPIs that help us deliver our strategy, from training to sustainable and responsible sourcing. Our KPIs have evolved during the year as we progress with our sustainable sourcing strategy – see pages 50 to 51. We will continue to monitor against these, and additional metrics as required to drive continuous improvement. This year we have also outlined 'why' we monitor these non-financial KPIs to provide further clarity to our stakeholders.

PEOPLE

As our employees are central to our business, it is a priority that they are safe, happy, engaged and feel supported to deliver their full potential.

Reportable accidents

2024	0
2023	0
2022	1

Why
The safety of our people is our number one priority.

Voluntary employee turnover

2024	13.8%
2023	14.6%
2022	16.5%

Why
This is a useful indication of employee satisfaction in the business, and a reflection of our culture.

Workforce diversity

2024	Male 58%	Female 42%
2023	Male 56%	Female 44%
2022	Male 59%	Female 41%

Why
Ensuring we have a diverse workforce is crucial. Whilst it is our aspiration to develop reporting to support our ED&I activities, the legislative requirement to enforce data gathering makes this more of a challenge.

Total training hours

2024	13,567
2023	9,485
2022	7,205

Why
It shows our investment in our people, with learning and development opportunities that focus on ensuring quality and compliance, and also enabling people to flourish through professional development that continues to enhance our business.

Average sick days per employee

2024	5
2023	5
2022	4

Why
This allows us to track how often and for how long employees have been absent due to sickness, which helps us to manage resource and, importantly, put wellbeing interventions in place earlier.

PLANET

We are committed to assessing the impact of our operations on the environment to drive improvements.

Renewable electricity usage*

2024	35.4%
2023	39.8%
2022	37.9%

Why
This allows our stakeholders to clearly see how we are acting to mitigate climate change – read more about our SBTi validated carbon reduction target on page 34.

* % of total electricity MWh.

Water intensity ratio (litres per kg shipped)

2024	1.95
2023	2.44
2022	5.95

Why
This allows us to track efficiency improvements in our operations as well as help manage water usage for environmental reasons.

Sustainable shipments

2024	91%
2023	85%
2022	79%

Why
This allows us to reflect our shipping team's focus on working with sustainable logistics partners and reducing our impact on the environment.

PERFORMANCE

Driving improvements in our responsible and sustainable business practices in our global supply chain is a priority.

% citrus volume from priority suppliers that have a GHG emissions reduction target

2024	64%
2027 Target	80%

Suppliers that are Sedex members and SMETA audited (in last 3 years)

2024	14%
2027 Target	70%

Excited by growth

Ryan Govender
Chief Financial Officer

Overview

During a year of management transition, I am particularly pleased with the growth in revenue, adjusted EBITDA and profit before tax and exceptionals (PBTE) of the Group in 2024. The Business Leadership Team and all our colleagues at Treatt have shown strong resilience in the year.

We delivered record revenue, with growth of 3.8% to £153.1m (5.7% in constant currency). In the second half, we accelerated revenue growth, reflecting new business wins and a normalisation in industry demand.

We continued to embed strong cost disciplines and other self-help measures implemented in the prior year, which allowed us to deliver record adjusted EBITDA of £24.9m, and grow PBTE by 10.1% to £19.1m. Foreign exchange impacts were minimal in the year.

Year end net debt significantly reduced to £0.7m (2023: £10.4m), ahead of Board expectations, reflecting the robust cash generation and financial discipline of the business.

Our focus on strategic action allowed us to deliver significant growth in China, launch a new range of Treattzest products and invest in expanding our commercial teams, with experienced industry experts based closer to our customers.

Our strong customer base, well-invested infrastructure and strategic relevance in the beverage market will allow us to seize multiple commercial opportunities and accelerate growth.

Income statement

Revenue

Revenue for the year increased by 3.8% to £153.1m (2023: £147.4m), and by 5.7% in constant currency. Growth accelerated in the second half, with 13% revenue year on year growth, driven by favourable sales in citrus and China.

Categories % share of sales	2024	2023
Citrus	**56%**	53%
Herbs, spices & florals	**5%**	7%
Synthetic aroma	**14%**	13%
Tea	**7%**	5%
Health & wellness	**8%**	8%
Fruit & vegetables	**9%**	11%
Coffee	**1%**	3%

Revenue in our heritage segment, which includes citrus (excluding China and Treattzest), herbs, spices & florals and synthetic aroma grew by 8.2% with revenue of £104.3m (2023: £96.4m). Citrus represents 56% of total revenue, and continues to be a core focus for Treatt, grew by 8.8% year-on-year, driven by increased volumes in strategic accounts and cost price increases due to sustained higher citrus commodity prices. Synthetic aroma grew by 19.3% year-on-year as flavour house demand normalised and our focussed sales efforts showed results.

RECORD REVENUE

£153.1m

3.8% growth year-on-year, 9.2% growth over two years

PBTE GROWTH TO

£19.1m

10.1% growth year-on-year, 25.2% growth over two years

ADJUSTED EBITDA

£24.9m

8.3% year on year, 35.0% growth over two years

Premium, which includes tea, health & wellness and fruit & vegetables, were in line with the prior year with revenue of £34.8m (2023: £34.9m) as strong growth in tea, underpinned by multiple FMCG iced tea wins in the North American market, was offset with slower consumer demand in other premium beverage categories in the second half. Innovation, including collaboration with our customers, remains a key focus in order to convert our healthy pipeline of opportunities in this segment.

New markets, which include China, Treattzest citrus, and coffee declined as expected by 13.0% with revenue of £14.0m (2023: £16.1m). However, China revenues grew 20.0% in the year, with multiple second-half wins with local beverage brands.

Coffee, which is still a nascent category for Treatt, declined with lower volumes in ready-to-drink cold brew coffee in North America. We remain confident in our coffee products and have a healthy pipeline.

Geographical % share of sales	2024	2023
UK	**5%**	6%
Germany	**3%**	4%
Ireland	**12%**	10%
Rest of Europe	**10%**	9%
USA	**38%**	42%
Rest of the Americas	**9%**	9%
China	**8%**	7%
Rest of the world	**15%**	13%

Geographical analysis of revenues shows that the UK and Europe improved due to markets recovering from destocking, as well as increased sales activity in Europe, whereas the USA declined mainly due to lower coffee volumes and slower end consumer demand.

Revenue in the Group's largest market, the USA, declined by 5.5% to £58.0m (2023: £61.4m) representing 38% of the Group total (2023: 42%). Within the US, the Group saw a slowdown in end consumer demand, as well as lower coffee volumes.

In the UK, revenues increased to £8.1m (2023: £8.0m). Sales to Europe, which represented 25% of Group revenue (2023: 23%), reporting total sales of £37.7m (2023: £33.6m), as flavour house demand normalised, as well as increased sales presence in Europe being beneficial.

China growth has been exciting, reported revenue to the country increased by 20.0% to £11.4m (2023: £9.5m). We continue to be optimistic about the commercial opportunities in this market with a large proportion of the growth from new business wins, particularly in local FMCG beverage customers in China.

Sales to the rest of the world (excluding China) grew by 5.0%, to £23.4m (2023: £22.3m), reflecting growth in Asia which is increasingly important as we expand our global reach.

Profit

Gross profit margin was 29.1% (29.2% in constant currency) declining by 130 basis points (2023: 30.4%). The movement was mainly driven by a growth in lower margin Heritage sales. We focussed on maintaining cash contribution despite high commodity prices in citrus, and we are pleased to be able to support customers with reformulation on cheaper substitutes.

Administrative expenses (excluding exceptional items) reduced by 7.1% in the year to £24.6m (2023: £26.5m) despite inflationary pressures, with strong discipline and other self-help measures embedded. This was a result of the strong cost disciplines embedded in the business in the prior year. During the year we have invested for revenue growth, by expanding our commercial teams with experienced industry experts based closer to our customers. Headcount across the Group only increased by 9 heads to 374 heads in September 2024 (September 2023: 365).

Operating profit (excluding exceptional items) increased 8.4% to £19.9m (2023: £18.3m) and statutory operating profit increased 32.5% to £19.2m (2023: £14.5m).

Adjusted net operating margin increased in the year to 13.0% (2023: 12.4%), despite the decline in gross profit margin due to the significant reduction in administrative expenses (excluding exceptional items). Net operating margin significantly increased in the year to 12.6% (2023: 9.9%), with higher operating profit and reduction in exceptional costs. Our medium-term target for adjusted net operating margin remains at 15%.

Adjusted return on average capital employed (ROACE) increased by 140 basis points to 13.6% (2023: 12.2%) as a consequence of the increase in operating profits during the year whilst capital employed decreased with good working capital disciplines in place. Statutory return on average capital employed increased to 12.6% (2023: 9.0%) over the year. As well as growth in adjusted basic earnings per share, ROACE is included as a performance metric for LTIPs. Our medium-term target range for ROACE remains at 15% to 20%.

Exceptional items (see note 8 to the financial statements) were minimal in the year at £0.6m, (2023: £3.8m), included restructuring costs and final expenses in relation to the relocation of the UK business.

Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA[1]) for the year increased by 8.4% to £24.9m (2023: £23.0m) whereas statutory EBITDA reported a 26.6% increase to £24.3m (2023: £19.2m).

Profit before tax and exceptional items from continuing operations grew by 10.1% to £19.1m (2023: £17.3m). Reported profit after tax for the year of £14.4m represents an increase of 31.6% on the prior year.

Foreign exchange gains and losses

The Group's functional currency is the British Pound (Sterling) but the majority of the Group's business is transacted in other currencies which creates a foreign exchange exposure, particularly in the US Dollar and, to a lesser extent, the Euro.

During the year Sterling strengthened against the US Dollar, ending the year 9.7% stronger at £1 = $1.34 (2023: £1 = $1.22); the average Sterling/US Dollar exchange rate for the year was 3.3% stronger compared with the prior year.

The overall impact in 2024 of the transactional foreign exchange gains and losses in the UK operations was a total gain of £0.1m (2023: £0.1m loss). This comprised £0.7m (2023: £0.5m) of transactional FX losses, mitigated by the recognition of £0.8m (2023: £0.4m) of gains on FX contracts. This successful mitigation of the risk is down to continued implementation of the principles of the Group's FX risk management policy (see note 29).

Finance costs

The Group's finance costs were £1.0m (2023: £1.1m). Despite a significant reduction in net debt in the year, the group was impacted by an increase in the average interest rates on borrowings.

Included in net finance costs are fixed facility fees for maintaining facilities for future use. Group interest cover for the year before exceptional items increased to 25.6 times (2023: 18.8 times), this is well above the covenant of 1.5 times.

Group tax charge

After providing for deferred tax, the Group tax charge increased by £1.5m to £4.1m (2023: £2.6m); an effective tax rate (after exceptional items) of 22.0% (2023: 19.2%).

Earnings per share

Basic earnings per share increased by 31.1% to 23.61p (2023: 18.01p). Adjusted basic earnings per share for the year increased by 6.7% to 24.47p (2023: 22.94p). The calculation of earnings per share excludes those shares which are held by the Treatt Employee Benefit Trust (EBT), which are not beneficially owned by employees since they do not rank for dividend and are based upon profit after tax.

Dividends

The proposed final dividend increases by 6.4% to 5.81p per share (2023: 5.46p). The total dividend per share increases by 5.0% to 8.41p (2023: 8.01p), representing dividend cover of 2.8 times earnings for the year and a rolling three-year cover after exceptional items of 2.9 times. The Board considers this to be appropriate cover at this stage of the Group's development and against our aim to work towards our historical level of dividend cover of three times earnings.

Balance sheet

Shareholders' funds grew in the year by £4.8m to £142.0m (2023: £137.2m), with net assets per share increasing by 3.3% to £2.32 (2023: £2.25). Over the last five years net assets per share have grown by 60.2%. The Board has chosen not to avail itself of the option under IFRS to revalue land and buildings annually and, therefore, all the Group's land and buildings are held at historical cost, net of depreciation, on the balance sheet.

Inventory held at the year-end was £51.9m (2023: £62.4m), a decrease of £10.5m. This decrease was driven by a reduction in inventory volume, as supply chains normalised, partially offset with higher raw material costs. One factor in the success of the business is our management of risks, such as geographic, political and climatic, to ensure continuity of supply for our customers. Consequently, the overall level of inventory held by the Group is highly significant in cash terms.

Net debt

At the year-end date the Group's net debt position was £0.7m (2023: £10.4m) including leases of £0.4m (2023: £0.5m), with available unused facilities of £43.3m (2023: £35.7m). This is the result of a focus on cash generation and disciplines in place. This allows us to focus on future capital allocation, invest in the right areas for the business, and also helps mitigate against higher interest costs.

The Group retains a mix of secured and unsecured borrowing facilities, which now total £43.7m (2023: £45.4m) across the UK and the US. In the UK, the Group has a £25.0m asset-based lending facility with HSBC for a three-year term, with an optional accordion (pre-approved facility) of £10.0m and option to extend the term of facility for a further year. This facility lends against the value and quality of inventory and receivables within the UK business, and strengthens the ability of the Group to borrow in the UK.

The US business has a $25.0m revolving credit facility with Bank of America with an optional accordion of $10.0m and falls for renewal in May 2026.

The Group continues to enjoy positive relationships with its banks and expects all facilities to be renewed or refinanced successfully when they fall due.

Cash flow

Net cash inflow for the year was £9.6m (2023: £12.0m) when excluding the repayment of bank facilities and leases. This is due to the continuing focus across the business on working capital efficiency, cash generation and cash retention.

During the year the Group invested £5.7m (2023: £4.2m) on capital projects, details of which are set out on the next page.

There was an overall improvement in working capital, generating an inflow of £0.6m (2023: £3.5m), which was a result of a continued focus on working capital efficiency.

Capital investment programme

Group capital expenditure was £5.7m (2023: £4.2m), of which £2.2m was invested at the Group's US operations and £2.3m was incurred on the UK relocation project.

Capital expenditure in the Group's US operations was £2.2m, focussed on process improvements, efficiency upgrades as well as improvements to existing equipment.

Investment in the UK focused on process improvements, solar panels, efficiency upgrades as well as £2.3m spend on the final phase of the relocation project.

The Board has approved an investment in a new Shanghai Commercial and Innovation Centre, to accelerate innovation and customer collaboration in China. The estimated capital spend is £1.0m, and the project will commence in 2025.

The level of annual capital investment remains closely managed within the Group with priority given to higher payback projects.

The respective total costs of each phase of the UK relocation project are broken down as follows:

£'000	Phase one	Phase two	Total
Capital expenditure	41,277	4,113	45,390
Existing site disposal	(5,592)	–	(5,592)
Exceptional items	4,820	2,381	7,201
Total costs	**40,505**	**6,494**	**46,999**

Treatt Employee Benefit Trust and Treatt SIP Trust

The Group has an HMRC-approved Share Incentive Plan (SIP) for its UK employees, and as far as practicable, also offers a similar scheme to its US employees. All UK employees with a year's service were awarded £700 (2023: £700) of "Free Shares" during the year as part of the Group's employee incentive and engagement programme as the Board is firmly of the view that increased employee share ownership is an important tool for driving positive employee engagement in the business.

A similar scheme exists for US employees who were awarded $1,000 (2023: $1,000) of Restricted Stock Units during the year. These shares are forfeited by employees who leave within three years from the date of grant.

Under the SIP, UK employees are offered the opportunity each year to purchase up to £1,800 (or 10.0% of salary, whichever is lower) of Treatt shares out of gross income, which the Group continues to match on a one and a half for one basis. In the year, a total of 32,000 (2023: 30,000) matching shares were granted.

The SIP currently holds 361,000 shares (2023: 380,000) and is administered by Link Asset Services Trustees. All shares are allocated to participants under the SIP. It is anticipated that going forward the obligations under the SIP will continue to be satisfied through the issue of new shares.

In addition, the Group continued its annual programme of offering share option saving schemes to employees in the UK and US. Under US tax legislation, employees at Treatt USA are able to exercise options annually, whilst the UK schemes provide for three-year saving plans.

Under the Long-Term Incentive Plan, which was approved by shareholders at the 2024 Annual General Meeting, Executive Directors and certain key employees were granted 263,000 (2023: 267,000) nil cost share options during the year which will vest after three years on a sliding scale, subject to performance conditions. In total, options were granted over 432,000 (2023: 355,000) shares during the year, whilst 37,000 (2023: 299,000) were exercised from options awarded in prior years which have now vested. During the year no shares (2023: 200,000) were issued to the Employee Benefit Trust (EBT) at par (2 pence per share). The EBT currently holds 97,000 shares (2023: 162,000) in order to satisfy future option schemes. It is anticipated that going forward, all-employee savings-related share schemes will continue to be satisfied by shares held within the EBT, to which further shares will be issued as necessary.

Final salary pension scheme

The R C Treatt final salary pension scheme (the "scheme") has not been subject to any further accruals since 31 December 2012 and instead members of the scheme were offered membership of the UK defined contribution pension plan with effect from 1 January 2013.

The most recent triennial actuarial valuation of the scheme was carried out as at 1 January 2024, the result of which was that the scheme had an actuarial surplus of £2.4m (1 January 2021: deficit £4.9m) and a funding level of 112.0%. Consequently, in July 2024 the Company agreed with the Trustees to cease making further deficit reduction contributions to the scheme, and so contributions in the year were £0.3m (2023: £0.5m) and are expected to be nil in 2025.

Under IAS 19, "Employee Benefits" a valuation of the scheme is conducted at the year-end date based on updating the valuation calculations from the most recent actuarial valuation.

In accordance with this valuation, and having sought legal advice as to the appropriateness of recognising a scheme surplus, there is a pension surplus recognised on the balance sheet of £5.6m (2023: £3.7m surplus). The increase in the pension asset is driven by investment returns on assets net of interest of £1.6m.

Summary

We continue our ambition to drive profitable revenue growth through focussed innovation, expanding our customer reach and broadening our product offering which will allow us to sustainably deliver our medium-term goals.

Ryan Govender
Chief Financial Officer
4 December 2024

	2020* £'000	2021 £'000	2022 £'000	2023 £'000	**2024 £'000**
Income statement					
Revenue	109,016	124,326	140,185	147,397	**153,066**
Adjusted EBITDA[1,2]	16,982	23,144	18,464	22,997	**24,935**
EBITDA[1]	15,922,	21,842,	19,387	19,197	**24,305**
Adjusted operating profit[2]	15,092	21,346	15,773	18,321	**19,869**
Profit before taxation and exceptional items	14,801	20,919	15,256	17,344	**19,093**
Growth in profit before taxation and exceptional items	11.3%	41.3%	(27.1%)	13.7%	**10.1%**
Exceptional items	(1,060)	(1,302)	923	(3,800)	**(630)**
Profit before taxation	13,741	19,617	16,179	13,544	**18,463**
Taxation	(2,896)	(4,469)	(2,864)	(2,602)	**(4,062)**
Discontinued operations	(1,080)	–	–	–	**–**
Profit for the year attributable to owners of the Parent Company	9,765	15,148	13,315	10,942	**14,401**
Balance sheet					
Intangible assets	1,358	2,424	3,206	2,752	**2,534**
Property, plant and equipment	50,159	61,039	74,281	71,526	**69,808**
Right-of-use assets	1,173	1,556	375	538	**379**
Net deferred tax liability	(924)	(1,383)	(5,369)	(4,851)	**(5,048)**
Current assets	69,472	83,606	108,537	96,482	**91,552**
Current liabilities	(15,989)	(30,556)	(46,329)	(32,551)	**(22,570)**
Non-current borrowings	(3,450)	(2,624)	(2,342)	–	**–**
Post-employment benefits	(10,051)	(6,806)	1,782	3,723	**5,578**
Non-current lease liabilities	(628)	(957)	(291)	(373)	**(219)**
Total equity	91,120	106,299	133,850	137,246	**142,014**

	2020* £'000	2021 £'000	2022 £'000	2023 £'000	**2024 £'000**
Cash flow					
Cash generated from operations	15,677	13,892	(1,830)	23,579	**24,795**
Taxation paid	(2,191)	(4,874)	443	(2,174)	**(3,727)**
Net interest paid	(191)	(270)	(382)	(1,087)	**(987)**
Dividends paid	(3,378)	(3,704)	(4,834)	(4,802)	**(4,924)**
Additions to non-current assets net of proceeds	(24,814)	(14,373)	(7,177)	(4,071)	**(5,632)**
(Acquisition)/disposal of subsidiaries	(136)	–	–	–	**–**
Net sale of own shares by share trust	547	630	621	624	**116**
Proceeds on issue of shares	2	3	9	5	**2**
(Increase)/reduction of lease liabilities	(659)	(394)	657	(153)	**158**
Other cash flows	(388)	(451)	(812)	116	**(158)**
Movement in (debt)/cash	(15,531)	(9,541)	(13,305)	12,037	**9,643**
Total net (debt)/cash	427	(9,114)	(22,419)	(10,382)	**(739)**
Ratios					
Adjusted net operating margin[2,3]	13.8%	17.2%	11.3%	12.4%	**13.0%**
Adjusted return on average capital employed[2,4]	18.5%	20.9%	11.6%	12.2%	**13.6%**
Net (cash)/debt to adjusted EBITDA[1,2,5]	(0.03)	0.39	1.21	0.45	**0.03**
Net (cash)/debt to EBITDA[1,5]	(0.03)	0.42	1.16	0.54	**0.03**
Adjusted basic earnings per share[2]	19.72p	27.05p	19.80p	22.94p	**24.47p**
Basic earnings per share	18.12p	25.29p	22.04p	18.01p	**23.61p**
Growth in adjusted basic earnings per share[2]	10.7%	37.2%	(26.8%)	15.9%	**6.7%**
Dividend per share[6]	6.00p	7.50p	7.85p	8.01p	**8.41p**
Dividend cover (adjusted to exclude exceptionals)[7]	3.28	3.60	2.51	2.85	**2.90**
Net assets per share	151.2p	176.0p	219.9p	224.5p	**232.0p**

* 2020 shows discontinued operations separately. There were no discontinued operations between 2021 and 2024

1 EBITDA is calculated as profit before interest, tax, depreciation and amortisation from continuing operations. See note 31 in the financial statements.

2 All adjusted measures exclude exceptional items. See note 8 in the financial statements.

3 Operating profit before exceptional items divided by revenue from continuing operations.

4 Profit before interest, taxation and exceptional items divided by the average of opening, interim and closing net debt. See note 31 in the financial statements.

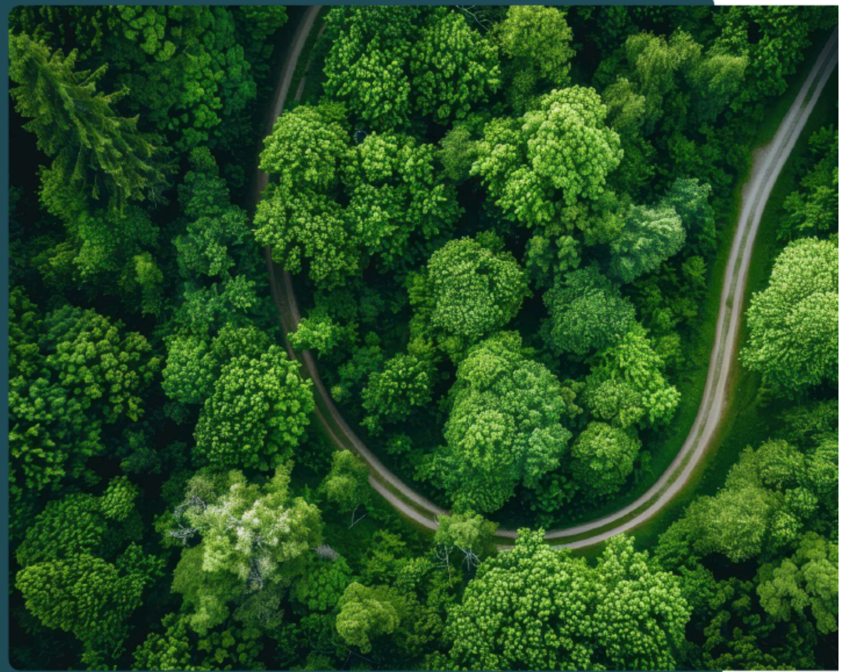
5 Net cash/(debt) at the year-end date divided by adjusted EBITDA1,2. See note 31 in the financial statements.

6 The dividend per share shown relates to the interim dividend declared and final dividend proposed for the corresponding financial year.

7 Dividend cover is defined as profit for the year, less exceptional items and their related tax effect, divided by the total of interim dividend paid and final dividend proposed.

Our approach to Sustainability

Sustainability has never been such an important factor in how businesses are evaluated by customers, investors, employees and society as a whole. At Board level, discussions on the importance of sustainability, as our product lines and strategy evolve, keep sustainability factors at the forefront of business growth. We've continued to strive to strengthen our sustainability credentials and embed sustainable practices across the Group. We believe transparency is key with regards to demonstrating to our stakeholders how we perform against our sustainability ambitions.



Our impact

"Since joining the business, I have been inspired at how sustainability is front and centre at Treatt as we try to tackle some of the biggest challenges such as the climate crisis, social inequality and environmental degradation. Embedding sustainability in our purpose can help us deliver the right impacts across our commitments to people, planet and performance."

David Shannon
CEO

Our impact in 2024

PEOPLE

57%
Business Leadership Team are women (2023: 58%)

63%
permanent Group employees are shareholders

ED&I strategy
that empowers and supports

PLANET

4.6% reduction
in global Scope 1 and 2 carbon emissions (compared to 2022 baseline)

New solar
onsite renewable energy installation in the UK

New water target
for cleaning processes in the USA

PERFORMANCE

10%
Executive Director bonus scheme subject to ESG-related non-financial objectives

Sustainable sourcing
New KPIs for 2024

ESG Governance structure
driving positive change

Our three pillars – **People, Planet,** and **Performance** – continue to provide the framework for our priorities and approach to sustainability. Our nine priorities are embedded within our business strategy, to ensure sustainability is integral to everything we do.

We're proud to highlight the progress we've made during the year, summarised in "Our impact in 2024", with a further overview of our sustainability in action and the United Nations Sustainable Development Goals we are aligned with, on page 23.

Summary of our sustainability priorities

Pillar	Priorities	Further details	Sustainable Development Goals (SDGs)
PEOPLE	• Embedding sustainability into our culture • ED&I – to empower and support • Community matters	Pages 24 to 26 Pages 27 to 28 Pages 31 to 32	2 Zero Hunger; 3 Good Health and Well-Being; 4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities; 11 Sustainable Cities and Communities; 12 Responsible Consumption and Production; 13 Climate Action
PLANET	• Carbon emissions collection and analysis • Carbon reduction strategy/net zero pathway • Task force on climate-related financial disclosures reporting (TCFD)	Page 33 Pages 34 to 35 Pages 36 to 45	6 Clean Water and Sanitation; 9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production; 13 Climate Action; 14 Life Below Water; 15 Life on Land
PERFORMANCE	• Ensuring appropriate governance of sustainability • Determining and reviewing relevant non-financial KPIs • Building a responsible and sustainable supply chain	Page 49 Page 49 Pages 50 to 51	3 Good Health and Well-Being; 6 Clean Water and Sanitation; 8 Decent Work and Economic Growth; 13 Climate Action; 15 Life on Land

Materiality assessment shaping our strategic focus

A materiality assessment was undertaken by our consultants in 2021, using the Sustainability Accounting Standards Board's (SASB) materiality mapping as a reference point. The material issues were identified through consultation with internal and external stakeholders. The issues of highest importance shaped the nine priorities of our ESG strategy. We plan to commission a double materiality assessment in 2025 to ensure the relevance and impact of our approach.

These priorities contribute to the Sustainable Development Goals (SDGs) of the United Nations, as outlined in our "Summary of sustainability in priorities", above. Our ESG strategy is devised to ensure we address these substantive issues, whilst continuing to drive positive change. We are pleased with our significant progress during the year, as we further embed sustainability into our business.

How we measure and report

We report with reference to the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016. GRI is an independent international organisation that has pioneered sustainability reporting since 1997. A GRI Standards index with reference to applicable information is available on our website www.treatt.com.

Non-financial information

We have Group policies and standards that govern our approach in these areas. Further details can be found in this table and on our website.

Reporting requirements and additional information	
Environmental matters	Environmental policy
Employees	Board composition and diversity – pages 67 and 77 Board diversity policy
Human rights	Slavery and human trafficking statement Supplier code of conduct Labour and human rights
Social matters	Equal opportunities policy
Anti-bribery and corruption	Supplier code of conduct (revised in 2022) Anti-bribery and corruption policy
Understanding our world	Understanding our world – page 2, our business model – page 10
Principal risks	Principal risk and uncertainties – pages 52 to 57

People

Priority:

Embedding sustainability into our culture

Engagement is critical to ensuring our people support our sustainability ambitions. Clear communication is essential for sustainability to be embraced and adopted within our culture. Supported by our Business Leadership Team and wider management, via our newly launched Manager Toolkit we are driving consistency in our communications, with managers receiving a monthly document that includes updates on topics including business performance, health and safety, sustainability and the People Team. Our internal newsletter and town halls are other platforms used to ensure our internal community keeps sustainability front of mind. Feedback is encouraged alongside our “ideas app” which encourages our community to make any suggestions for improvement, including how we can be more sustainable.

Through our focused efforts, sustainable behaviours will continue to become our way of life. They are embedded into our culture with a clear sustainability facet to each of our four values stated below.

Our managers will be well equipped to drive and support their teams to consider the part they can play. Our ESG Working Group is now integral to our ESG governance structure, with 25 people from across the business involved in ESG from strategy development to delivery. See more on page 38.

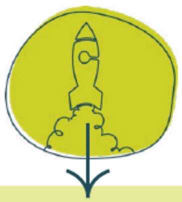
Ensuring our values-based culture thrives

Our success as a business depends on our integrity in both our internal and external community and we continue to see the benefits from focusing on further improving our positive culture.

The Culture Ambassador Team, made up of 11 people across the business, is in place to drive action and provide a feedback loop through two-way communication with, and on behalf of the departments represented in the team. A member of the Business Leadership Team attends the team’s meetings in person so that the Ambassadors can get real-time feedback but also to reinforce the team’s value to the business.

Following the updating of our core values and behaviours in 2023, we recognise examples of these behaviours in our Employee of the Quarter awards. Our Culture Ambassadors run this process and vote for the winner, providing peer endorsement of behaviours that align with our values. Celebrating examples of our values being lived reinforces a culture that is supportive of our social and environmental goals.

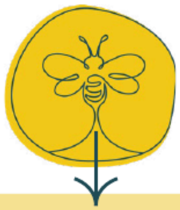
Embedded in our values and behaviours



PROGRESSIVE
Seeking innovation and new ways of working, enabling our people and planet to flourish

PASSIONATE
Caring for our people, planet and our communities

ACCOUNTABLE
Committing to sustainability and sustainable practices, minimising our impact to people and planet



TEAM PLAYERS
Celebrating diversity and recognising our differences help us to succeed together

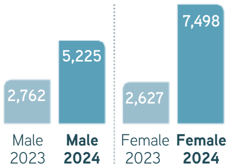
PEOPLE continued

43%

increase in total training hours

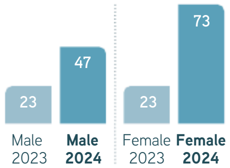
Total training hours (UK)

12,723 136%



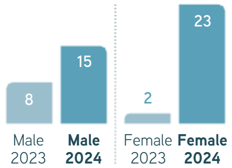
Average training hours per employee (UK)

59.5 158%



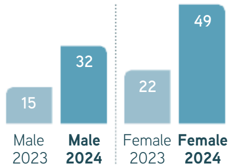
Mandatory training hours (UK)

19 280%



Professional development training (UK)

40 125%



Looking ahead

We will continue to promote our purpose and values to our people, customers, suppliers and communities and find ways to bring these to life by sharing our successes and updates on our progress. The values are embedded in our performance review process, ensuring behaviours contribute to the achievement of our business strategy. Of equal importance to delivering objectives, is how they are delivered. Including our values in individual and team-based objectives will accelerate our progress around sustainability.

Enabling great people to do exceptional things, by creating an environment in which our people can thrive

Supporting our people's health and wellbeing is not just the right thing for us to do, it is vital to retaining our people. Our flexible working guidance enables employees to work flexibly (as far as their role requirements allow) and supports a harmonious relationship between work life and home life. We recognise that spending time in the office environment provides opportunities to collaborate, build relationships and to share knowledge and ideas. Therefore, by adopting a hybrid approach where possible, we can support a better culture for Treatt and its people.

Training* and development

Over the course of the year, we have invested in 13,567 hours of training across the group, to continue developing our people. A marked 43% increase on the previous year, this in part to our newly adopted definition of "training"* and one of our key Non-Financial KPIs (see page 15).

Our investment in learning focuses on ensuring quality and compliance and also enables our people to flourish through professional development opportunities that also enhance our business.

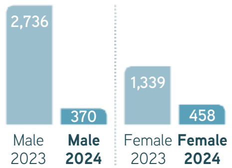
We have invested in leadership development as an area of focus in 2024, with members of the Business Leadership Team coming together as a collective to understand ways of working and also optimal ways of working together. Furthermore, our "People Power"programme has gone live with its first cohort, Nurture, aimed at experienced managers. People Power workshops remain available to all people leaders in the business. With 62 managers globally (94%), participating in a 360-degree feedback programme as a part of their development in the year. Further workshops, including management and resilience, coaching for development and constructive conversations will follow as the programme progresses.

Looking ahead

Next year, we shall make dignity at work a global focus, alongside change management. Adopting a more international approach to our training will ensure that we have global consistency whilst allowing scope to meet regional requirements. Our leadership development programmes will continue as we open our People Power programme to two further cohorts, *Current* for managers who want to enhance their leadership skills and *Aspire* for those aspiring to become people managers. This will enhance our learning and development offering alongside opportunities for continued professional development and our mandatory governance training.

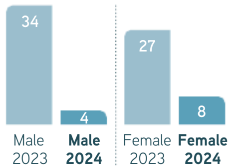
Total training hours (US)

828 80%



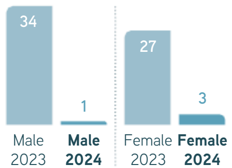
Average training hours per employee (US)

5 83%



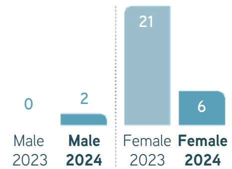
Mandatory training hours (US)

2 94%



Professional development training (US)

3 84%



* Training is defined as any training course or other activity which is designed to impart, instil, improve or reinforce any. Knowledge, skills, or personal qualities which are, or are likely to prove, useful to the employee when performing the duties of the employment or related employment. Source: HMRC, work-related training (480: Appendix 9) – GOV.UK (www.gov.uk).

PEOPLE continued

CEO David Shannon, Q&A Session

Rebecca Wood

Engaging with our people

Engagement with our internal community is critical to drive awareness of our progress and the focus areas of our sustainability strategy.

During February and March, we carried out engagement surveys across our global community and were delighted to see a participation rate of 73%. This a significant increase from our previous participation rate in 2023 of 39% and higher than our internal target of 50%. Questions were modelled on previous surveys and our engagement level remained static. Key to greater participation was our commitment to be more transparent in sharing the feedback as well as acting upon it. After a global roll-out of the initial survey results, our managers led the engagement feedback and action planning sessions to enable them to be relevant and targeted to their specific teams. Our Site Directors also ran similar meetings with our Culture Ambassadors to gather more holistic feedback. Key themes were around communication, particularly where we can't rely on digital channels, and greater visibility of the leadership team.

Ahead of these sessions, managers were invited to attend a bespoke programme on how to hold feedback sessions and action plans, using the output of the engagement survey.

In addition to our survey, we continued with our Employee Voice programme, with a number of confidential, one-to-one conversations between an employee and a Board member, to share feedback. A large number of topics were discussed, testament to the comfort our employees have in sharing their feedback across all levels of the organisation, with key themes being:

- Improved training for new joiners
- Greater automation
- More level loading in production where possible
- More face-to-face communication
- Consistent performance management (in the annual review process)

We communicated these key themes to all employees and provided commentary on what we were doing or would start to do. The Employee Voice sessions continue to be a strong conduit for communication across all levels.

We are driving less email communication, and greater adoption of computer-based tools or apps to make our communication more accessible to all. We intend to record more of the face-to-face sessions that are run, such as the more informal CEO town halls, so that those not able to be present still have the opportunity to hear first-hand the power of the messages shared.

> ***"I found the engagement sessions extremely beneficial. Structuring a plan to aid employee feedback in the most meaningful way to promote real change within the business was such a pleasure to be part of. I feel the sessions united teams and encouraged every employee to use their voice. I believe the engagement process, being such a positive experience for everyone involved, is going to encourage more employees than ever to share their views and have a voice in shaping the business moving forward."***

Rebecca Wood
Customer Service UK Manager

PEOPLE continued

Priority:

Equality, diversity and inclusion (ED&I) that empowers and supports

We are honoured to work with so many outstanding individuals that bring a wide range of skills and expertise to the business. We want to embrace the diversity of our people and use this to improve, both as a business and as a community partner, whilst giving opportunities to all those that work for us.

It is fundamental to our values that we celebrate and respect each other, whilst benefiting from our diversity. It is because of the variety of skills, experiences, ideas and new perspectives this brings that we can continue to grow and improve.

We have committed to foster a greater understanding of each other and create an environment where we can all thrive by being ourselves and to that end, we continue with our primary ED&I focus areas:

- Strengthening from within
- Building our understanding of each other
- Calibration

We believe that each one of us has a role to play in creating a more diverse, equitable, and inclusive environment. During the year we have developed our equality, inclusion, and diversity plans in conjunction with our ED&I allies to build a better understanding of how we can continue to improve. It is the strength of our community, representing different diverse groups, that helps to drive our understanding of each other.

We will continue to develop our opportunities to attract a diverse workforce and enable our people to fulfil their potential.

CASE STUDY

Our ED&I Allies

Our ED&I Allies in both our UK and US operations have worked closely with our existing and prospective workforce to promote and celebrate the differences that we all bring to the workplace. Recent activities, such as our day of colour in celebration of LGBTQ+ pride month or our support of International Women's Day, drive awareness through participation. We continue to highlight religious festivals and international awareness days as we work to ensure that all our people feel valued and a sense of belonging.

Whilst our ethnicity pay gap has not been formally reported, it has been regularly reviewed. Though obtaining meaningful data remains a challenge we have identified opportunities for improvement to ensure that everyone has an equal opportunity for development and progression. We have never sought to vary our pay based on any individual characteristics, nor will we. Instead, we pay the right salary to the individual for the skills that they bring and the role that they undertake.

We will continue to develop our opportunities to attract a diverse workforce and enable our people to fulfil their potential, such as using gender-neutral job descriptions and language in our policies and helping our managers to understand their roles in considering ED&I in the interview process.

Gender diversity across the Group is reflected in the representation of women in management and senior roles. We recognise the importance of improving opportunities within the business. In response to our gender pay gap data, a proactive programme of support has been put in place including enhanced family leave, mentoring, coaching, physical health support and programmes to empower our female colleagues. See our non-financial KPI around male to female ratios and other people-focussed KPIs on page 15.

Looking ahead

Continuing to engage people as we continue our work to promote ED&I will be key, as more participation from allies will help drive further events, more knowledge sharing and increased understanding. We are looking at ways to spend more time with our new starters to introduce all engagement groups to increase the number of volunteers and diversity of experience.

PEOPLE continued

Diversity profile of our employees reflecting the communities in which Treatt operates

There remains an observable gap in both the US and UK between ethnic groups and white employees and, whilst our workforce is reflective of local demographics, we will be working towards improving diversity, considering the ways in which we attract our talent and opportunities for development.

Facility*	White	Non-ethnic groups	Ethnic groups	Black or African American	Hispanic or Latino	Asian	Prefer not to disclose	Two or more races
USA**	52%	–	–	24%	21%	1%	1%	1%
UK***	86%	–	5%	–	–	1%	8%	–

* We collect our diversity data via forms in the US and our HR software in the UK. Completion of the data is voluntary.

** Lakeland, USA Population data 2022 – White 59%, Black or African American 17%, (Hispanic 19%*, Hispanic includes respondents of any race). Source: censusreporter.org, 2022 – Lakeland City, Florida.

*** Suffolk Census Data 2021 – White English, Welsh, Scottish, Northern Irish or British 87.3%, all other groups 12.7%. Source: Suffolk.gov.uk

Position	Male	Female	Total
Group Directors[1]	2	–	2
Business Leadership Team	4	8	12
Direct reports of Business Leadership Team	23	21	44
Other employees	192	131	323
Total employees[2]	221	160	381

1 Group Directors are also part of the Business Leadership Team, but they are excluded here to avoid duplication of headcount.

2 Actual number of employees at the year-end date. This differs to the headcount in note 6 to the financial statements, which is the average number of employees during the reporting period.

Living Wage

All our salaries should meet living costs as a minimum. In the UK we are proud to have continued to be a real Living Wage employer, accredited by the UK Living Wage Foundation. In the US we complete salary benchmarking yearly to ensure we are competitive and paying employees comparable to the market rate.

Employee health and wellbeing

Our mission continues, to "think well, live well and be well"

In light of the issues many people face each day, we have a duty as an employer to take action – in addition to it simply being the right thing to do. Our internal wellbeing teams continue to drive initiatives across the Group and this year we have focused on supporting financial wellbeing, proactive health initiatives and managing stress. We also work closely with recognised national days, highlighting the importance of these events for our people.

We had a combined global approach to Wellbeing Week, sharing daily updates in our sites covering topics including financial wellbeing and exercise. We also maintain a collaborative relationship with our occupational health and benefits providers locally: that familiarity helps with our people being comfortable to share with them and be better supported.

We have a plethora of benefits on offer to our people that support wellbeing, shown below. We were delighted to move to offer benefits to all US employees from day one of their employment with Treatt, rather than having to wait the more typical 90 days.

OUR BENEFITS DRIVING WELLBEING AT WORK

- HOLIDAY PURCHASE SCHEME
- PRIVATE MEDICAL AND HEALTHCARE
- DENTAL HEALTHCARE
- LIFE ASSURANCE
- INCOME PROTECTION FOR ILLNESS
- RETIREMENT SAVINGS
- FLEXIBLE WORKING
- FAMILY FRIENDLY POLICIES

PEOPLE continued

Engaging stakeholders in health and safety

An organisational culture that incorporates all employees and emphasises the advantages of working safely and responsibly is the most crucial aspect of safety. Employee participation in the creation of standards, practices, and policies, as well as consultation on any modifications, is critical. Feeling included and accountable for safety discussed during health, safety, and environment (HS&E) meetings, toolbox talks, team meetings, and shift handovers, helps drives positive change.

Reintroduced in 2023, our eight safety, health and environment (SHE) champions in the UK and five from the US form a focused team to assist with safety auditing, safety equipment checks and a direct liaison between the employees and the H,S&E Managers.

We have a new HS&E Committee, comprised of the SHE champions, CEO and CFO, key department supervisors and members of the Business Leadership Team, to support our HS&E agenda and embed this further into our culture.

Zero **reportable accidents***

During the year we've retained zero reportable accidents and continue to have zero as our target

* Reportable accidents – reportable accidents are work-related accidents, which in the UK must be reported to a statutory body or, in the US, require hospitalisation, loss of limb, blindness in an eye or anything that leads to inability to work for seven days or more.

Health and safety – keeping our people safe

We control the risks connected to the production and processing of chemicals, and continually work to enhance our performance as we strive to reach manufacturing operational excellence. Our proactive health and safety approach encourages reporting of near misses and attempts to identify behaviours that could potentially result in an incident or accident.

During the year health and safety reporting has been elevated to the first item on our Plc Board agenda, demonstrating the importance of this to the Business Leadership Team and employees.

We consider all human variables in the work environment, such as temperature, pace of work, stress, health, distraction, training and competency, instrument layout, ergonomics and human factors.

We also adopt the recognised 4Cs approach to managing our health and safety approach and ensure adoption of behaviours:

- **Competence:** recruitment, training and advisory support
- **Control:** allocating responsibilities, securing commitment, instruction and supervision
- **Co-operation:** between individuals and groups
- **Communication:** spoken, written and visible

All accidents, incidents, near misses and concerns are required to be reported via easily accessible means without fear of repercussion. During the year we increased the emphasis on near miss reporting and the need for a more accessible and available means to report. The physical concern card has been replaced with a simple near miss/hazard reporting system available digitally to every employee. Whether on a laptop or a scanning gun in operations, employees can instantly report accidents, incidents, near misses or hazards. Reported events are assessed, investigated thoroughly and corrective action measures implemented. Increasing near miss and hazard reporting is a proven, effective method of reducing injury accidents.

Additionally, risk assessments are conducted to determine presentation of risks and mitigation measures needed. Job safety analysis and safety critical task analyses are conducted to evaluate hazards associated with various standard operating procedures with hazard mitigation measures instituted.

The ISO (International Organization for Standardization) certification implementation process has begun at our UK facility. This year we have started exploring the requirement for attaining the following standards, which we plan to commence in early 2025, to complement our ISO 9001 – quality management system:

- ISO 14001 – environmental management system
- ISO 45001 – health and safety management system
- ISO 50001 – energy management standards

Attaining these certifications will better align Treatt with the expectations of our customers, suppliers, and competitors. Once achieved in the UK, the standards can be then rolled out at our US facility.

PEOPLE continued

Q&A

with Stephen Haygreen

SHE Champion, Manufacturing Trainer

What is your role?

Our role is to work with the HS&E team to improve safety in all areas of the business. We assist with risk assessment, COSHH assessing, accident and incident reporting and investigations, driving the near miss reporting system and assisting with any corrective actions.

How do you collaborate with others in the business?

We are also part of the UK HS&E Committee. This has representatives from every department and each shift, providing management teams and colleagues access to dedicated safety contacts. This provides the opportunity to offer better support and allow for questions or issues around HS&E to be dealt with at the time.

Occupational health and safety training

In the UK, we collaborate with a third-party occupational health service to track employees' health, identify hazards and conduct routine screening and surveillance. Support services also include advice and direction for people with long-term health conditions and for workers who require medical advice and support. This service includes medical examinations, and training in areas such as COSHH. We believe that training is a crucial component of our health and safety plan for safeguarding our people from diseases and injuries, and as such our training complies with legislative standards. New starters receive training linked to specific hazards as required along with general health, safety and environmental training. To assist baseline testing and continuous health assessments we use an occupational health service provider in the US.

Supporting our customers on their sustainability journey

It is imperative that customers are aware of the actions we are taking that support their own sustainability ambitions and targets. See more information in section 172 on pages 71 to 75.

With this in mind, we engage directly with our key customers, typically involving our global sales team, Global Sustainability Manager and procurement teams in discussions. During this we have observed an increased interest in product-level carbon data, our approach to which is included in our TCFD reporting on pages 36 to 45.

We also continue to focus on the results from our 2023 sustainability survey, which reinforced how our customers are looking to us to support in the achievement of their climate targets. Our carbon reduction strategy and net zero pathway, detailed on page 34 to 35, demonstrates how we are contributing to reducing our customers' Scope 3 emissions with our reductions in Scope 1 and 2.

With regards to sustainable sourcing, much of the transparency sought by our customers is now driven by our responsible and sustainable sourcing policy, which can be seen on our website. Progress and KPI's around our sustainable sourcing strategy feature on pages 50 and 51.

1 Incidents – unplanned event that causes damage or loss to property, vehicles, or product.

2 Accidents – unplanned event that causes injury or harm to people.

TOP THREE CATEGORIES OF INCIDENTS[1]

Vehicle, chemical, equipment

TOP THREE CATEGORIES OF ACCIDENTS[2]

Chemical, other, equipment and human factors

TOTAL H&S TRAINING HOURS PER GROUP EMPLOYEE

6.5
(2023: 5.3)

TOTAL H&S TRAINING HOURS

2,470
(2023: 872)

INTERNAL HOURS

1,362
(2023: 395)

EXTERNAL HOURS

1,108
(2023: 477)

PEOPLE continued

Priority:

Community matters – supporting our communities

Our focus: Provide positive, measurable impacts for our local communities.

Supporting the communities in which we live and work is of high importance to us. Through our focused community matters strategy, we made £51,000 in donations to our communities globally. Aligned with our purpose of "enhancing every day", this focus enables us to support the following United Nations Sustainable Development Goals (SDGs):

Zero Hunger
(KidsPACK & Toys for Tots)

Good Health & Wellbeing
(Suffolk Mind, MyWiSH, Upbeat Heart Support, Rockin on the Chain & Peace River)

Quality Education
(Enterprise Advisor & School Support)

Sustainable Cities & Communities
(Bury St Edmunds Rickshaw)

Life on Land
(Suffolk Wildlife Trust, Bury in Bloom & Project E.A.G.L.E.)

In the UK, we have strengthened our relationships with key community stakeholders such as the Suffolk Chamber of Commerce and Iliffe Media. The greater engagement with the Suffolk community offers excellent opportunities to enhance our local brand, and our ongoing collaborations have significantly supported this endeavour.

We will continue to partner with a select number of local charities that align with the Sustainable Development Goals (SDGs) integral to our sustainability strategy. The key charities we currently support in the UK include Upbeat Heart Support, MyWiSH Charity, East Anglia's Children's Hospices (EACH), Suffolk Mind, and Suffolk Wildlife Trust. In the US, we support charities including Toys for Tots, KidsPACK, Peace River Center, and Project E.A.G.L.E.

CASE STUDY

Uniting for a cleaner community

Demonstrating our commitment to community engagement and environmental stewardship, we organised a companywide litter pick event at our UK facility. Around 30 colleagues from various business disciplines participated, including US commercial colleagues visiting for the Global Commercial Conference.

Our team collected 20 bin bags of litter, donating £10 to the Suffolk Wildlife Trust for each bag. Treatt is a Gold Level Investor for this charity. The event emphasised the importance of community care and instilled pride in our local environment.

> ***"Our strategy of engaging in frequent, small-scale collaborations has successfully kept our name at the forefront of local business conversations. As a result, we have been invited to speak on the radio and at major conferences about our work in the sustainability space, reflecting the growing recognition of our efforts."***

Chloe Ludkin
Communications and Engagement Executive

PEOPLE continued

Building the world of work together

At Treatt, we understand our vital role in preparing the next generation for the workforce. To this end, we work with children aged seven and above to enhance their education through career talks, fairs, mock interviews, assemblies, tours of Treatt, and one-on-one support for students interested in the flavour ingredients industry.

In the UK, our Enterprise Advisor collaborates with a local academy to develop a robust careers programme. Additionally, we partnered with other esteemed businesses locally to provide the 'EMPowered Programme,' which helped sixth form student leavers with interview skills and CV writing during their transition to university or to the workplace.

This year, in the UK we presented at Careers Week at West Suffolk College (top left), we also hosted manufacturing engineering students from the University of Cambridge, as well as business and marketing students from West Suffolk College (top right), providing industry insights and stimulating ideas for their potential future careers. We also offered work placements in the UK and US, supported interns, and welcomed apprentices, inspiring them to pursue careers at Treatt.

Our support in this space continues to grow and we have supported a record number of educational establishments during the year. Treatt's commitment ensures that students leave education with the knowledge and skills needed to thrive in their future careers, whilst also creating a sustainable talent pipeline for our industry.

> ***"Thank you to all the colleagues at Treatt for a fantastic visit. We hugely appreciated the level of preparation and engagement from the whole team."***
>
> **Professor**
> Institute of Manufacturing, University of Cambridge

> ***"I just wanted to say a huge thank you to you for coming in and speaking to our business students. The feedback from the business team has been wonderful."***
>
> **Maggie Noonan**
> Careers Advice Team, West Suffolk College

WE HAVE COLLECTIVELY CONTRIBUTED

253 hrs of volunteering, a **38%** increase (2023: 183)

volunteering hours support schools, community groups and charities important to our people, following the introduction in 2023 of half-day volunteering allowance per person across the Group.

10+
educational establishments supported

Planet

Priority:

Carbon emissions collection and analysis

This year, to support our focus on "acting on climate change", we have adopted a new digital carbon management system into our toolkit, to enhance the capture, evaluation and validation of our Scope 1, 2 and 3 carbon emissions data. A key benefit of this platform is the array of food and beverage-related databases from which emission factors are selected to ensure greater accuracy of our carbon footprint (see specifics on page 44).

The system also allows for the inclusion of costs for those activities generating our carbon footprint, giving us greater clarity on hot spots from both a financial and carbon perspective. Building on our long-standing reporting of Scope 1 and 2 carbon emissions, and that of Scope 3 over the previous two years, the system enables us to better understand our overall carbon footprint, which will, in turn, inform our longer-term carbon reduction pathways, targets and product innovation. Our carbon emissions data is included in our TCFD reporting on pages 36 to 45.

> ***"Looking ahead, we hope to use our digital carbon management tool's 'supplier engagement' feature to start to obtain primary data from our supply chain to more accurately reflect the work they've been doing to lower operational emissions. This will in turn lower the footprint of our finished ingredients aligning with our customers' net zero commitments, as well as assisting in the further development of our net zero pathway and SBTi target commitments."***

Katie Severn
Global Sustainability Manager

PLANET continued

Priority:

Carbon reduction strategy and net zero pathway

Our focus is on reducing our absolute carbon emissions, over time, to ensure that we achieve net zero ahead of the UK Government's 2050 ambition.

In 2022 we commissioned ClearLead, an international energy and sustainability consultancy, to conduct on-site energy, water and waste audits of our processing plants in Lakeland, Florida and Bury St Edmunds, Suffolk. The audit reports provided recommendations in respect of energy efficiency projects and step-change infrastructure investments to significantly reduce our carbon emissions. The recommendations were costed and included ROI payback periods and estimated carbon savings, and are accounted for in our business strategy Vision 2027.

These recommendations helped steer our first step to developing a net zero pathway in 2022, by setting a target of reducing Scope 1 and 2 emissions at our US site by 10% by 2025. In 2023 further progress was made in modelling a net zero pathway aligned to the science-based targets initiative ('SBTi'), which was then validated this year, by the SBTi. The methodology used was for SME businesses and the following necessary assumptions were made:

- The grid decarbonisation data was taken from the International Energy Agency (IEA) projections database for the Stated Policies Scenario. At this point, the US emissions data are US-wide and not specific to Florida, due to lack of available data, but this will be incorporated when the situation changes.
- The baseline year used from SBTi is 2021*. This year was considered most suitable as it takes into account both the availability of accurate baseline emissions data and the best-case aggregation of emissions data to reflect the move from older UK premises to a new BREEAM-certified site in Bury St Edmunds.
- For the period until 2030, we have incorporated the growth projections included in our Vision 2027 business strategy.

* SBTI utilise 2021 as the baseline year, which is the calendar year in which our 2022 baseline year commences.

In 2024 we are reporting our near-term net zero pathway (2022–30), our associated near-term actions and how we have delivered towards our SBTi validated target of 42% reduction in Scope 1 and 2 by 2030 for the first time – our progress follows:

SBTI VALIDATED NEAR-TERM TARGET

42% reduction

in Scope 1 and 2 across the group by 2030

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Carbon reduction targets

Year	Reduction in absolute carbon emissions on a like-for-like basis (baseline year 2022)	Current status (against baseline)	2024 (compared to 2023)	2023 (compared to 2022 baseline)
2025	10% reduction in Scope 1 and 2 at Treatt USA	8%	4.9%	2.8%*
2030	42% reduction (as a minimum) in total Scope 1 and 2 across the Group (validated by the SBTi)	(4.6)%	(3.5)%	Target Set
2050	90% reduction as a minimum in Scope 1, 2 and 3 (subject to modelling)	(23.1)%	(24.3)%	Target set

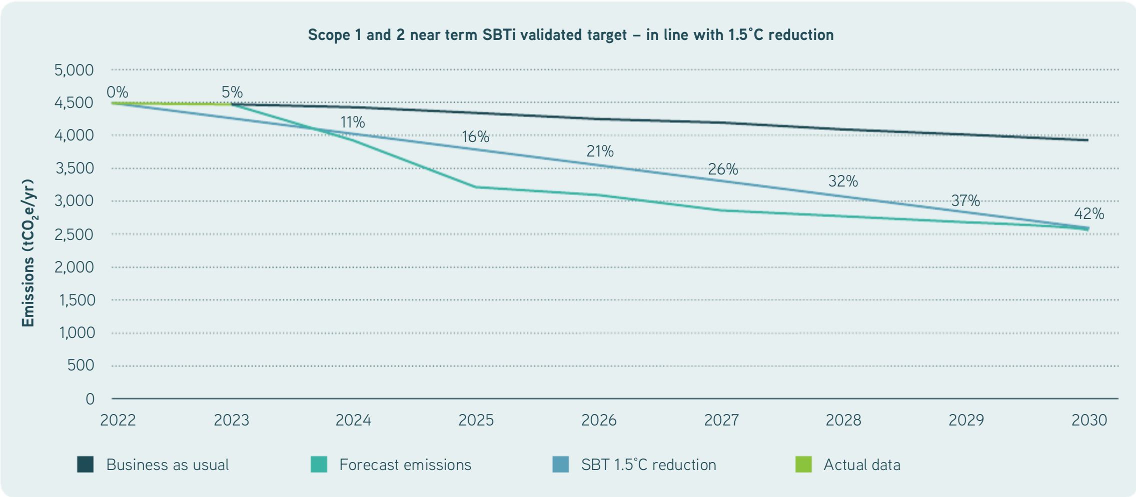
* Restated due to miscalculation

We have seen an encouraging 4.6% reduction in our Scope 1 and 2 emissions globally, against our 2030 target. As this is not as modelled on page 35, we will make adjustments in 2025, ensuring project impact the year following project completion, rather than year of the project, as this along with the inevitable fluctuating product mix during the year is contributing to us not seeing the impact forecast; this also leading to an increase against our Treatt USA 2025 target. We do see an encouraging 52% drop in UK Scope 1 emissions from 2020, due to the energy efficiencies of our new facility as detailed on page 35.

Energy efficiency was integral to the design of our new UK site. It is therefore understandable that most of our near-term actions are focused on our Florida facility. An estimate capital expenditure totalling £1.5m is required to reach our SBTi near-term target by 2030. The graph on the following page shows the modelling of our decarbonisation actions, which will facilitate the delivery of our science-based target for 2030. We have fast-tracked investment in on-site renewables in the UK on account of the positive impact, both in carbon reduction as well as in mitigating risks associated with energy and carbon pricing. For more details please see the table in disclosure No. 4 of our TCFD reporting, on pages 39 to 42.

We have begun a solar installation on the roof of our UK facility, with completion anticipated early in the new year, which will provide approximately 25% to 30% of our annual UK electricity demand.

PLANET continued



We have also continued our focus on projects at our site in Florida, US. These include:

- Steam boiler efficiency upgrades to save on natural gas.
- Distillation vacuum pump inverters to offer efficiencies and consistency in kW usage.
- Variable speed drives connected to well water pumps to provide energy savings.

In the UK alongside commencing our solar installation, energy and carbon saving projects include:

- Commencing on converting a large centrally located chiller space into a processing area, installing a smaller chiller space in an alternative area to help maximise capacity and efficiencies.
- Replacing an oversized air compressor with an alternative smaller one, with lower kWh demands.
- Optimising office air conditioning controls to react to departmental occupancy in our large open plan space.

To further support our efforts, internal KPIs around electricity, gas and water consumption are now regularly assessed at both our UK and US facilities. In 2025 we plan to complete our UK solar installation, along with reviewing our longer-term boiler requirements, to seek potential efficiencies. We will also be optimising the opportunities of automated monitoring and reporting systems on our metering of gas, electricity and water. In the USA we plan to fully assess our current boilers to determine efficiency upgrades or replacement, along with introducing heat recovery from our chiller system to pre-heat CIP water.

Longer term, other investments identified for the US plant include on-site renewable energy and combined heat and power projects. These will be factored into any planned expansion of the US site. Future initiatives for the UK site, already utilising 100% renewable electricity, include further on-site renewable energy and the decarbonisation of a natural gas-fired plant.

In line with SBTi's guidance for SME companies we are not required to include a near-term target for Scope 3 emissions. Although it was our intention to do this in 2024, onboarding a new digital carbon management system has meant we have been focused on determining the format and uploading of current and historic data. We therefore intend in 2025, with improved emissions factors relating to Scope 3 data, to increase the auditing of our suppliers and to engage in ongoing collaboration with stakeholders across our value chain, to model our longer-term emissions reduction pathway for Scope 1, 2 and 3 and report our actions and progress in our 2025 Annual Report. More detailed information on our GHG emissions for the last three years can be seen as part of our TCFD reporting on pages 36 to 45.

PLANET continued

Priority:
Taskforce on Climate-related Financial Disclosure reporting (TCFD)

We recognise the medium-to long-term risks posed by climate change to our business model, and as an internal team our TCFD working group has continued to assess climate-related risks and opportunities that are relevant to our business.

We are reporting in reference to the recommendations of TCFD to understand the climate resilience of our business and aim to increase the level of disclosure year-on-year.

Positive progress

In 2022, we included our initial response to the TCFD methodology where we reported across the framework's four key pillars of governance, strategy, risk management and metrics and targets and responded to the underlying eleven recommended disclosures.

In line with the TCFD's suggested approach, we considered a 2.0°C warming scenario, based on the Intergovernmental Panel on Climate Change's ('IPCC') defined representative concentration pathway 4.5 and assessed the associated physical and transition risks.

Over the last two years we have made good progress in terms of continuing to develop our understanding, management, measurement and decision-making regarding climate action.

Our now established ESG governance structure continues to drive positive change. During the year the SBTi validated our near-term science-based target of 42% reduction in Scope 1 and 2 by 2030. We continue to build on previous TCFD analysis considering four specific risks and how we mitigate the risks posed and opportunities this provides to our business, supported by sector-relevant scenarios and data provided by the Business for Social Responsibility ('BSR'), Network for Greening the Financial System ('NGFS') and the World Wildlife Foundation ('WWF').

TCFD compliance statement

The table below highlights how we have reported in line with the eleven recommendations of TCFD and includes our own informed assessment of our level of compliance. We recognise that this is an iterative process and have highlighted those areas where we are currently not fully compliant and need to make improvements or continue to progress.

Recommendations	Disclosures	Alignment	Page reference
GOVERNANCE Disclose the organisation's governance around climate-related risks and opportunities	1. Describe the Board's oversight of climate-related risks and opportunities	We are aligned on this recommendation	Pages 37 and 38
	2. Describe management's role in assessing and managing climate-related risks and opportunities	We are aligned on this recommendation	Page 38
STRATEGY Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material	3. Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term	We are aligned on this recommendation	Pages 38 and 39
	4. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	We are partially aligned on this recommendation having assessed the impacts of climate-related risks and opportunities from a qualitative perspective, and have started to explore how we could translate this into quantifiable financial impacts, which as yet have not been determined	Pages 39 to 42
	5. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	We are partially aligned on this recommendation, having assessed the impacts of climate-related risks and opportunities from a qualitative perspective, and started to explore how this can translate into quantifiable financial impacts. We intend to provide this in our 2025 reporting	Page 42

PLANET – TCFD DISCLOSURE continued

Recommendations	Disclosures	Alignment	Page reference
RISK MANAGEMENT Disclose how the organisation identifies, assesses and manages climate-related risks	6. Describe the organisation's processes for identifying and assessing climate-related risks	We are aligned on this recommendation	Page 42
	7. Describe the organisation's processes for managing climate-related risks	We are aligned on this recommendation	Page 43
	8. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	We are aligned on this recommendation	Page 43
METRICS AND TARGETS Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	9. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes	We are aligned on this recommendation	Page 43
	10. Describe Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	We are very close to being fully aligned on this recommendation. Having made progress during the year with the addition of further Scope 3 activities, weight, instead of spend-based methodologies, and enhanced accuracy in emissions factors available through our new carbon management system. Employee commuting remains outstanding whilst we explore the most appropriate way to measure this, the output of which, we intend to include from 2025	Pages 43 to 45
	11. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	We are aligned on this recommendation	Page 45

Governance

1. Board oversight of climate-related risk and opportunities

Board oversight of climate-related risks is provided by the ESG Board Advisory Panel, established as part of our revised ESG governance structure formed in 2023, illustrated on the following page.

Our ESG Board Advisory Panel, is chaired by a Non-executive Director and attended by two additional Non-executive Directors, one of whom chairs our Audit Committee and the other has extensive experience of sustainability matters through her previous executive position at a listed water utility business. The ESG Board Advisory Panel also includes our Chief Financial Officer, who oversees the operational and financial aspects of our sustainability programme. The ESG Board Advisory Panel is responsible for reviewing and advising on the recommendations made by the ESG Management Group, comprising key members of Treatt's Business Leadership Team, including our newly appointed CEO, the CFO and the Global Sustainability Manager.

The ESG Board Advisory Panel meets bi-annually, and it is the responsibility of the Chair of the ESG Board Advisory Panel to ensure that the Treatt Board is equipped with the relevant information to ensure that the Board can engage in constructive discussion on climate matters and make informed decisions. The ESG Board Advisory Panel consults with the Audit Committee to ensure the relevant level of assurance.

Constitution of the ESG Board Advisory Panel

ESG Board Advisory Panel members	Board	Audit Committee	Remuneration Committee	Nomination Committee	ESG Management Group
David Johnston Non-executive Director and Chair of the Panel	●				
Bronagh Kennedy Non-executive Director	●		●	●	
Phillip O'Connor Non-executive Director	●	●		●	●
Ryan Govender Chief Financial Officer	●				●
David Shannon Chief Executive Officer	●				●

PLANET – TCFD DISCLOSURE continued

The Board is responsible for oversight and governance of climate-related risks as part of the company's risk management process. Climate change is included as a principal risk in our risk register, (see pages 52 to 57) which is reviewed bi-annually with each principal risk assured and classified pre- and post-controls. Building on the non-financial targets introduced for our Executive Directors and senior management team in 2022, 10% of the Executive Directors, (see page 91), together with senior management team's annual bonus scheme outcomes, are subject to ESG-related non-financial objectives. In relation to climate this includes having a clear carbon reduction roadmap to 2030 which, in turn, encompasses progress against our published, shorter-term incremental targets to reduce emissions by 10% at our Florida site by 2025 and to achieve a 42% reduction (as a minimum) in total Scope 1 and 2 for Treatt by 2030; refer to page 34 for more information.

Treatt sits midway through the value chain in an industry that sources the majority of its raw materials from the agricultural sector and sells to customers' who are increasingly interested in their suppliers' climate action progress and performance. To support in the delivery of customers objectives, the Board and ESG Board Advisory Panel are kept informed of new developments, best practice and stakeholder expectations on an ongoing basis.

In addition, the Board has co-opted members from within the business to the ESG Board Advisory Panel. These members have been selected for their particular areas of expertise and are from a younger generation to ensure wider representation on the panel, and they also attend ESG management meetings to ensure continuity of information and understanding.

2. Management's role in assessing and managing climate-related risks and opportunities

The ESG Management Group reports to the ESG Board Advisory Panel. This group meets quarterly and is accountable for understanding and responding to climate-related risks and opportunities identified through our ongoing climate risk assessment. The group is responsible for managing progress towards our key climate change targets and supply chain key performance indicators. Members of this group include leaders and decision makers from across the business who are able to influence strategic decision making and the delivery of our people, planet, and performance goals. Representation from procurement, legal and risk, engineering, innovation, finance and sustainability demonstrates the interconnected nature of climate change risk management and the broader sustainability strategy, ensuring collaboration across the business. During the quarterly meetings the ESG Management Group reviews the progress made by the underlying ESG Working Group, responsible for executing the strategy under our People, Planet and Performance pillars, as well as by the TCFD Working Group. The TCFD Working Group includes representatives from procurement, supply chain, legal and risk, engineering, finance and sustainability.

The CFO sits on the ESG Management Group, the ESG Board Advisory Panel and the Board to ensure that there is a clear flow of information between the three groups.

Further details of our governance structures relating to ESG and climate-related issues can be found on page 49.

Strategy

3. Identification of climate-related risks and opportunities over the short, medium and long-term

Climate-related risk has been one of our principal risks for several years; see page 54 for more details.

We have continued to make progress in the delivery of our ESG strategy over the past year. One of our priorities is "acting on climate change", by which we mean minimising our environmental impact, both at our processing sites and across our value chain. Our near-term science-based carbon reduction target was also validated by the SBTi during the year. In this report, we have shared our progress against our near-term reduction targets as part of our first iteration of our net zero pathway and are seeing the benefits of our investment in a digital carbon management system in providing more accurate outputs, through the use of more relevant emissions factors. We are working to develop a greater understanding of our Scope 3 emissions and to increase our collaboration with our suppliers and customers regarding how best to improve environmental performance.

In 2024 we continued to focus on the medium- to long-term physical (acute and chronic) risks relating to our manufacturing sites in Florida, US and Suffolk, UK and the shorter-term changes anticipated (transition risks) on the basis that global warming is restricted to 1.5–2.0°C by 2050.

As previously reported, we reviewed our analysis of climate-related risks during 2022 in terms of both significance and likelihood.

PLANET – TCFD DISCLOSURE continued

In 2023 we broadened our assessment to include material aspects across our value chain and continued to provide further context to these scenarios during 2024 using sector-relevant scenarios provided by the Business for Social Responsibility ('BSR') which has built specific scenarios for the food, beverages and agriculture sector, which are also aligned with and the Network for Greening the Financial System ('NGFS'). We used water forecasts provided by the World Wildlife Foundation's ('WWF') Water Risk Filter and continue to focus on how we can mitigate climate-related risks.

These sector relevant scenarios are summarised as follows:

	No new policies (business as usual)	Smooth 2050 transition	Delayed 2050 transition
Physical risk	High physical risks	Low physical risks	Medium physical risk
Transition risk	Low transition risk	Medium transition risk	High transition risk
Policy ambition	3˚C+	1.5˚C	1.8˚C
Policy reaction	None – continuation of current policies	Immediate and smooth	Delayed
Technology change	Slow	Fast	Slow then fast
CO_2 removal	Low use	Medium use	Low use
Regional policy removal	Low	Medium	High

4. Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning

Our TCFD Working Group further considered the aforementioned sector scenarios during a series of sessions and reviewed the findings from last year's assessment of climate change risks and opportunities.

They determined that the four risk areas, detailed below – under physical and transition, continue to be material priorities for the business.

The four areas are: water stress at our manufacturing operations; citrus sourcing and its associated supply chain; the cost of energy and carbon to our business and across our value chain; and how changing societal attitudes towards climate change are having a material impact on our customers' procurement decisions. These risks were again discussed and approved by both our ESG Management Group and ESG Board Advisory Panel and cross-referenced with priority climate and sourcing-related findings from our 2021 materiality assessment.

This followed consultation with a number of Treatt's stakeholders using SASB mapping as a reference point, which highlighted climate change, carbon emissions, water, waste and energy, along with raw material sourcing, as having the highest potential material impact.

Three scenarios were considered to give us greater visibility of potential risks with potential impacts being assessed as low, medium or high based on informed, qualitative discussion of the three scenarios (see impact definition on page 42). We have started to explore how we can make a quantitative evaluation of these financial impacts, featured in the material risk table, and will use the IFRS foundation to further guide this process in 2025.

In terms of our selected timeframes, we have defined "short-term" as up to five years (in line with our 2022–27 business planning cycle); "medium-term" as 5–15 years; and "long-term" as 15–27 years (in line with 2050 targets). We envisage disclosing this in financial ranges in future years, as our data collection improves; as impact measures to our profit after tax, against each of the scenarios.

Material Risks 2

TCFD Category	Climate-related trend	Potential financial impact and next steps to quantify this	Possible short-term impact	Possible medium-term impact	Possible long-term impact	Strategic response, resilience, and mitigation
PHYSICAL RISK	Water stress	Water stress at our manufacturing plants in the UK and the US resulting in disruption to production or inability to create new products which require more water in the manufacturing process. *Data: WWF Water Risk Filter* Our next steps to quantify this risk would be to determine the priority of water usage, in our products, based on the most profitable product lines first. Then estimating an expected loss rate, and applying this across our most impacted product ranges. Then offsetting this with the favourable impact of manufacture at a non-impacted site or reformulations where applicable	● Low	● Low	● Medium	**Facility site audits:** We have audited our plants from an energy, water and waste perspective and during the year have made changes, including additional water metering on water-intensive processes, to help us maximise water efficiency **Future NPD:** If future products require more water as part of the manufacturing process, we could consider finding alternative sites for manufacture, or alternatively seek to develop products in a more efficient way

Key: ● Low ● Medium ● High

PLANET – TCFD DISCLOSURE continued

Material Risks 2 continued

TCFD Category	Climate-related trend	Potential financial impact and next steps to quantify this	Possible short-term impact	Possible medium-term impact	Possible long-term impact	Strategic response, resilience, and mitigation
PHYSICAL RISK	Water stress	Water stress for our citrus suppliers, based predominantly in Latin America, resulting in poorer quality, lower yields and higher prices on a more regular basis. *Data: WWF Water Risk Filter* Our next steps to quantify this would be identifying the cost impact of supply restriction due to lower yields, then estimating an expected loss rate for cost increases that we are not able to pass on. We would then apply that expected loss rate across our most impacted product ranges, and finally offset this with the estimated favourable impact of reformulations				**Risk mapping:** We continue our risk assessment and modelling of our suppliers and to collaborate with them to ensure they have strong physical risk resilience plans. During visits to Latin American suppliers in 2024, we discussed water stress management and are engaging with these and other priority suppliers to ensure they have a mitigation strategy in place
PHYSICAL RISK	Citrus sourcing and supply chain	Extreme weather, particularly in Latin America (see above), leads to an unreliable supply of citrus raw materials, resulting in an inability to deliver to customers on time. *Data: NGF from Climate Impact Explorer* To quantify this, we would identify the cost impact of supply restriction due to unreliability of supply, then estimate an expected loss rate for cost increases that we are not able to pass on. We would then apply that loss rate across our most impacted product range before offsetting with any estimated favourable impact				**Continue diverse geographical sourcing:** Large citrus producers are looking to alternative growing regions outside the traditional citrus belt. One key grower has taken learnings from harmful "greening" they have experienced to mitigate this in these new orchards, from which they are hoping to start harvesting fruit in 2026. We continue to explore citrus from other countries and ensure that we have a geographically diverse supply chain to absorb possible regional disruptions due to climate and extreme weather. We stock accordingly to mitigate unreliable supply **Supporting regenerative agriculture:** We are a member of the Sustainable Agricultural Initiative Platform (SAI), a network supporting a sustainable, healthy and resilient agricultural sector whilst creating strong and secure supply chains. We are also a founding member of the SAI regenerative agriculture programme, helping to drive positive change for a sustainable, thriving and more resilient agriculture sector
TRANSITION RISK	Energy and carbon pricing in our own operations and in the value chain	Increasing costs and instability of energy together with potential carbon pricing in our operations Our widespread value chain, including long transportation distances, makes it difficult for us to reduce these contributing carbon emissions, potentially resulting in higher prices for our raw materials due to increased carbon costs if these cannot be absorbed by the supplier Our next steps to quantify this impact would be identifying our highest carbon footprint suppliers and highest carbon footprint customers, based on shipping methods and distances. We would estimate an expected loss rate for carbon cost increases that would make us non-competitive, apply this rate across our most impacted products and customers. Finally we would offset this with the estimated favourable impact of opportunities to reduce carbon footprint in our supply chain				**Net zero pathway target validation:** Our near-term carbon reduction target has been validated by the SBTi, confirming that we have mapped our target to reduce our Scope 1 and 2 emissions by 42% by 2030. In costing and modelling this target a number of projects, including on-site renewables at both facilities, are planned. On-site solar commenced in 2024, with completion early in the UK and is estimated to provide 25-30% of our anticipated site electricity needs. We also have an interim 10% reduction target in Scope 1 and 2 emissions at our USA facility by 2025 **Investment in decarbonisation:** A total investment of £1.5m has been budgeted from 2023-2030 for energy/carbon reducing projects to decarbonise our business. A £620k investment in solar panels has commenced in the UK and £50k has been spent in the US on water and energy efficiency projects **Digital carbon management system:** During the year we have invested in a new platform that provides an array of data and cost management around carbon, including capabilities for supporting carbon pricing In 2025, we will continue to use this new system to gain greater insights and understanding of our Scope 3 emissions, prioritising our purchased goods. With the platform offering more relevant carbon emissions factors and the ability to engage suppliers to provide primary carbon data directly into the platform, we will have more accurate data that we can act upon. This forms part of our long-term net zero planning, both to minimise our impact and mitigate potential carbon costs

PLANET – TCFD DISCLOSURE continued

Material Risks 2 continued

TCFD Category	Climate-related trend	Potential financial impact and next steps to quantify this	Possible short-term impact	Possible medium-term impact	Possible long-term impact	Strategic response, resilience, and mitigation
TRANSITION RISK	Customer procurement preferences for low carbon ingredient solutions	Typical to our industry our widespread value chain could make it difficult for us to positively influence our Scope 3 carbon emissions and therefore reduce our carbon footprint Also, the potential inability to meet increasing customer demand to provide information regarding carbon/water intensity at a product level to support their net zero targets and labelling ambitions We could quantity this by identifying the highest carbon footprint suppliers via either corporate or product-level data, and our highest carbon footprint customers. We would then estimate an expected loss rate for customer preferences that would make us non-competitive, before applying this rate across our most impacted products and customers. Finally we would offset this with the estimated favourable impact of opportunities to reduce carbon footprint in our supply chain	●	●	●	**Benchmark to ESG ratings:** We disclose to CDP and EcoVadis to provide transparency to our stakeholders in recognised, trusted and comparable structures **Customer engagement:** We ensure our customers are fully aware of our broader ESG strategy and net zero planning. In 2023 we conducted a sustainability-focused customer survey to better understand our customers' requirements and any gaps. Tailored sustainability updates are also shared with our key customers, led by our Global Sustainability Manager, so they better understand our progress and plans **Supplier engagement:** During the year we have introduced a KPI around carbon reduction targets in our supply chain and will continue to meet with suppliers to discuss our responsible and sustainable sourcing policy and carbon targets, together with their activities to reduce Scope 1 and 2 emissions and in turn our Scope 3. We will also utilise the supplier engagement tool within our data management system to glean primary data from our suppliers, better reflecting the true emissions in our supply chain rather than industry emissions factors, to support in reflecting these positive changes in our net zero modelling **Scope 3 modelling:** Next steps are to model our long-term net zero pathway, including Scope 3 emissions. We will work with our digital carbon management system and our carbon reduction consultants to use this data to identify a strategy for reducing Scope 3 emissions. We will focus on our hot spot areas of purchased goods and transportation, taking into account decarbonisation expected from these suppliers and logistics providers. **Product carbon footprinting:** Our new digital carbon management system has the additional capability to determine product-level carbon footprinting and we could invest in this further capability to aid in both EPD, NPD and relaying of information to our customers
TRANSITION RISK	Consumer procurement preferences for sustainable products/certified ingredients	Increased demand from consumers for certified ingredients, such as Rainforest Alliance and Fair Trade, in products could result in us losing customers by not offering enough of these ingredients Our next steps to quantify this would be to identify the proportion of our product range without an ethical certification, using our own internal data. We would then estimate an expected loss rate for customer preference for ethical certifications, based on our market experience, and apply this rate across our most impacted products, and offsetting this with the estimated favourable impact of opportunities to certify products	●	●	●	**Certified sourcing:** We continue to obtain market insights regarding consumer preferences for certified ingredients. We currently source 83% of our tea raw material from Rainforest Alliance certified growers and continue to explore the other raw materials available. Rainforest Alliance certification helps farmers produce better crops, adapt to climate change, increase their productivity, and reduce cost. We use our certified facilities in the US to handle these raw materials, enabling our customers to make on-pack certification claims. We also have certification with Fair Trade USA to enable us to increase our offering of certified ingredients should demand increase. For other product categories such as citrus we can procure ingredients assured via the Farm Sustainability Assessment (FSA), allowing us to assess, improve, and validate on-farm sustainability in our supply chains

PHYSICAL RISK: Physical risk is defined as risks related to the physical impacts of climate change. **TRANSITIONAL RISK**: Transitional risk is defined as risks related to the transition to a lower-carbon economy.

SOURCE: US EPA.Gov

Key: ● Low ● Medium ● High

PLANET – TCFD DISCLOSURE continued

Market opportunities

Key: Low (green) Medium (orange) High (red)

Material opportunities	Description of opportunity	Possible short-term impact	Possible medium/long-term impact	Strategic response
MARKETS	Improving sustainability of supply chain to ensure consistent supply of high-quality raw materials and reduce transportation costs/emissions	Low	Medium	**Sustainable sourcing:** Over the past twelve months we have continued to drive commitment from our suppliers to our sustainable sourcing policy and our supplier code of conduct. We have also engaged further on both GHG target setting and water stress with priority citrus suppliers (details on pages 50 to 51) Our new digital carbon management system will improve visibility of hot spots in our supply chain. This year we also used weight-based instead of spend-based methods for the first time, along with assessing "spend" and "carbon emissions" for each supplier, in the same platform. This now provides the data to drive informed decisions with regards to our suppliers and potential sourcing locations to drive reductions in both costs and emissions. It also enables us to incorporate the decarbonisation of our supply chain into our net zero modelling In 2024, we have implemented KPIs around carbon reduction targets in our supply chain. We are also determining the capabilities around supplier engagement, with our carbon data management tool which will allow us to request and ingest primary carbon data from our suppliers
MARKETS AND TECHNOLOGY	To become less dependent on expensive energy providers and higher-carbon processing	Low	Medium	**On-site renewables:** We are in the process of installing solar panels on the roof of our UK facility. This is one of the projects mapped in our net zero pathway, alongside further planned on-site renewables at our UK and US facilities. See further information on page 34

Note: Currently, our assessment of low, medium and high impacts is aligned with the thresholds adopted for our bi-annual risk assurance mapping process. Levels are defined as follows: Low – may occur at some time, one event per 11–50 years, this could be a history of casual occurrences, conditions exist for this loss to occur. Medium – possibility the event or risk will occur, one event every 3–10 years, may be a history of periodic occurrences, will probably occur in some circumstances. High – strong possibility the event or risk will occur, one event in up to two years on average, may be a history of frequent occurrences, will probably occur in most circumstances. In the future, we are committed to further quantifying and qualifying the level of impacts and to provide further transparency regarding the process for determining the relative significance of climate risks.

5. Describe the organisation's strategy resilience, taking into consideration different climate-related scenarios

With the progress we are making against our ESG strategy and pathway to net zero, we believe our organisation is resilient to the possible physical and transition impacts of climate change over our short-term timeframes across all three scenarios of water stress, citrus supply and sourcing, and energy/carbon pricing in the value chain. We will continue to engage and collaborate with our key stakeholders to ensure we remain competitive and sustainable, and therefore resilient, in the medium- to long-term. See more on this on pages 36 and 50. During the year we further explored how we could quantify these risks, but there was not sufficient time to discuss in depth, the many assumptions required to allow disclosing this at this time, but there is management intent to do so in the future.

This assessment was finalised by the Board following engagement and consultation with the ESG Board Advisory Panel and the Audit Committee.

Risk management

6. Describe the organisation's processes for identifying and assessing climate-related risks

As a principal risk for the business, climate-related risks are subject to the same formal governance and review process as other risks on our risk register. You can read more about how we assess climate-related risks on pages 52 to 54.

We have an established risk management framework in place which we use to assure the climate-related risks and opportunities we face within our business.

As one of eleven principal risks, climate change risks are assessed bi-annually and include an initial pre-controls rating, three "lines of defence", which include business operations, oversight functions and internal/external audit, followed by a final post-controls rating. The assurance level is rated as low, medium or high while the risk classification ranges from 1 (low) to 9 (high). More details on our assessment of climate change as a principal risk can be found on pages 52 to 54.

In 2021, we conducted our first qualitative and quantitative ESG materiality assessment across external and internal stakeholders which identified addressing the long-term physical impacts of climate change as a material priority for the business. The findings from this materiality assessment, summarised in our 2021 Annual Report, informed our ESG strategy and the risks identified were incorporated into our risk management process. With the fast-changing regulatory landscape we plan to conduct a follow-up materiality assessment in 2025 in line with the recommendations of the International Sustainability Standards Board (ISSB) and we are also considering the merits of conducting a double-materiality assessment.

Further to this we worked with a specialist consultant in 2023 to explore the specific climate risks, relating to the potential warming scenarios, highlighted in the strategy section of this disclosure on pages 38 to 42.

PLANET – TCFD DISCLOSURE continued

7. Describe the processes for managing climate-related risks

As outlined earlier, our ESG Board Advisory Panel, which meets bi-annually, is responsible for reviewing and advising the ESG Management Group on its work relating to the risks and opportunities from identifying, managing and monitoring the principal risks relating to climate change. The Executive Directors are responsible for ensuring that appropriate processes are in place to identify, assess, manage and monitor risk across the Group. The Business Leadership Team reviews and monitors risks and mitigation strategies across the business. The ESG Management Group, along with the Global Sustainability Manager, identifies key climate risks and assesses their potential impacts and appropriate risk mitigation strategies. Responsibility for monitoring and reviewing each risk is designated to a senior team member to ensure there is appropriate accountability.

The table in disclosure No.4 on pages 39 to 41 outlines the mitigation actions we are taking to counter the four most material risks, together with our progress to date.

8. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

Risk identification is an integral part of the day-to-day activities of all employees of our business; they are responsible for identifying, managing and escalating risks as part of their roles. To improve the effectiveness of managing climate-related risks, it is essential that we raise awareness of the importance of this topic with employees across the business. The ESG Governance structure supports this, ensuring a wide reach, alongside additional internal communication.

We take a holistic view of the impact of climate change on our business strategy, our brand and reputation, the markets in which we operate and the technology we use. We also consider the physical risks posed by climate change on our product ranges and operations. These classifications are referenced in our climate-related risks and opportunities disclosures set out on pages 39 to 42. By their nature, climate-related risks interconnect with and impact across functions and departments, and therefore require a wide lens and deep consideration and collaboration from teams across the business.

Climate risks are incorporated into our bi-annual risk assurance mapping process, and our assessment of low, medium and high impacts is aligned with these thresholds.

Metrics and targets

9. Metrics used to assess climate-related risks and opportunities in line with our strategy and risk management process

The Group's climate-related metrics and targets are set and reviewed by the ESG Board Advisory Panel, which considers TCFD and other industry guidance when selecting the most relevant metrics by which to assess our risks and opportunities.

We believe our GHG emissions and targets, evolving KPIs around our sustainable supply chain programme, and remuneration for senior positions, are the most impactful measures. These are detailed more precisely in the remuneration report on page 91. Sustainability is also integral to our project stage-gate process, to ensure it is considered along the innovation journey. Metrics are also integrated within our capital request form, requiring detail of any positive or negative impact to energy, water usage and waste generated.

Moving forward, we plan for the ESG Board Advisory Panel and ESG Management Group to receive reports on GHG emissions against targets every six months instead of annually.

In 2022, as part of our ESG strategy, we published our initial near-term emissions reduction target for our manufacturing site in Florida, USA of 10% reduction in Scope 1 and 2 by 2025. We built on this in 2023 by modelling and setting ourselves 2030 Scope 1 and 2 emissions reduction targets, aligned to the SBTi methodology, which were validated by the SBTi in early 2024. This entails achieving absolute reductions in our Scope 1 and 2 emissions of 42% by 2030. These targets have been set in alignment to our near-term net zero planning. We will utilise our new digital carbon management tool, with enhanced data analysis to continue to gain greater insight into our Scope 3 emissions. Early in 2025 we will use this to model our long-term net zero pathway with the intention of developing further long-term targets (inclusive of Scope 3). With these systems in place, we will have greater visibility to allow us to plan how we can continue to reduce our Scope 1, 2 and 3 emissions beyond 2030, in order to be a net zero business by 2050 or earlier. Further details can be found on pages 35 and 36.

We will also disclose percentage of top 10 citrus suppliers who have a water stress management plan in place in 2025.

10. Describe Scope 1, 2 and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks

We report all our emission sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. Scope 1, 2 and 3 emissions have been reported in line with the GHG Protocol and emission factors provided by the UK's Department for Environment, Food and Rural Affairs (DEFRA) and the US's Environmental Protection Agency (EPA) and now also Altruistiq, BEIS-GBR, EPA-USA, Ecoinvent, Exiobase, Quantis and WRAP, accessible via our digital carbon reporting platform.

During the year we have delivered our phase 3 compliance report to ESOS, the Energy Assessment and Energy Saving Scheme, established by the Energy Savings Opportunity Scheme Regulations 2014 (ESOS Regulations). The ESOS Regulations have been substantially amended in 2023, through The Energy Savings Opportunity Scheme (Amendment) Regulations 2023. ESOS is separate to the Streamlined Energy and Carbon Reporting (SECR) framework. Systems in place to collect and audit energy consumption to meet ESOS obligations and progress with implementation of ESOS recommendations can help organisations to meet their SECR requirements.

Streamlined energy and carbon reporting (SECR)

GHG emissions – Our total emissions (Scopes 1, 2 and 3) for the year were 51,792 tonnes of CO_2e, a 24% decrease on last year. As we start to see the positive impact of our energy saving projects, we have seen a decrease in our Scope 1 and 2 emissions of 4.6% compared to our baseline year of 2022.

We have seen a 52% reduction in our UK Scope 1 emissions, compared to 2020 (486 tonnes of CO_2e), when we solely operated from our old site, as we now see the efficiencies of our new facility coming to fruition.

Overall, we have seen a 26% decrease in our Scope 3 emissions in the year. This is mostly due to efficiencies of our digital carbon management system to use more relevant emissions factors, weight-based instead of spend-based methodologies, and generally increasing the accuracy of Scope activity measurement.

PLANET – TCFD DISCLOSURE continued

As a result, we have seen a 51% decrease in our Scope 3 purchased goods and services emissions. This is even more encouraging, considering that this year we've also included indirect purchases in our purchased goods and services for the first time, along with the addition of capital goods spend activity.

Purchased goods and services is a key focus area as it accounts for 57% of our Scope 3 which is referenced in disclosure point 4, on pages 39 to 42 and we will be using all this data to drive positive change as we model our 2050 targets next year inclusive of Scope 3 and start to scope out product carbon footprinting.

GHG Emissions

Category	**2024 (tonnes of CO_2e)**	2023 (tonnes of CO_2e)	2022 (tonnes of CO_2e)
Scope 1 – UK	**232**	431	629
Scope 2 – location-based UK	**479**	611	562
Scope 2 – market-based UK	–	–	–
Scope 1 – USA	**2,052**	1,805	1,348
Scope 2 – location-based USA	**1,572**	1,643	2,007
Scope 2 – market-based USA	**1,599**	N/A	N/A
Total global Scope 1 and 2 (location-based) emissions	**4,335**	4,490	4,546
Intensity ratio kg CO_2 emissions (Scope 1 and 2) per kg of product shipped (location-based)	**0.61**	0.61	0.52
Scope 3 – (method)			
Purchased goods and services – spend, weight and average data based, including indirect purchases (spend-based 2023, 2022, no indirect purchases)	**26,890**	54,991	51,177
Fuel and energy-related activities – fuel-based (average-data 2023, 2022)	**915**	530	832
Upstream transportation and distribution – distanced-based	**10,890**	3,692	5,005
Waste generated in operations – average-data, waste-type specific and spend-based (waste-type specific 2023, 2022)	**336**	1,319	838
Business travel – distance-based	**672**	189	181
Upstream leased assets – average-data	**25**	15	14
Downstream transportation and distribution – distance-based	**5,177**	3,221	4,797
Capital goods – spend-based method (additional activity for 2024)	**2,554**	Not measured	Not measured
Total Scope 3 emissions	**47,457**	63,957	62,844
Total Scope 1, 2 and 3 emissions	**51,792**	68,447	67,390

2022, 2023 and 2024 figures refer to the 52 weeks ending 30 September 2022, 2023, and 2024 respectively.

Notes

1 The Group has adopted a greenhouse gas reporting policy and a management system based on the GHG Protocol.

2 As defined by the GHG Protocol, Scope 1 and 2 emissions relate to emissions from activities within the operational control of the Group. In general, the emissions reported are the same as those which would be reported based on a financial control boundary.

3 Emissions for previous years are retrospectively adjusted as and when more accurate data is provided. No adjustments have been made in the current year.

4 The sales office in China is currently excluded on the basis that emissions from utility consumption are estimated to be less than a materiality threshold of 5% of overall Group emissions.

5 Data has been accurately recorded from invoices, meter and mileage readings. GHG emissions detailed in the table for 2024 have been calculated in the Altruistiq platform using the following conversion factors. Scope 1 – BEIS (GBR), EPA (USA), IPCC. Scope 2 – BEIS (GBR), eGRID (USA). Scope 3 – AQ, BEIS (GBR, EPA (USA), Ecoinvent, Exiobase, IEA, Quantis, WRAP, eGRID (USA).

6 GHG Protocol chiller emissions are derived from those specified under Kyoto Protocol. However, other greenhouse gas emissions may be emitted that are not covered under GHG Protocol Scope 1 and are required to be reported separately. In 2024, the group chiller emissions that fall outside of GHG Protocol, namely those identified under Montreal protocol and others, totalled 6.4 tonnes (2023: 7 tonnes).

PLANET – TCFD DISCLOSURE continued

Energy consumed

Energy type		2024 (MWh)	2023 (MWh)	2022 (MWh)
Electricity	UK	**0**	0	0
	USA	**4,232**	4,452	4,750
Renewable electricity procured	UK	**2,315**	2,948	2,905
	USA	**0**	0	0
Natural gas	UK	**1,005**	1,897	2,503
	USA	**9,801**	8,219	5,769
Other fuel	UK	**121**	207	255
	USA	**79**	81	136
Group		**17,553**	17,804	16,318

Energy efficiency actions

During the year we have introduced further meter and monitoring across our manufacturing processes in the US, allowing us to better determine consumption of specific processes and in turn potential efficiencies.

A number of other energy-saving projects are shared in our net zero pathway on pages 34 and 35 and will obviously also support in reducing our energy requirements.

11. Targets used to manage climate-related risks, opportunities and performance

CLIMATE-RELATED RISK DESCRIPTION

Energy and carbon pricing within our control

TARGET

42%

absolute reduction in Scope 1 and 2 emissions by 2030

REFER TO PAGE 34

Short-term energy efficiency across US manufacturing site

TARGET

10%

absolute reduction in Scope 1 and 2 emissions by 2025

REFER TO PAGE 34

Citrus oil sourcing

TARGET

Engage with top ten citrus suppliers to ensure that 100% have a water stress management plan in place by 2025

REFER TO PAGES 40 and 50

CLIMATE-RELATED OPPORTUNITY DESCRIPTION

Decarbonising manufacturing

TARGET

42%

absolute reduction in Scope 1 and 2 emissions by 2030

REFER TO PAGE 34

Sustainable procurement

TARGET

During 2025 continue to determine relevant categories and explore opportunities for further certified raw materials

REFER TO PAGE 41

Business travel and *tree planting*

In recognition of the need for urgent climate action we continue to adhere to our refined definition of necessary travel. To provide a "nature positive" solution to support in mitigating necessary air travel, we continue to invest in a tree planting programme. The programme, managed by Trees4Travel, involves planting ten trees for each flight booked departing from the UK (our most travelled route). It is predicted that each tree will absorb 164.1kgs of CO_2 in its first ten years. The programme also invests in a United Nations Certified Emissions Reduction renewable energy project which effectively doubles these emission saving promises, with carbon mitigation totalling 263 tonnes in 2024. In total 1,680 trees will be planted as a result of travel during the year (2023: 2,493).

For this period the majority of these trees have already been planted as part of a mangrove reforestation project in Mozambique – home to extensive biodiversity and varying landscapes with forests at the core of its social, environmental and economic wellbeing. However more than 8 million hectares of forest have been destroyed due to cyclones, floods, cutting down trees for firewood and charcoal, clearing large areas for farmland and commercial logging. By hiring local people to reforest their region by planting these mangrove trees it stimulates economic growth, breaks the cycle of poverty, and empowers the community whilst building economic resilience.

BUSINESS TRAVEL

263 tonnes carbon mitigation in 2024

PLANET continued

Waste

We are responsible for our waste from the point it is produced until it is transferred to an authorised body. However our duty of care for the waste we produce does not end there, rather it extends along the entire chain of waste management, where we continue to monitor our waste contractors.

Our circular approach to waste

Many of our natural raw material waste streams are used as ingredients in products such as animal feed. Other waste streams, including many fruit and vegetable product lines, are re-used by a green waste processor in Florida to create high-quality compost, the high-water content of which also means they need to use less water in their processing. A number of case studies showcasing our circular approach feature on the sustainability section of our website.

Longer term we are exploring technologies to reduce waste volume and maximise the value from our raw material effluent, turning what was deemed waste into saleable product.

Positive action on waste – waste management pyramid

To focus our efforts on reducing waste and ensuring as little as possible goes to landfill, we use the hierarchy of waste management. We also use our Scope 3 waste data to focus on the hot spots in our waste streams, exploring evolving opportunities in the value of these streams, working with service providers for re-use, further segmentation, recycling and recovery.

During the year we have undertaken the following positive actions with our management of waste.

REDUCE

- **67% reduction in hazardous waste** (1012mt compared to 3065mt 2023)

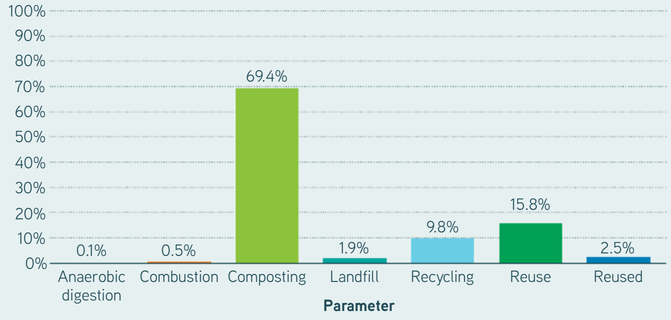
REUSE/RECYCLE/RECOVER

- **99.97% of hazardous waste** (1,011.7mt out of 1,012mt) **was recovered, incinerated or recycled across the Group**
- Where possible, in the UK, drums are reused internally or recycled

LANDFILL

- **0% waste to landfill in the UK**
- **Landfill in the USA reduced by 89% compared to 2023**

Total global waste volume: 12,294mt (2023: 19,410mt)



> ***"While we incorporate circular concepts in our operations by maximising the utilisation of all available components of our raw materials, we also seek to ensure that our waste streams follow a circular approach."***
>
> **Babette Norman**
> VP of Operations

PLANET continued

Water efficiency

NEW USA TARGET SET

15% reduction

in water usage in select cleaning processes by 2028

REDUCTION IN CONSUMPTION

23% reduction

in water consumption

0.49 litre reduction

per kg of product shipped

One of our most successful projects during the year, is now seeing us safely return one of our effluent streams to drain, rather than this being taken off site for processing. We anticipate this will contribute to reducing our carbon footprint from 2025.

We have always monitored and sought to improve our water usage and water efficiency. Wastewater management is an integral factor as we adopt principles of operational excellence within our processes. To enable more effective water monitoring, a wastewater flow meter has been installed at our US facility along with well water and glycol pumps, allowing accurate understanding of our water consumption year on year.

This is reflected in our water consumption table:

Water Consumption	2024	2023
Total water withdrawn (m^3)	**77,043**	106,598
Total wastewater[1] (m^3)	**63,254**	88,654
Total water consumed[1] (m^3)	**13,789**	17,943
Water efficiency (litres per kg of product shipped)	**1.95**	2.44

1. Our water reporting has historically been based on all water withdrawn determined as "water used". In 2023, when we installed a wastewater flow meter in the US and now use the billing from this along with wastewater invoices in the UK to determine a more accurate measurement of "water consumed" by deducting wastewater from water withdrawn. We exclude the aquifer in the USA which operates a closed loop system.

We are pleased to report a 23% reduction in our water consumption, contributing to a reduction of just under half a litre of water per kg of product shipped. This is the positive outcome of new meters on water intensive processes, and wastewater meters in the USA that enabled the engineering team to identify and rectify issues with certain seals and valves; along with the reduction in demand for a category requiring water intensive processes during the year.

Our UK site has a CIP (clean in place) system which ensures we minimise water usage in our process cleaning, whilst allowing us to automatically clean our blending tanks after each batch. The final rinse of the tanks from the CIP unit is harvested and used as the first rinse for the next tank. During the year we've been enhancing our processes, so that discharge from our CIP system and deionised water plant can be returned to drain, rather than this needing to be removed from site.

Our water consumption is higher at our US facility, where water-intensive manufacturing processes are being scrutinised via new meters, with a further monitoring system planned. These will provide improved visibility around potential water savings, particularly around our cleaning processes, to support in setting our new target.

Our energy, waste and water audit reports suggested further water-saving improvements to our manufacturing facilities. For example, a proposed rainwater harvesting system for the UK, collecting rainwater from the roof, could provide an annual supply of 3,000m^3, more than covering our grey water needs on site.

PLANET continued

Sustainable shipping

We continue to navigate the opportunities and challenges of international distribution with products being shipped to 67 different countries, with shipment quantities varying from 2 grammes to 21 tonnes. During the year we continued to monitor the shipping methods used for export, calculating total shipments by each carrier.

We have also evaluated imports to provide greater insight to our internal logistics team.

ALL SHIPPING BY AIR & SEA

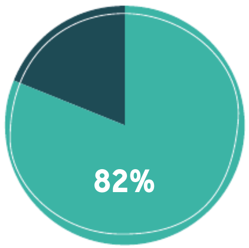
100%

sustainable*

Our logistics service providers are working hard to increase the sustainability of their services, supporting our intentions in reducing the impact of both our inbound and outbound logistics. We select and continue to monitor companies we believe offer "sustainable shipping"* methods.

We conduct due diligence before working with any new carriers and evaluate their sustainability policies as part of that process. This provides us with the assurance that, when we transport our goods across the globe, we will be using providers supporting ethical and sustainable business practices in the shipping sector.

Shipments by road



Road shipments using a sustainable carrier 82%

Road shipments using a non-sustainable carrier 18%

Shipments by sea

Sea shipments using a sustainable carrier 100%

Sea shipments using a non-sustainable carrier 0%

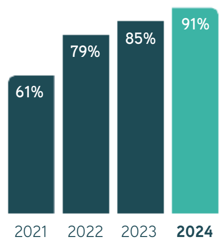
Shipments by air

Air shipments using a sustainable carrier 100%

Air shipments using a non-sustainable carrier 0%

PERCENTAGE OF SUSTAINABLE SHIPMENTS*

91%



* A carrier is classified as being a "sustainable shipping" carrier if they have confirmed to Treatt that they have an established sustainability strategy and/or clear sustainability objectives which are monitored, benchmarked, and reported (for example published environmental goals like zero carbon by a set date). Any carrier that does not have either a sustainability strategy or any monitored and published sustainability objectives will not be considered by Treatt as being a sustainable shipping carrier.