



Sustainability Report 2022

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CEO statement

We would like to open our fourth ESG Report by honoring our founders **Oreste** and **Mario**, who sadly passed away during last year.

For more than sixty years, Oreste shaped the Group by his example, his dedication, his knowledge of the factory, his unique ability to listen to those working with him, and his wise entrepreneurial vision. Mario, a great innovator and a charismatic leader, led the Group with his immense knowledge of industrial processes and his genial intuition, earning through his work the respect and esteem of the local community and all the international industry leaders.

They leave a great void, but their teachings and the fruits of their labours will remain strongly ingrained in our Group and in the people who have had the good fortune to work with them.

Despite this saddening news and the external challenges that our Group faced in 2022, we stayed true to our mission: **enhancing the potential of nature**. Our Sustainability strategy **"Farm-to-customer"** paves the way for our sustainable development through innovation and excellence.

Though we acknowledge that there is more to do, the actions and achievements detailed in the following pages represent another important result in our journey to Sustainable business.



Managing Director
Sedamyl UK

Elena Frandino



Managing Director
Sedamyl IT

Stefano Frandino

**Oreste
Frandino**
1941 - 2023

**Mario
Frandino**
1943 - 2022



Sedamyl Group



Quality



Reliability



Dedication



Sustainability



Safety

At Sedamyl, we are a **leading manufacturer** of **starches, sweeteners, proteins, and alcohol**. We supply ingredients for all major food, feed, and industrial applications. We have established ourselves as one of the **most reliable partners** on the market thanks to our **state-of-the-art manufacturing facilities** and our ability to turn each customer's needs into fast and effective solutions.

Our goal is to keep growing as a company, with **passion and competence**, in an increasingly competitive global market. We guarantee our employees a safe and **stimulating working environment**, and our customers reliable service aimed at excellence, in line with our tradition and values.



2022 Highlights



**Selby plant
expansion is almost
completed!**



**New EcoVadis
Scorecard for
Sedamyl SpA**



**Our electricity
remains green!**

100% of the electricity acquired
from the grid has been certified
as green energy from renewable
sources carrying Guarantees of
Origin (GOs)



**> 370
employees**



**New product in our
portfolio!**

Production of Highly
Hydrolysed Wheat Proteins
now ongoing in Saluzzo



**10576 GJ
of thermal energy
has been provided
to the city of
Saluzzo using our
residual heat**



**Kosher certification
renewed for both
manufacturing
plants**



**Sedamyl won the
SONOCO Supplier
Sustainability
Award!**

Farm-to-Customer strategy

In our 2021 Sustainability Report, we launched our “**Farm-to-Customer**” strategy. This approach consolidates Sedamyl’s actions and commitments to a **sustainable supply chain**.

The idea behind our strategy is simple: if all actors along the value chain are able to **cooperate together**, more ambitious targets can be achieved. Sedamyl plans to carry on two complementary commitments:

Focus on our own activities, minimising environmental impacts through state-of-the-art technologies and processes while expanding our business

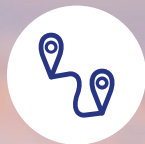
Develop partnerships and synergies with suppliers, customers and local communities to drive change by promoting sustainable practices

This is going to be a step-by-step process, but we are confident that our roadmap can positively impact our business and our value chain.

To reach our goals, we are engaging every link in our supply chain:



Land where our wheat is cultivated to obtain high-quality raw material; Sedamyl sources sustainable wheat according to ISCC+ or equivalent schemes, and it is directly involved in the cultivation of organic raw material.



Logistics for transportation of raw materials; Sedamyl Group is engaged in providing low-carbon transportation alternatives for our wheat.



SEDAMYL process activities to transform wheat into our top-quality ingredients; We design our products and our processes to minimise environmental impacts while ensuring a positive working environment.



Customers, the final cog; Our goal is to provide ingredients with the highest quality and full traceability from agricultural landscapes to our customers’ manufacturing sites.

Land

In our value chain, agriculture plays a role of utmost importance. **High-quality raw materials are fundamental for high-quality ingredients**, and Sedamyl supports a sustainable agriculture model that addresses the challenges of tomorrow: providing high-quality raw materials while ensuring the conservation of natural resources. The relevance of the environmental impacts related to agricultural practices were also highlighted in Starch Europe Life Cycle Analysis published in 2022:

“The agricultural supply chain remains the largest contributor to our products’ overall environmental footprint, accounting for 77.6% of its impact. Starch Europe members are committed to continuing their work alongside farmers to further reduce emissions from the cultivation of agriculture raw materials and support the adoption of more sustainable agriculture practices”.

To reinforce the importance of **sustainable development principles in our vision**, Sedamyl has implemented a **Suppliers’ Code of Conduct**, asking our suppliers to adhere to these principles. The Code of Conduct is based on four pillars:

The compliance with labour rules and standards, with a specific focus on child and forced labour, discrimination, fair remuneration, freedom of association and compliance with working hours regulations

The protection of occupational health and safety

The commitment against corruption, fraud, money laundering and conflict of interests

The protection of the environment; each supplier shall contribute to reduce the environmental impact related to its activities, in particular by reducing energy consumption, emissions and any other environmental impact related to the activity that may be considered significant

Sustainability of Sedamyl’s raw materials

Sedamyl’s commitment for a sustainable supply chain begins with the **sourcing of sustainable raw materials**. Thanks to our group efforts, we moved from less than **40% wheat certified** as sustainable in **2019** to **more than 50% in 2021**. In 2022, we kept pushing in this direction and we increased again the amount of certified raw materials sourced for both our plants:



■ ISCC+, Red Tractor or Equivalent

We currently source **around 60% of wheat certified as sustainable** according to several certification schemes (**ISCC+, FSA-SAI, Red Tractor**). Our goal is to further increase this share in the next cycle.

Next Steps

Our long-term strategy for the upstream value chain relies on two complementary pillars:

Sourcing of certified sustainable raw materials

Partnerships with our key suppliers for the development of pilot projects focusing on the implementation of low-carbon and environmentally friendly agricultural practices

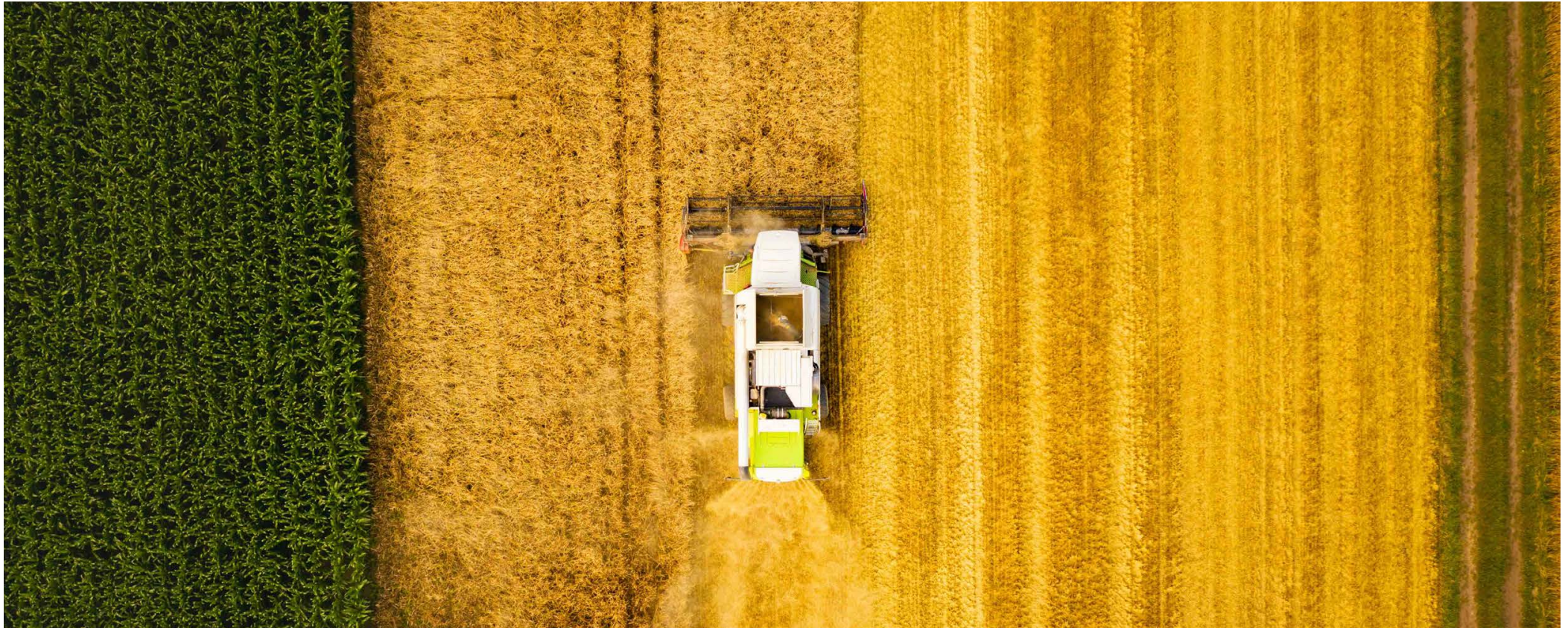
Given the considerable environmental impacts arising from the cultivation of cereals, more and more focus has been placed worldwide on alternative farming practices, able to combine satisfying yields with the necessity of restoring soils and ecosystems.

Through the precious work of our Group and partnerships with our key wheat suppliers, **we are developing programs to source raw materials obtained with Regenerative Agriculture**. Regenerative Agriculture is a farming philosophy that aims to

conserve and restore farmland. **The goal is to deliver benefits to farmers, the environment and society.**

This approach focuses on agronomical principles that **protect and restore natural resources** such as **soil**, **water**, and **biodiversity**.

In 2022, we continued our engagement with the **pilot-scale project for Regen. Agr. In Romania**, and we are now positively discussing with our suppliers for additional projects in Europe.



Logistics

One of Sedamyl Group's strengths is the ability to manage raw material transportation on low-carbon alternatives. Wheat sourced by our manufacturing site located in Saluzzo (IT) is **completely delivered to our mill on railways**. A study on wheat transportation from France to our manufacturing site in Saluzzo revealed some thrilling results!

The railways alternative allowed Sedamyl Group to avoid 19607 truck rides in 2022.

This corresponds to a considerable avoidance with of carbon emissions.

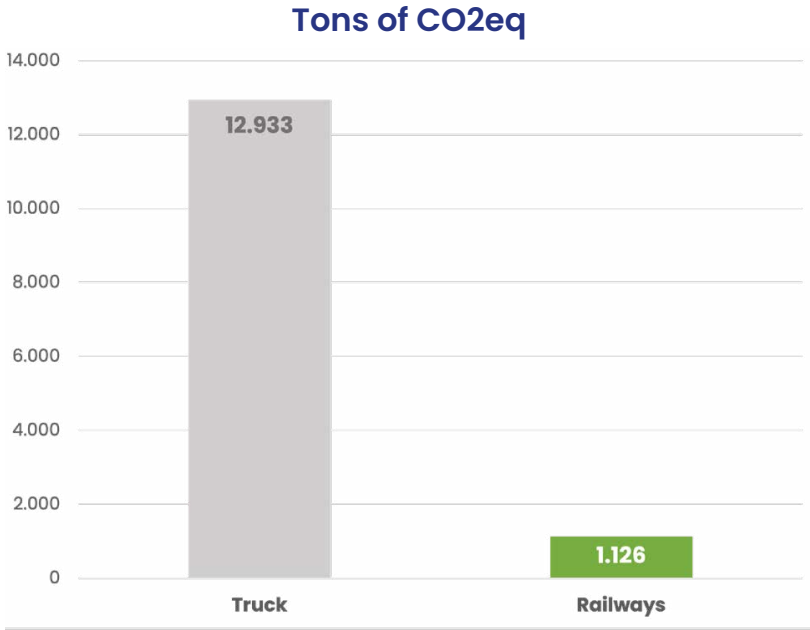
The railways alternative allowed Sedamyl to avoid the emission of 11.807 tons of CO2eq.

The study took into account all transportation from France to Sedamyl's manufacturing site in Saluzzo between January 1st 2022 and December 31st 2022. The calculations were made following the **EcoTransIT methodology**:

Transported goods: Medium goods

Train: 1000 tons; electrified train; Load factor 60%; Empty trip factor 50%

Trucks: 26-40 tons; EURO 6; Load factor 60%; Empty trip factor 20%



Sedamyl process activities

As a company historically bonded with our local communities and our surroundings, we place environmental protection and the efficiency of production processes among our most important values.

We are committed to **maintaining the trust** given by our stakeholders (**neighbours, communities, customers**, etc.) by meeting and exceeding expectations in terms of **energy** and **environmental performance**, integrating this commitment into our daily business. All our activities comply with regional, national, and European regulatory and legal requirements.

This translates into a combination of **efficient production** and **effective environmental protection practices**, including our constant efforts in the **fight against pollution**, in the conservation of **water resources** and in the **optimal use of renewable raw materials**. All our processes are designed to maximize the **reuse and recovery of materials, products** and **energy**.

For each key topic identified through a materiality assessment, in 2020 we identified targets to generate positive impacts and we defined actions in order to meet those targets:

TOPIC	ACTION	RELATED SDG
CO2 emissions	Continuous improvement compared to baseline	
Water consumption	Continuous improvement compared to baseline	
Energy efficiency	Continuous improvement compared to baseline	
Safety at work	Increase training hours and update training courses	
Remote work	Enable remote work where possible	
Good governance	Employee evaluation through SMART goals	
Training	Return to the number of training hours delivered in 2019 (pre-COVID)	
Quality of Sedamyl products	Reduce customer complaints	
Relations with stakeholders	Timely responses to customer and stakeholder requests	

We then set suitable KPIs to monitor our progress against the baseline:

Our Planet			
TOPIC	ACTION	UNIT OF MEASURE (KPI)	TARGET DATE
CO2 emissions	Keep CO2 emission intensity (Scope 1&2) below baseline (2016)	Kg CO2eq/ton of wheat	2025
Water consumption	Keep water intensity below baseline (2019)	m3/ton of wheat	2025
Energy efficiency	Keep energy intensity below baseline (2016)	GJ/ton of wheat	2025

Our People			
TOPIC	ACTION	UNIT OF MEASURE (KPI)	TARGET DATE
Safety at work	Increase training hours	Number of accidents	yearly
Remote work	Enable smart working where possible	Number of employees in remote work	2025
Good governance	Employee evaluation through SMART goals	Number of employees evaluated through SMART goals	2025
Training	Return to the number of training hours delivered in 2019 (pre-COVID)	Hours of training	2025

Our Value			
TOPIC	ACTION	UNIT OF MEASURE (KPI)	TARGET DATE
Quality of Sedamyl products	Reduce customer complaints	Number of complaints	yearly
Relations with stakeholders	Timely responses to customer and stakeholder requests	Average response time	yearly

Our Planet



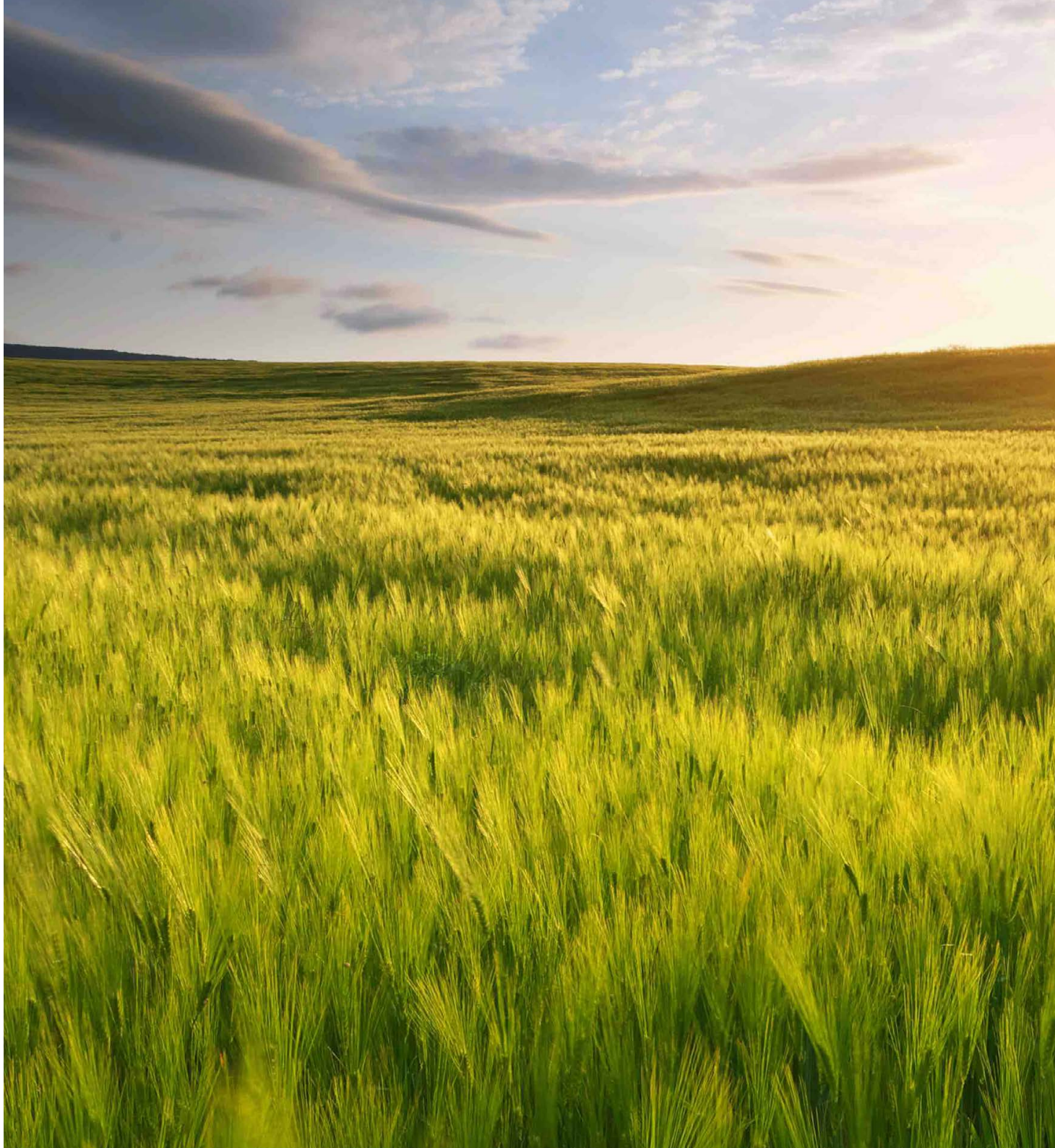
Sedamyl's commitments to our planet are rooted in our environmental policy: The Sedamyl Group attaches great importance to its environmental and energy responsibility and carefully manages all aspects of its business and plants to **maximize efficiency** and **minimize impacts** on the **natural environment**.

Sedamyl uses **modern production** and **control methods** and **effective management procedures** to ensure the **efficient use** of **natural and renewable resources** and the promote of sustainable development.

The commitment to maintain and strengthen the trust of stakeholders (staff, neighbourhood, local communities, customers) is a key driver for us, as well as satisfying and exceeding their expectations in terms of environmental and energy performance.

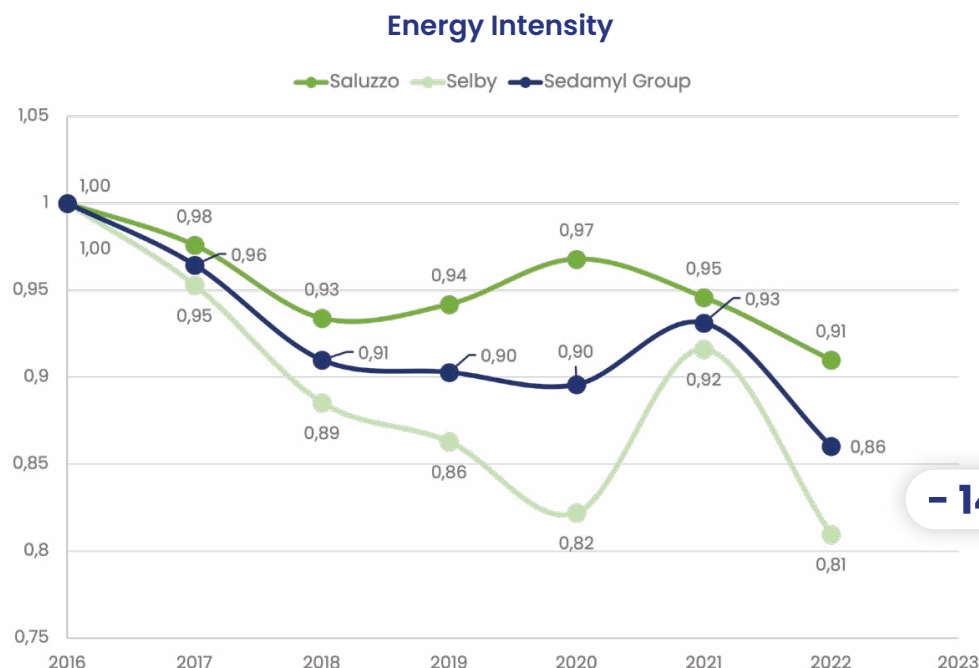
This commitment is included in daily activities through the **Integrated Management System (IMS)**, which includes environmental and energy management under **ISO 14001** and **ISO 50001** standards.

All data in this section comes from direct measurements.



Energy Efficiency

As the business continues to grow, so does the amount of raw materials treated annually. Consequently, we also measure a slight increase in energy consumption over the years.



Nonetheless, our commitment and the efforts made by our staff, particularly our energy department and engineering department, allowed us to **become more and more efficient when using our energy**. If we consider the energy intensity, the KPI defined as the energy consumed per unit of raw material, we are happy to share a remarkable result:

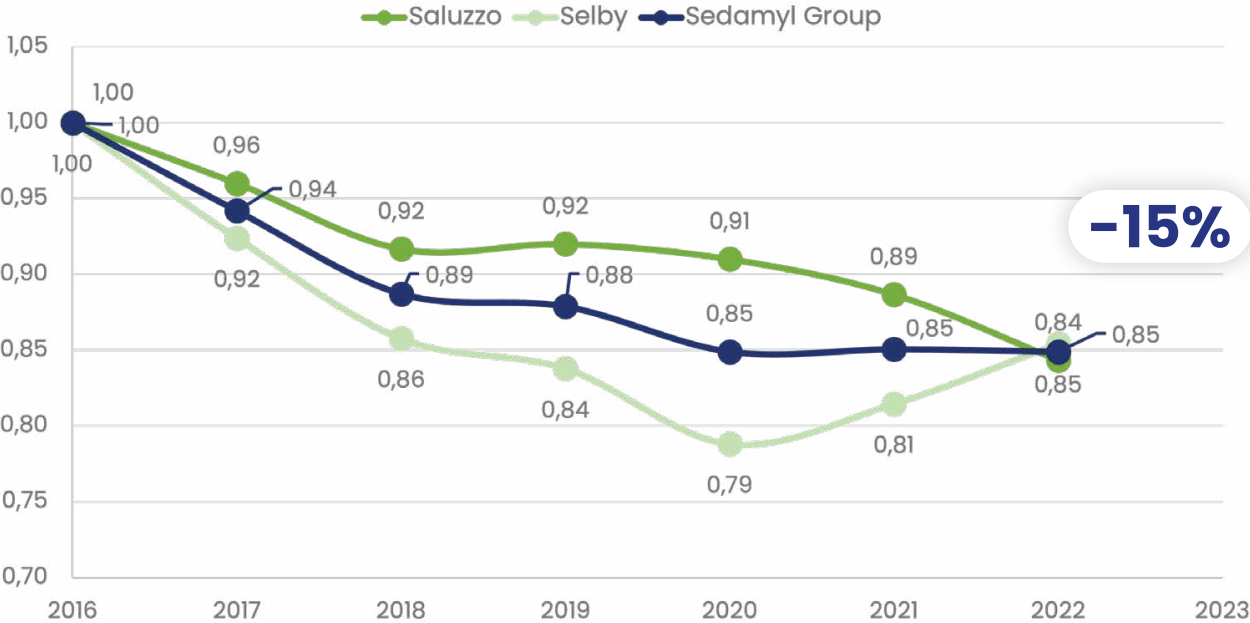
Between 2016 and 2022, our plant and process efficiencies allowed us to reduce the energy consumption per unit of raw material by 14% at Group level.

We are progressing well against our target!

Carbon Emission

Similarly to the energy consumption trends, our total carbon emissions slightly increased over the years due to the business expansion.

Emission Intensity



Again, our efforts for maximum efficiency in every step of our manufacturing process enabled us to decrease our carbon intensity, the KPI defined as the carbon emissions (Scope 1&2) per unit of raw material, by 15% at Group level.

Once again, we are progressing efficiently against our target.

Within our commitment to constant **monitoring** and **improvement** of the **direct** and **indirect environmental impacts** associated with our business activities, we are now engaged in a critical and exciting new challenge -

the **evaluation** of our **Scope 3 emissions**. Our target is to **calculate our Scope 3 emissions by the end of 2023** and to report our Scope 3 emissions for the first time in our next Sustainability Report.

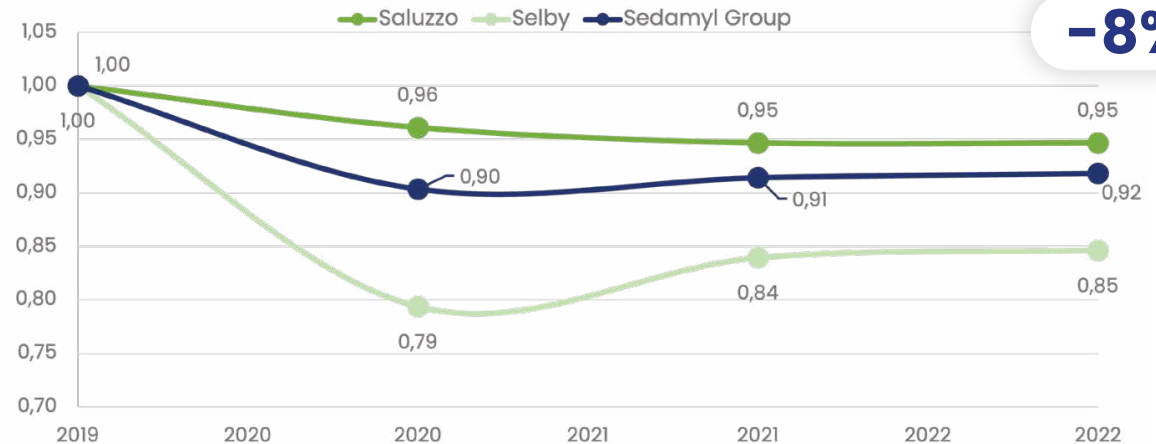
Water Management

Water management is becoming a key topic for all manufacturing industries due to the severe droughts striking across Europe in recent years. **Sedamyl is already implementing several technologies to recover process water and to efficiently treat our wastewater.** Thanks to these efforts, **we reduced our water consumption intensity** (m3 consumed/ton of raw material) and **water discharges intensity** (m3 discharged/ton of raw materials).

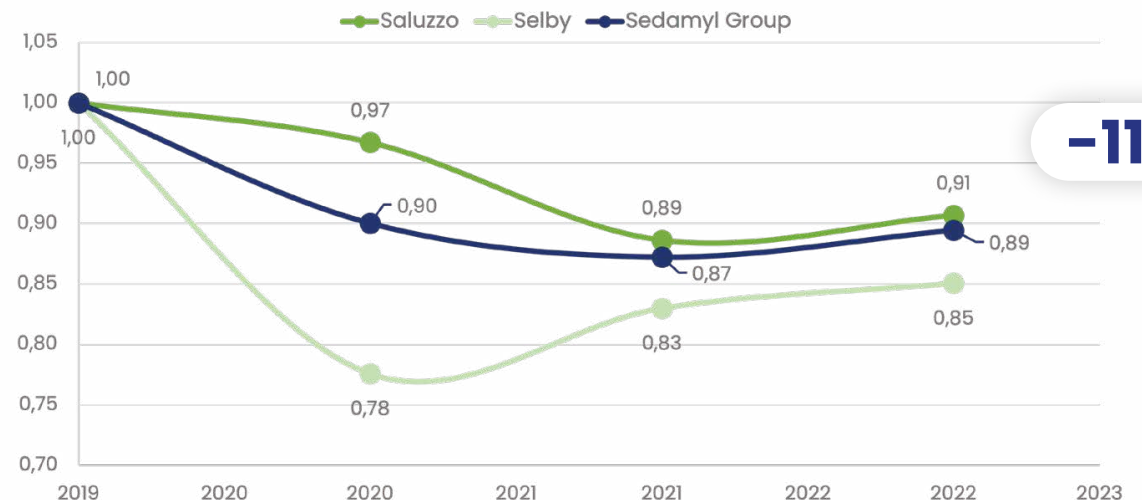
The application of state-of-the-art technologies for water efficiency and recovery is reflected by reduced in consumption intensity (-8% between 2019 and 2022 at Group level) and discharge intensity (-11% at Group level).

We are, therefore, on track against our target.

Water consumption intensity



Water discharges intensity



Our People

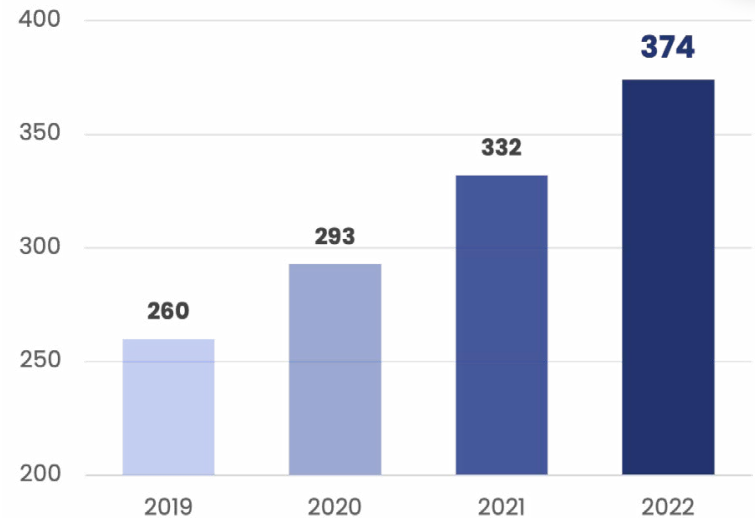
The Sedamyl Group is, first and foremost, made up of people.

Each worker is a fundamental resource for the Group, even before any asset. The Company's success in the market depends primarily on the **know-how, skills, abilities** and **motivation of our staff and collaborators**, and for this reason, Sedamyl value their commitment through a series of initiatives: **supplementary insurance for employees, loyalty bonus, assistance in filling in tax returns, work/life balance: part-time work and remote work.**

Since becoming a fully independent, family-owned business back in 2019, it's fair to say that we've been faced with some difficult challenges: the **Covid pandemic**, the **war in Ukraine** and the **cost-of-living crisis**, to name the most significant. Nevertheless, **we have managed to navigate through these turbulent times successfully, whilst continuing to grow:**

Number of Collaborators

+43%



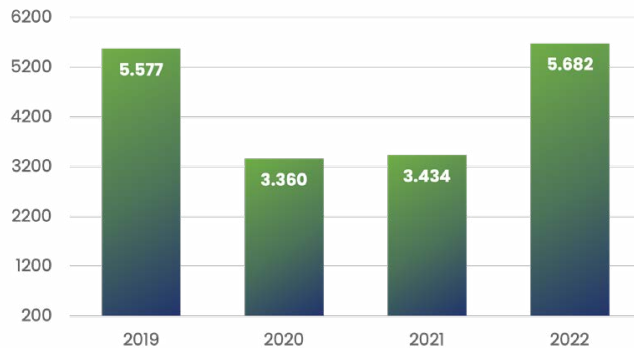
Our commitment to ensure a positive and safe working environment is also recognised by external third-parties: both our manufacturing sites are periodically assessed by the SEDEX SMETA Audit on ethics and labour practices, every time with satisfying results.



Training

To ensure business development, our people need to develop new skills and new talents. For this reason, **Sedamyl has always considered training a key enabler of the Group's long-term goals.** Training activities cover many areas, including **technical learning, food safety, HSE, advanced training** and **research** apprenticeships, **cross-functional jobs** (management training) and **soft skills** (e.g. language courses). Sessions are delivered by external companies and highly qualified staff.

Training hours



The COVID pandemic forced us to reduce the training hours provided in 2020 and 2021. **We are happy to announce that in 2022 we reached our target, restoring the training hours provided annually before the COVID pandemic.**

Safety

At SEDAMYL Group, we supply products of excellent quality derived from cereals for the food and drink industry, for industrial applications and the animal feed sector.

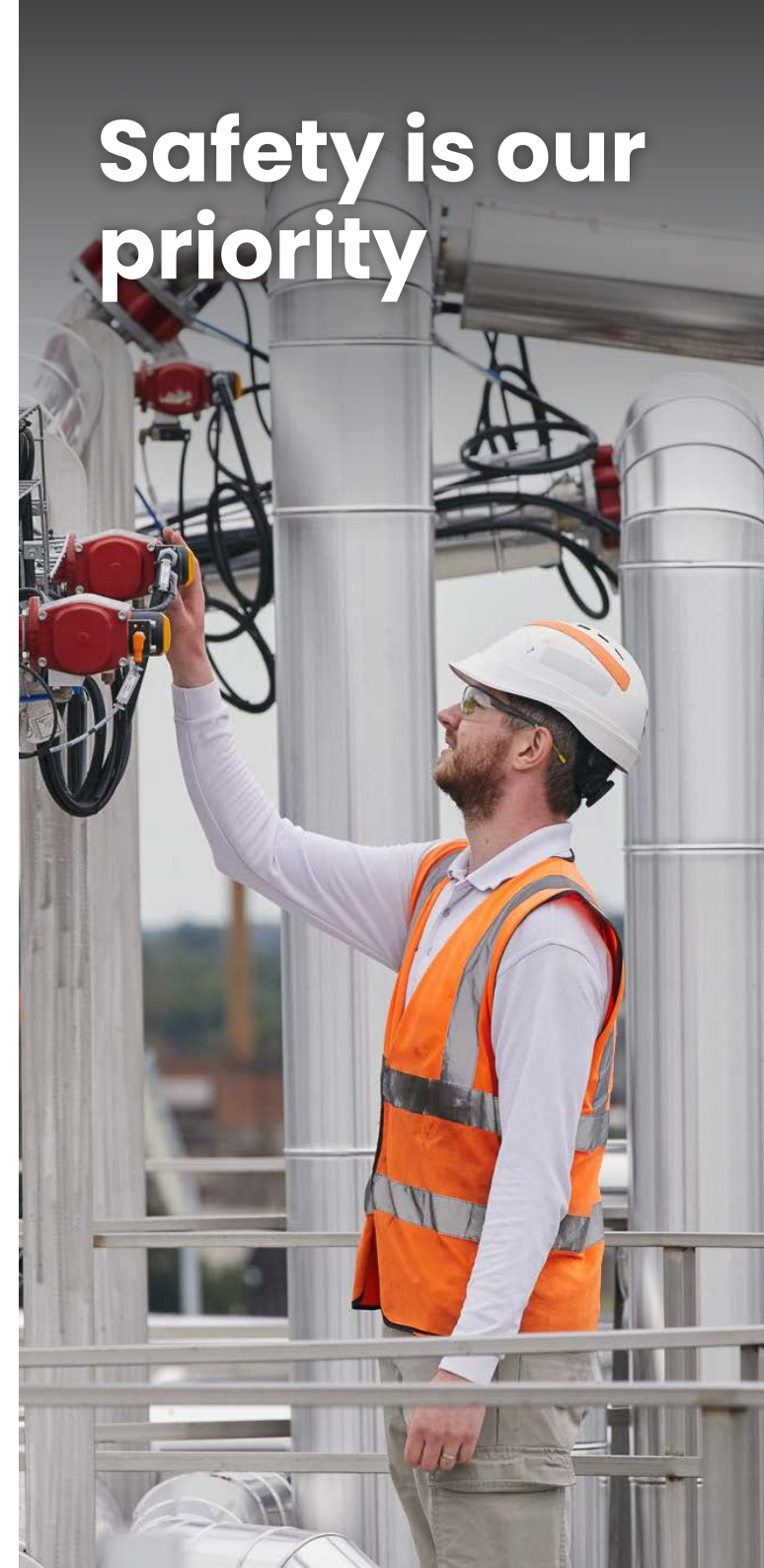
Sedamyl Group is committed to **ensuring**, as its primary objectives, the **Health and Safety of every employee and accident-free operations.** An effective Health and Safety Management System depends on co-operative efforts by each of our collaborators. Safety is everyone's responsibility, regardless of function or position. **Sedamyl expects management, employees, visitors and contractors to recognise that they have a clear duty to:**

Take care of the Health and Safety of themselves and others.

Co-operate fully with Health and Safety policies and procedures developed by Sedamyl.

We will keep setting up every necessary procedure and measure to reach our annual target of zero accidents.

Safety is our priority



Our Value

Production excellence and outstanding service.

These are our goals, achievable only when a company is not just focused on its business but invests and passes on its core values to its employees and customers. **We have established ourselves as one of the most reliable partners on the market, thanks to our exceptional production availability and agility in turning each customer's needs into fast, effective solutions.** Our best business practices are strengthened by the principles of **correctness, legality, honesty, integrity, transparency, social responsibility** and **ethics**, with all deeply embedded in our vision. The respect for our fundamental values and the continuous improvement of our performances generate satisfaction in our customers, motivation in our employees and create value for our stakeholders, thus ensuring a future of growth.

Case study: SEDA M500 raises the bar for Vegan protein bars!

In the Sedamyl Application Lab, we always seek to answer and anticipate consumer needs. With this in mind, **we recently developed a range of high-protein cereal bar concepts using our soluble protein SEDA M500.**

SEDA M500 is a neutral tasting, soluble and highly digestible wheat protein. In order to obtain the best

organoleptic and texture results, we used a selection of SEDAMYL glucoses: **SEDAVISC 2972**, **SEDAMALT 6780** and **SEDAFRUCT 4271**. With the right balance of glucose syrups and proteins, you can include up to **35% of SEDA M500** and still maintain a firm texture. In optimised production conditions, this can be increased to **40%.**

Combining **SEDA M500** with the sweetness of the **SEDAFRUCT 4271** and the binding properties of the **SEDAVISC 2972** creates a **vegan cereal bar** meeting the main trends in food innovation (reduced sugars, high in proteins and plant-based) which also maintains a sweet taste and balanced texture.

SEDA M500 + SEDAFRUCT 4271 + SEDA VISC 2972



Reduced sugar



High in protein



Plant-based



Customers

We are committed to improving our products and process quality to exceed customers' expectations while applying the highest standards of quality and reliability. Establishing strong commercial relationships with our customers is the key to developing partnerships and programs, with a special focus on Sustainability projects.

Quality

The success in our mission and the continuous improvement of our performances leads to an increase in our customers' satisfaction, creates value for our partners, motivates our staff and, by doing so, ensures the future growth of our Company and our commercial partners in a sustainable way. Our business approach relies on four essential pillars:

Safety

We ensure that our finished goods and production processes comply with the required regulations and quality standards with applicable to our employees' health and safety, as well as in food, pharmaceutical and feed safety.

Customer care

We establish good business relationships with each of our customers to understand their requests and expectations, showing the maximum availability and flexibility to ensure them a high level of satisfaction. We provide prompt and appropriate responses and implement preventive and corrective measures as regards to our customers' concerns.

Initiative

We provide a working atmosphere where our employees can reach a high level of professionalism and quality by using and developing their skills and talents, and in this process, the creation of value for the Company will result in personal satisfaction.

Team spirit

We promote cooperation between our working groups and our partners to provide our customers with the best global solutions, meeting their expectations in each field of our business.

Traceability

To ensure full transparency in our business activities, we also guarantee full traceability along the whole supply chain. In Sedamyl, traceability is integrated into the ISO 9001, FSSC 22000 and HACCP systems. To ensure that each product is tracked at all stages of production, we have introduced automated, computerised process follow-up systems, which are annually tested internally and by external third parties. All the plants of the Sedamyl Group purchase wheat and auxiliary materials from approved suppliers, thus enabling us to follow the entire production chain from the raw material to the finished ingredient.

✓ ISO 9001

✓ FSSC 22000

✓ HACCP

Governance

Sedamyl Group developed a wide array of policies in order to ensure the best business practices and governance.

Code of Ethics: The Sedamyl Code of Ethics is the foundation of the Group's Governance structure, it guides the actions and decisions of the company and of all those acting on its behalf. This Code is aimed at all Group stakeholders and describes the rules of conduct intended to support sustainable growth and protect the company's reputation, in compliance with the principles and values that have always characterised Sedamyl.

Business practice policy: Sedamyl wishes to clearly define the set of values embedded in its mission, together with its responsibilities internally and towards external stakeholders. The Company has therefore developed a specific set of rules, a fundamental tool in the process of disseminating and clarifying the following corporate principles: integrity, transparency, social responsibility, labour protection, environmental protection, compliance with laws and regulations.

Ethical Trade Initiative (ETI): Sedamyl UK supports in its actions the principles of the Ethical Trading Initiative (ETI) Base Code regarding human rights, environment and anti-corruption, and perceives the principles as a powerful platform for our activities within sustainability.

Food safety policy: SEDAMYL Group is committed to supply products that always comply with the maximum food safety and animal feed standards, the current legislation for animal and human nutrition (including Reg. EC 178/02, 852/04, 183/05) and customers' requirements. Our goal is to spread and consolidate the food safety culture among our employees and suppliers. The management provides all necessary resources to achieve its goals, including, HACCP plan, FSSC 22000 certification, EFISC and GMP+ certifications, Food Defence program and procedures.

Anti-bribery policy: Sedamyl is committed to promoting and maintaining the highest ethical standards in relation to all its business activities. Sedamyl ensures compliance with anti-bribery laws, rules and regulations in any country where it may conduct business. Sedamyl enables employees and persons associated with the Company to understand the risks associated with bribery and encourages them to report any inappropriate behaviour. Sedamyl will provide suitable and secure reporting and ensure that any reported information is handled effectively.

Anti-slavery and No-child-labor policies:

Sedamyl is committed to ensuring that there is no modern slavery or human trafficking in its supply chains or in any part of its business, working closely with its suppliers to ensure that slavery and human trafficking risks are identified and managed proactively. Sedamyl is accordingly committed to eliminating forced and compulsory labour and effectively abolishing child labour. This includes the International Labour Organisation conventions 138 & 182 on the prohibition of child labour and 29 & 105 on the elimination of forced or mandatory labour. Sedamyl expects the same standards from all those we work with, including business partners and suppliers. Similarly, the Sedamyl Child Labour policy is based on the International Labour Organisation (ILO) Minimum Age Convention no. 138 (1973). Sedamyl does not employ any person below the age of eighteen years at the workplace. No employee is made to work against their will or work as bonded/forced labour or subject to corporal punishment or coercion of any type related to work.

For more information on our policies and certifications, look for the dedicated section on our website.



Case study: RECOBULK, a solution for packaging reuse and recycle

Though packaging corresponds to a very small amount of the materials consumed by Sedamyl Group every year, in 2022, we developed partnerships with selected suppliers and customers for reconditioning IBC packaging used for our ingredients. Through an eco-friendly and standardised process, our suppliers can retrofit IBCs using original components. This approach allows them to directly reuse the steel parts, while the plastic packaging is completely recycled.

The reconditioning process helps to protect natural resources and saves hundreds of thousands of tonnes of greenhouse gases every year. Each RECOBULK saves approximately 100 kg of CO₂eq emissions compared with a new IBC.



Methodological note

This Report is the **fourth Sustainability Report of the companies** belonging to the Sedamyl Group (hereinafter “the Group” or “Sedamyl”), including **Sedamyl S.p.A.**, **Sedamyl SBE s.r.l.** and **Sedamyl UK Ltd.** The Report aims to describe the current **commitment** and **actions** undertaken by Sedamyl Group within the **continuous improvement** of its business model.

The information and data presented in this Report refer to the production plants of Saluzzo (IT), which also includes the activities of the Busca (IT) mill, with which it is closely related, and Selby (UK) over the period spanning from January 1st and December 31st, 2022. This Sustainability Report was drawn up using the most up-to-date version of the **Sustainability Reporting Standards GRI** as a reference.

The contents and structure of the Report were decided based on the materiality assessment carried out in 2020, which enabled us to identify the most relevant Sustainability issues for Sedamyl Group and its stakeholders. A comparison between data from 2022 and from the reference year is presented to describe progress against targets set in previous Sustainability Reports. During the preparation of this Report, efforts were made to limit estimates and extrapolations to ensure the reliability of the data. In each part of the present Report, the nature of the data presented is clearly stated.

**This ESG Report
was drawn up
by transversally
engaging the whole
organisational
structure of the
Sedamyl Group.**

**We would like to
thank each one
for their help and
support.**



For any further information regarding this Sustainability Report,
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www.sedamyl.com