

Sustainability Report 2023

Enhancing
the potential of **nature**



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CEO statement

We are happy to share significant news in our **fifth ESG Report**.

2023 was a challenging and exciting year, where Sedamyl achieved major results.

This year we completed a substantial expansion at our UK site, with a **new sweeteners production plant** now fully operational. The new plant allows us to introduce in the British market a selection of liquid sweeteners, including **glucose** and **dextrose**. As a result, Sedamyl has maximised the value extraction from wheat, in turn minimising waste.

Our commitment to continuous improvement was also demonstrated in our Italian factory, where a new state-of-the-art evaporation system for sweeteners production was implemented. This investment results in a lower Product Carbon Footprint (PCF) for our liquid sweeteners, allowing Sedamyl to provide high-quality ingredients with reduced environmental impacts.

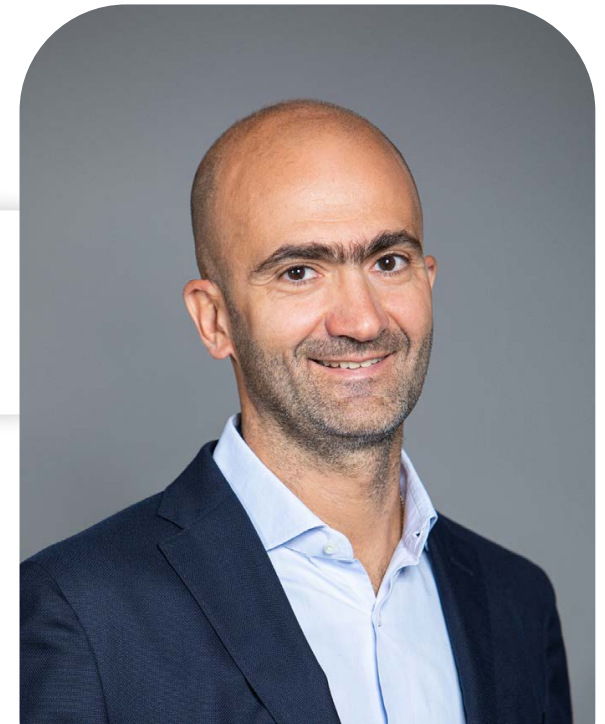
Finally, in 2023 we have made a first and ambitious step in our **Farm-to-Customer strategy**, implementing the **first large-scale Regenerative Agriculture project** in our value chain. This project represents the first of many actions that will lead to a sustainable value chain for both our manufacturing facilities.

The actions and achievements detailed in the following pages therefore confirm our commitment to excellence and represent another important result in our journey to Sustainable business.

Enjoy the read!



Managing Director
Sedamyl UK
Elena Frandino



Managing Director
Sedamyl IT
Stefano Frandino



Sedamyl Group

At Sedamyl, we continue to distinguish ourselves as a **leading manufacturer of starches, sweeteners, proteins, and alcohol**, with a long history of innovation, quality, and commitment in the global market. Founded in 1949 as a fruit distillery and acquired by the Frandino family in 1961, we have gone through various stages of growth and development, always maintaining our commitment to tradition and excellence. We have established ourselves as one of the **most reliable partners** in the market, **thanks to our state-of-the-art practices**.

We have been a pioneer in transitioning to grain processing in the early 1980s and recently regained full ownership in 2019 after nearly 30 years of joint ventures with foreign partners. Today, the **Sedamyl Group employs over 600 people, with a strong presence in Saluzzo** (Italy) and **Selby** (United Kingdom).

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.

✓ **Quality**

✓ **Reliability**

✓ **Safety**

✓ **Sustainability**

✓ **Dedication**

2023 Highlight

Selby glucose production plant

Sedamyl has recently undergone a **substantial expansion at its Selby site**, investing £100m to not only **double its capacity for potable alcohol production**, but to also **introduce a selection of liquid sweeteners, including glucose and dextrose**. As a result, Sedamyl has maximised the value extraction from wheat, in turn minimising waste.

Strategically located in the North Yorkshire's wheat belt, **Selby plant sources all of our wheat locally, within a 50-mile radius of our production facility**, reducing carbon emissions from transportation. Energy efficiency is also key to our operations, with thermal recovery and energy waste reduction measures in place to minimise our environmental footprint.

The expansion also led Sedamyl tripling its workforce to 150 employees since its inception in 2012, with **70 new recruits added in the past two years**.



Farm to Customer strategy

Since becoming an independent Group, Sedamyl strategy has been to act as a steering player to promote and increase the Sustainability of our value chain. Our **Farm-to-Customer strategy**, which focuses on partnerships and cooperations, aims to bring together both our customers and our suppliers, developing shared targets and commitments to achieve ambitious results.

2023 represents a crucial milestone for Sedamyl Strategy, as we officially committed to our first large-scale Regenerative Agriculture project. At the same time, we doubled our efforts to **minimize environmental impacts** within our manufacturing cycle by implementing more and more **efficient technologies**.

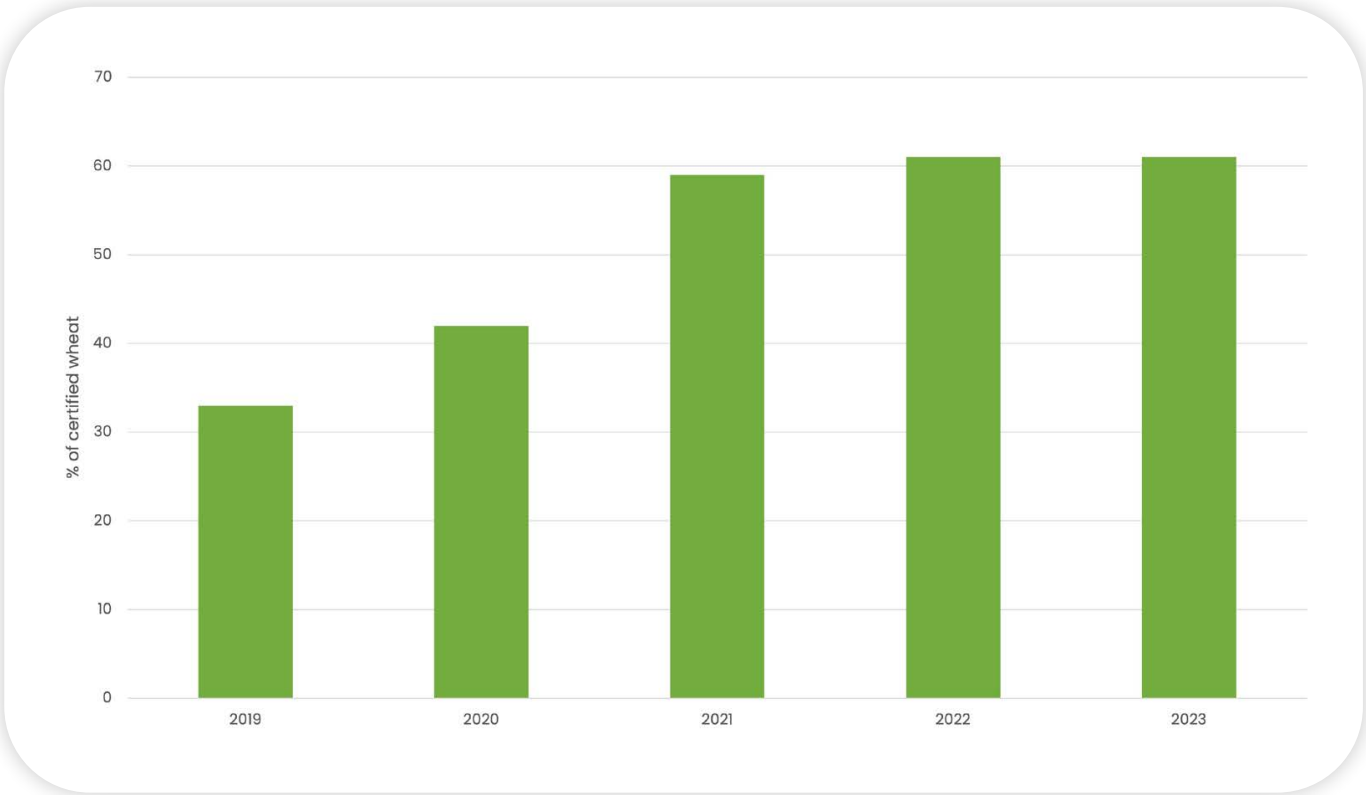
Finally, our commitment to constant innovation allowed us to bring to our customers new and promising solutions for clean label products.



Land

There are no high-quality ingredients without high-quality raw materials. We constantly engage our suppliers to acquire **high-quality wheat, cultivated using state-of-the-art agricultural practices**. Our commitment to the sustainability of our raw materials is declined in practice through two parallel approaches:

- **Sourcing of certified sustainable wheat;**
- **Development of Regenerative Agriculture projects to minimize the environmental impacts associated with wheat cultivation.**



Certified sustainable wheat

Most of our raw material is certified as sustainable, through different sustainability schemes.

Our customers use our ingredients produced from sustainable raw materials to guarantee sustainable products to final consumers.

In 2023 we maintained the share of certified wheat at Group level, having **61% of our raw material sourced with Sustainability certification.**

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.**

True to our goal to reduce environmental impacts along our value chain, in 2023 we became part of the TRANSITIONS project, one of the very first large-scale Regenerative Agriculture project in Europe. Joining the TRANSITIONS project is a natural extension of our “Farm-to-Customer” strategy.

The values shared by **TRANSITIONS**, particularly its focus on **cooperation** and **measurable sustainability outcomes**, resonate deeply with Sedamyl's commitment to sustainable development.

By participating in **TRANSITIONS**, Sedamyl aims to achieve **certifiably sustainable sourcing of raw materials** and significant **reductions in Scope 3 carbon emissions**, which include all indirect emissions that occur in the value chain.

The TRANSITIONS project, developed by the French cooperative **Vivencia**, is an initiative **aimed at fostering sustainable agricultural practices and reducing the environmental impact across the value chain**. It focuses on collaboration among various stakeholders to achieve more ambitious sustainability goals.

A unique aspect of TRANSITIONS is its **ability to quantify the outcomes of sustainability efforts**, moving beyond qualitative measures to **provide robust, reliable data**.

This initiative aligns with our goals of enhancing our sustainability credentials by sourcing raw materials

Sedamyl's engagement in the TRANSITIONS project is expected to yield several benefits:

•Sustainable Sourcing:

The project ensures that the cereals acquired by Sedamyl are produced sustainably, which supports the company's commitment to environmental stewardship.

•Knowledge Sharing:

The initiative facilitates the exchange of knowledge and best practices with customers and partners, fostering a community of learning and innovation.

•Low-Carbon Agriculture:

TRANSITIONS promotes innovative agricultural techniques that reduce carbon emissions, contributing to Sedamyl's environmental goals.

•Fair Compensation for Farmers:

The project ensures that farmers are fairly compensated for transitioning from conventional to regenerative agriculture, promoting social sustainability and equitable cost distribution along the value chain.

For more information on our Regenerative Agriculture projects, get in contact with your Sedamyl sales referent.



Process activities

Sedamyl manufacturing activities can generate both positive and negative impacts on the environment, on our society and our local communities. Since our first ESG Report in 2019, **we detailed our commitment to minimize negative impacts and maximize positive impacts deriving from our business.**

To properly do so, over the years we developed internal expertise and **selected the most suitable technologies to track and monitor our current impacts.** We then identified targets to improve, using the Sustainable Development Goals provided by the UN as guidance:

TOPIC	ACTION	RELATED SDG
Carbon emissions	Continuous improvement compared to baseline(2016)	
Water management	Continuous improvement compared to baseline(2019)	
Energy efficiency	Continuous improvement compared to baseline(2016)	
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	Annually increase the training hours per employee	
Quality of Sedamyl products	Reduce customer complaints	
Relations with stakeholders	Timely responses to customer and stakeholder requests	

The monitoring of our performances against our targets is annually carried out using appropriate Key Performance Indicators (KPIs):

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

With the implementation of the Corporate Sustainability Reporting Directive (CSRD), **we will review and expand our targets and our KPIs** to ensure compliance with existing national and European legislation.

An example is the calculation of Scope 3 emissions and subsequent definition of a reduction roadmap. **While initially programmed for 2023, the publication of Sedamyl Scope 3 emissions inventory has been postponed to 2024.**

The reason of this choice lies in the **complexity of our value chain and the necessity to properly model the emissions along our value chain**, with a strong focus on upstream emissions.

Our Planet

The drive for innovation and improvement of the Sedamyl Group results in a continuous installation of **state-of-the-art technologies to maximize the efficiency of our manufacturing process.**

In **2023**, a **new energy-efficient evaporation system was installed** in our Italian manufacturing site **for the production of sweeteners.** This will result in a lower Product Carbon Footprint (PCF) for our glucose syrups, allowing Sedamyl to **provide high-quality ingredients with reduced environmental impacts.**

Carbon saving through Scope 2 emissions reduction

Scope 2 emissions are those resulting from the generation of purchased or acquired steam, heating, cooling or electricity consumed by an organisation. In Sedamyl, Scope 2 emissions arise from the electricity acquired from the grid, both in Italy and in the UK.

As one of the first steps in our updated Sustainability strategy, **in 2020 we covered 100% of the electricity for our Italian manufacturing site with Guarantees of Origin, making sure that all the energy acquired from the grid was obtained from renewable sources.** We then expanded our approach at Group level, and **since 2021 both our manufacturing sites acquire only GO-certified green energy from the grid.**

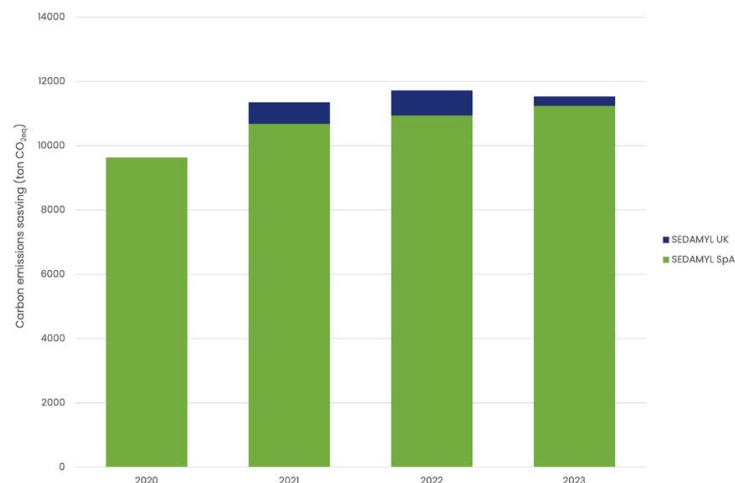


This action allowed us to set our Scope 2 emissions to zero, providing a considerable carbon saving:

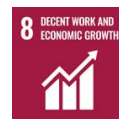
Year	Energy acquired from the grid	Carbon saving
2020	30301 MWh	9.636 ton CO ₂ eq
2021	35698 MWh	11.352 ton CO ₂ eq
2022	36860 MWh	11.721 ton CO ₂ eq
2023	36268 MWh	11.533 ton CO ₂ eq
Total carbon saving		44.242 ton CO ₂ eq

Emission factor Italy grid: 318 kg CO₂eq/MWh
Emission factor UK grid: 306 kg CO₂eq/MWh

Carbon saving calculated using market-based approach



We are committed to continue this approach in the upcoming years, while working on a decarbonisation roadmap tackling Scope 1 and Scope 3 emissions.



Our People

In addition to the numerous welfare policies implemented for our employees, Sedamyl aims to foster new professional and personal skills in each person in our Group.

During the 2020-2021 pandemic, the hours of training per employee drastically decreased due to the extraordinary situation. In 2022 this indicator began to rise again, and **in 2023 the amount of training hours per employee greatly surpassed the previous years.**

The sharp improvement in 2023 arises from a significant increase of training in our UK manufacturing site.

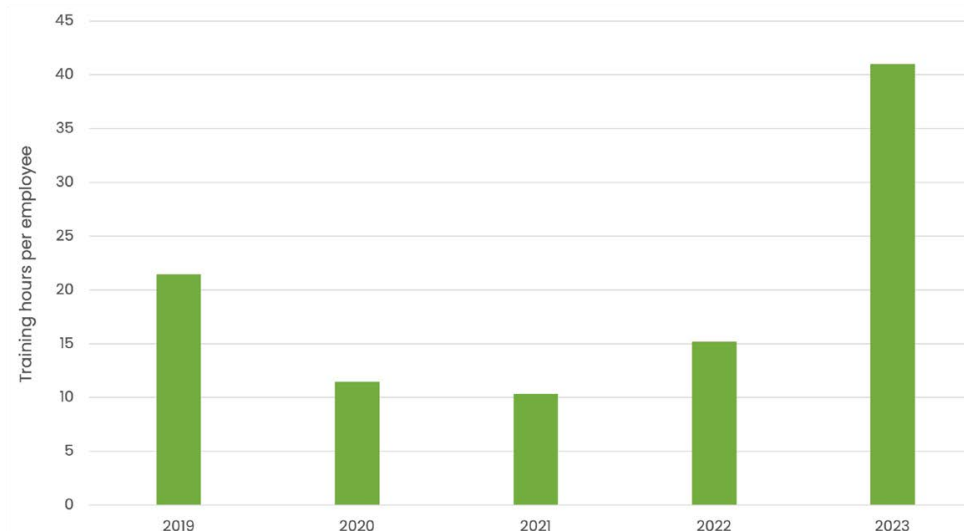
To make sure Social Sustainability is properly managed and developed, we rely on external evaluations of our commitments, efforts and actions.

Both our manufacturing sites are present on third-party evaluation systems:

•EcoVadis platform

•The Supplier Ethical Data Exchange platform (**SEDEX**)

Additionally, on a regular basis both our factories undergo the 4-Pillar Sedex Members Ethical Trade Audit (**SMETA**) that takes into account every aspect of Sedamyl Sustainability initiatives: **Environment, Social and Governance.**



Our Value

The SEDAMYL Group undertakes to supply its customers and partners in the **food** and **pharmaceutical sectors, chemical** and **industrial applications** and **animal feed industries** with products deriving from cereals and services that meet the maximum quality and reliability standards.

Our plants are operated according to the recognized quality standards (**ISO 9001**), **food safety, health** and **workplace safety standards** as well as **respect for the environment**. Our group has adopted an ethical commitment charter.

In addition, we have **implemented sustainability goals** and strategies along with climate change assessment and mitigation actions which is incorporated in our management system. We respect for our basic values by applying total quality principles every day and aiming at constant improvement as follows:

Safety

We ensure that our finished goods and production processes comply with the required regulations and quality standards which are applied in staff health and safety as well as in food, pharmaceutical and feed safety. This involves a Risk- Based Thinking model in order to identify threats to our own processes, to plan corrective actions and to highlight and make use of the opportunities for improvement.

Customer care

We establish a good business relationship with customers in order to understand their requests and expectations, show the maximum availability and flexibility to ensure them a highlevel of satisfaction. To be recognized as a key element in our customers' global success, it is important to create and sustain a collaborative relationship. We provide prompt and appropriate responses and implement preventive and corrective measures as regards customers' concerns.

Initiative

We provide a working atmosphere where staff can reach a high level of professionalism and quality by using and developing their capacities and talents in which their creation of value for the company will result in personal satisfaction.

Team spirit

We promote cooperation between our working groups and our partners so as to provide our customers with the best global solutions, meeting their expectations in each field of our business. A clear comprehension of responsibility by the whole staff, concerning the quality of our products and services, must be ensured in order to reach an excellent production.

Case study: PLANT-BASED PROTEINS for ice cream bases

Market demand for foods containing **plant-based proteins** has **considerably increased** over the past decade. The reasons for this trend are closely related to health and concern about climate change. The **number of products indicating plant origin** in the packaging **increased by 300% between 2018 and 2022**.

Sedamyl has always been focused on intercepting consumers demands in order to offer its customers products in line with market demands. For this very reason, **Sedamyl's R&D department has been experimenting with the use of SEDA M500 wheat protein** in combination with **SEDADRY 3440 dehydrated glucose syrup** for the production of **ice cream bases**.

Laboratory tests produced very interesting results:

- Synergy between the hydrolyzed proteins and the dehydrated syrup is comparable to other stabilizing bases on the market, but without the use of additives
- SEDADRY 3440 showed an excellent ability to incorporate air during whisking, giving structure to the ice cream with over-run values around 30%.

In conclusion, the work carried out by our R&D Team has resulted in a 100% vegan-based recipe that can be used for both fruit-based and vegan ice creams. In addition, no additives (no E-Number) are present, and the synergy between the SEDA M500 wheat protein and the air-embedding capacity of SEDADRY 3440 make this combination very interesting for the development of new recipes.



Customers & Value chain

Sedamyl governance defines the way we conduct business. This mindset is translated into practice through a system of policies and internal standards that act as a framework for every operation in our manufacturing activities: **Code of conduct, Business Practice Policy, Quality policy, Environmental policy, Hygiene & Food Safety policy, Health & Safety policy, Anti-Bribery policy, Anti-Slavery and No-Child-Labour policies.**

Certifications

In addition to the policies framework set within Sedamyl Group, **we rely on third-party certifications** through internally recognized standards **to ensure credibility and trust** among our clients and other business partners:

Certification	Topic
ISO 9001	Quality
ISO 14001	Environment
FSSC 22000	Food Safety
EFISC	Feed safety
GMP+	Feed safety
Halal	Product compliance
Kosher	Product compliance
Organic	Product compliance

New Suppliers Code of Conduct

The Sustainability commitments detailed in our Farm-to-Customer strategy focuses on the entire value chain. We are therefore working on a **new Suppliers Code of Conduct, to ensure that every business working with Sedamyl is aligned with our vision and it is equally committed to achieve our Sustainability goals.**

The new Sedamyl Suppliers Code of Conduct will focus on four pillars: quality, environment, social and governance.

Whistleblowing Procedure

Whistleblowing is a process of reporting irregularities and illicit behaviour of which the reporting party (the so-called “whistleblower”) has become aware and which provides, for the latter, significant forms of protection.

Sedamyl has now implemented a Whistleblowing policy, a Whistleblowing procedure and created a dedicated Whistleblowing Committee **in order to investigate and manage every report of that sort.** The Whistleblowing procedure is accessible for both Sedamyl employees and external parties, such as customers or suppliers, ensuring that every actor in the value chain can safely report concerns. This initiative is compliant with EU Directive 2019/1937 and Italian legislation D. Lgs. 24/2023.



Methodological note

This Report is the **fifth 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 goal of this Report is 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 Busca and Saluzzo in Italy and Selby in the UK over the period spanning from January 1st and December 31st, 2023. 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 2021, which enabled us to identify the most relevant Sustainability issues for Sedamyl Group and its stakeholders. **In order to describe progress against targets set in previous Sustainability Reports, a comparison between data from 2023 and from reference year is presented where applicable.**

During the preparation of this Report, efforts were made to limit estimates and extrapolations in order to ensure the reliability of the data. In each of part of the present Report, it is clearly stated the nature of the data presented.

**This ESG Report
was drawn up
by transversally
engaging the whole
organizational
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