

Sustainability Report 2021

CEO statement	2
Sedamyl Group	3
Our values	3
Our purpose	4
Our value chain	5
Sedamyl sustainability strategy: From farm-to-customer	6
Land	7
Policies	7
Conventional raw material	8
Organic raw material	9
Case study: Regenerative agriculture in Romania	9
Sedamyl Italy	10
Sedamyl UK	10
Process activities	11
Our planet	11
Our people	12
Our values	13
Case study: products for clean label and sugar reduction	13
Customers	14
Policies	14
Certifications	14
Partnerships	15
Methodological note	16

Enhancing the potential of nature



CEO statement

In a year full of uncertainties such as 2021, we cannot open our third ESG Report without thanking each of our collaborators. Despite significant challenges, our resilience has allowed us to keep growing while staying true to our mission: enhancing the potential of nature.

We are once again pleased to share our performances and commitments towards our planet, people, and values. We, as a Group, are aiming to the excellence through sustainable processes. Any ambitious target has its own challenges, most of which are commonly shared among the industry, but we strongly believe that our planet and our people deserve our efforts.

Last year we presented our sustainability strategy by defining actions and KPIs for our facilities to improve our positive impact towards the environment and our communities. As you will read through these pages, in 2021 we followed this path, achieving very important results. We also started to focus not only on our operations but also on the entire value chain.

We intend to drive change by promoting a sustainable value chain: it will be a long journey and we are strongly committed to success.



Managing Director
Sedamyl UK

Elena Frandino



Managing Director
Sedamyl IT

Stefano Frandino

Sedamyl Group

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.

Our values

The quality of our products and the sustainability of our activities guide our business approach. At Sedamyl, we put stakeholders' needs at the centre of our actions. This includes employees, communities, customers, suppliers, and the local administrations. Our engagement is based on five key pillars:

- **Quality:** From raw materials to process activities, we do our best to provide top-quality products for several applications. We create value for our commercial partners, using the best available

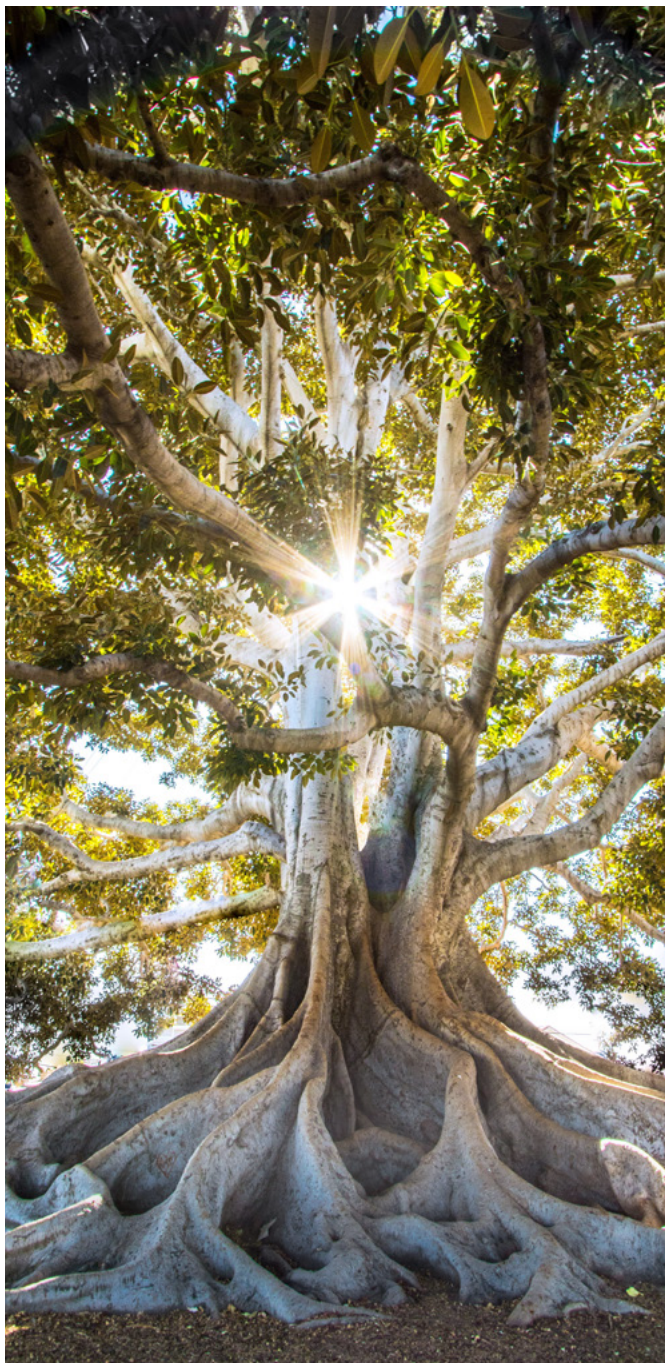
technologies to do so sustainably.

- **Reliability:** We always fulfil our commitments in full respect of the environment, our colleagues, customers, and business partners. By applying customer-based thinking, we seek to constantly develop a more responsible, careful, and customised approach – dedicated to making life easier for our customers.
- **Safety:** Our goal is a “zero accident” working environment. Our tagline is “Safety first”, and we apply it in every aspect of the business.
- **Sustainability:** Nature offers us abundant resources that we must put to use in the most

responsible way. We constantly upgrade our manufacturing facilities to minimise negative impacts on the environment.

- **Dedication:** The roots of our business are the families that formed its foundations. We have a history of three generations of leadership and ownership. This has allowed us, over many years, to pass on a solid vision built on heritage, passion, caring for our people, and commitment to every single customer.





Our purpose

Our purpose is to enhance the potential of nature. Every day we strive to positively impact the lives of our people, our communities, and the people along the value chain. It is a great challenge in a very competitive environment, but it also represents a trigger for continuous improvement. This philosophy can be summed up in three key focus areas:

- **Our planet:** As an agri-food company strongly linked to local agricultural production, 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 by meeting and exceeding expectations in terms of energy and environmental performance, integrating this commitment into our daily business.
- **Our people:** Our success in the market depends primarily on our staff and collaborators' know-how, skills, abilities, and motivation. For this reason, Sedamyl tries to value their commitment. The well-being of our employees and the company's integration into the local communities are elements that enable us to build true and meaningful relationships with our people.
- **Our value:** We guarantee product excellence. Our divisions offer specific solutions to each market to supply clients with the best product for every application. Thanks to our commercial structure, we maintain a continuous and fruitful dialogue with all our customers, always aiming to innovate and meet their expectations.

Sedamyl Group is primarily made up of people



Our value chain

Our production plants

We minimise the environmental impact of our production by promoting sustainable practices throughout our supply chain.

- Production based on the circular economy model
- Energy efficiency and water efficiency practices
- Careful management of waste and emissions

Our products

We offer the highest quality products and services.

- Sustainable sourcing of raw materials
- Customer satisfaction

Our people

We promote a safe, flexible and peaceful working environment that puts the needs of our people at the centre of every decision.

- Health and Safety
- Employment and wages
- Employee wellbeing



Wheat is our raw material. Our goal is to source as much as possible locally. However, since production in Italy is not sufficient to cover our needs, we source raw materials from all over Europe through our companies.



The wheat is ground in our mills and the flour is transformed into our products. By-products are put to use in the feed industry, to minimise waste at our plants.



An international commercial network that operated in the key markets of Italy, the UK, France, Germany and Belgium.



Supporting at every stage, the department coordinates all goods management operations at every point of our supply chains.

Etea Group Companies involved in Sedamyl Operations

ETEA Engineering

ETEA Origination & Trade

ETEA Organic

EVM Rail

Sedamyl Sustainability strategy: Farm-to-customer

A materiality analysis in 2020 helped us identify the most relevant sustainability topics for our business and stakeholders. We set social and environmental targets to generate a positive impact and monitor our progress annually. Over the years, we have developed solid expertise for evaluation and prompt follow-up on the impacts of our products and our activities.

It is now clear that every organisation can drive change by promoting sustainable practices. While this is extremely important, it is only a piece of the puzzle. The focus should be placed not only on the organisation itself but on the entire value chain. If each entity within the supply chain strives for sustainability, the overall benefits for the environment and society will increase exponentially.

At Sedamyl, the supply chain involves multiple stakeholders:

- **Land**, where wheat is cultivated; 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
- **Process activities**, to transform wheat into final products; Sedamyl focuses on the minimization of environmental impacts by constantly monitoring

carbon emissions, water and energy consumption.

- **Customers** the final cog; Our goal is to provide ingredients with the highest quality and fully traceable.

The ability to obtain high-quality raw materials produced with lower environmental impacts, the possibility to provide low-carbon transportation alternatives, and traceability along each step of the value chain, can become crucial factors for a sustainable business.

We aim to develop a farm-to-customer strategy: thanks to the activities within our Group, we are directly involved in sourcing high-quality crops cultivated with sustainable agricultural techniques, such as organic agriculture. To promote sustainable practices within each step of the supply chain, our Group also directly controls the transportation of raw materials. This farm-to-customer approach also helps us guarantee full traceability from raw materials to final products.



Land

Our raw material is wheat. To obtain high-quality products, we, therefore, need high-quality cereals. As cultivation can generate impacts on the environment and society, Sedamyl supports a sustainable agriculture model that addresses the challenges of tomorrow: providing high-quality raw materials while ensuring the conservation of natural resources.

Policies

The Sedamyl Group supports sustainable development principles and requires its suppliers to adhere to them. A framework of policies and standards details our commitment to meet quality, environmental, and social requirements. Find more details of our policies on our website.

- **Supplier code of conduct:** All suppliers shall comply with the labour regulations in force in the countries where they operate, particularly regarding child labour, undeclared labour, forced labour, fair remuneration and discrimination. Moreover, each supplier must comply with safety regulations by providing workers with a safe and secure working environment and implementing all corrective and preventive measures necessary to avoid all risks of working accidents. Finally, all suppliers shall contribute to reducing the environmental impact related to their activities. In particular, by reducing consumption of energy and raw

materials, emissions, discharge and waste, and any other environmental effects related to the activity that may be considered significant, following the principle of continuous improvement.

- **Anti-slavery statement:** Sedamyl Group is committed to ensuring there is no modern slavery or human trafficking in its supply chains or any part of its businesses. It works closely with its suppliers to ensure that slavery and human trafficking risks are identified and managed proactively. We are committed to eliminating forced and compulsory labour and effectively abolishing child labour. This includes International Labour Organisation (ILO) conventions 138 & 182 on prohibiting child labour and 29 & 105 on eliminating forced or mandatory labour. Sedamyl expects the same standards from

all we work with, including business partners and suppliers.

- **No-child labour policy:** Our child labour policy is based on the ILO Minimum Age Convention 138 (1973). Sedamyl does not employ any person below the age of 18 years at any of its production facilities.
- **Ethical Trading Initiative (ETI):** Sedamyl Group supports the principles of the Ethical Trading Initiative Base Code in human and labour rights, environment, and anti-corruption and perceives the principles as a powerful platform for our sustainability activities. Sedamyl already integrates social and environmental concerns into its business operations and interactions with its stakeholders.

Invest resources to impact positively on the environment in which the company operates

Conventional raw material

Italy

Etea Grain, one of the companies within the Sedamyl Group, manages the sourcing activities for the Italian manufacturing site. Our sourcing approach is to establish a long-term relationship with reliable partners, all located within the European Union. To ensure the application of the best agricultural practices, we developed a robust framework that involves supplier evaluation procedures and on-site audits. Additionally, we put forward our best efforts to source wheat certified as sustainable by internationally recognised schemes (ISCC+ or equivalent). Over the last few years, we have gradually increased the share of sustainable wheat, reaching 36% of sustainable wheat in the Italian plant.

UK

Our manufacturing plant is located in Selby, North Yorkshire. Being in the heart of Yorkshire, one of England's largest wheat regions, means we can source all of our wheat from local suppliers. As a result, all our raw materials are from within a 50-mile radius of our production facility. All our English wheat is certified under the red Tractor Assurance Scheme.

As a result of Sedamyl efforts, in 2021 the majority of the wheat treated in our manufacturing facilities was certified as sustainable under the ISCC+ scheme, Red Tractor scheme or equivalent.





Organic raw material

Sedamyl Group has been directly involved in the cultivation of organic raw materials for more than two decades. Etea Organic's activities allow us to manage most of the farming activities to ensure the highest quality of organic wheat and provide full transparency on our agricultural techniques. We source the remaining part of organic wheat from certified and reliable farmers. We are therefore aligned with the European Union commitments, which target 25% of organic raw materials cultivated in Europe by 2030.

Case study: Regenerative agriculture in Romania

Regenerative agriculture is a farming system that aims to conserve and restore farmland and its ecosystem. 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.

Sedamyl Group recently started a pilot-scale trial for regenerative agriculture in Romania with the idea of producing high-quality materials while preserving the ecosystem. In this trial, our agronomists are applying the main drivers for regenerative agriculture:

- Organic fertilisers from organic farms
- Manure from free-range broilers
- Biostimulating products to support plant growth

- Cover crops, both during winter (*Hordeum vulgare*, *Pisum sativum*, *Veccia villosa*, *Trifolium incarnatum*, *Brassica carinata*) and summer (*Trifolium alexandrinum*)
- Bees to improve natural pollination
- Crop rotation, testing rotations with and without irrigation

In addition to this pilot-scale project, we are also discussing other regenerative agriculture projects with customers and business partners.



Logistic

Logistics plays a crucial role in our supply chain. Sedamyl Group is directly involved in transporting raw materials from silos to our manufacturing facilities to ensure full traceability along the value chain, from wheat to our final products. Moreover, logistics can have an impact on climate change. At Sedamyl, we focus on lowering the carbon footprint that arises from raw material transportation to generate a positive impact along the whole supply chain.

Sedamyl Italy

Our Italian manufacturing facility is located in Piedmont, North-West Italy. All the wheat reaching our mill is transported by railroad. Railroad transportation is the real green alternative: we can efficiently move our raw materials while reducing carbon emissions. Sedamyl Group directly manages the transportation of wheat to the Italian manufacturing site.

Sedamyl UK

The location of our English manufacturing facility in the English wheat region of Yorkshire allows us to source our raw materials locally. By sourcing wheat within 50 miles of the manufacturing plant, we reduce transportation impacts to a minimum.



Process activities

We are committed to sustainable industrial activities formalised in our environmental policy. This path leads to solid commitments towards the environment and our collaborators. Following the sustainability approach developed in 2020, we have identified several key areas where our actions can truly generate positive impacts.

We consider partnerships and cooperation a key driver for continuous improvement. In 2021, we were delighted to participate in the Life Cycle Assessment study on the environmental impacts organised by the European starch industry association, Starch Europe. The life cycle analysis was performed under ISO standards 14040 and 14044 and is based on the Product Category Rules for Starch Industry Products.

The study results indicated that the starch sector reduced CO2 emissions by 7% overall and, when considering production increases, by 19% per ton of dry substance. We consider this achievement as evidence of continuous innovation in our business.

Our planet

As a consequence of our commitment towards the environment, we guarantee that we make our products with the utmost respect for the environment and climate by minimising the consumption of water, energy, and raw materials; by limiting emissions, noise, and the production of waste by promoting its recovery, reuse and recycling. We can only achieve all

our objectives by using the best techniques available, from best practices for production (BREF and BAT) to maintaining a proactive and innovative approach. To maintain clear and transparent communication with all our relevant stakeholders, we report here what we identified as the most pertinent environmental impacts arising from our manufacturing activities.

To get more information about environmental impacts related to Sedamyl manufacturing processes and our commitments and efforts for sustainable development, get in touch with your Sedamyl sales contact!



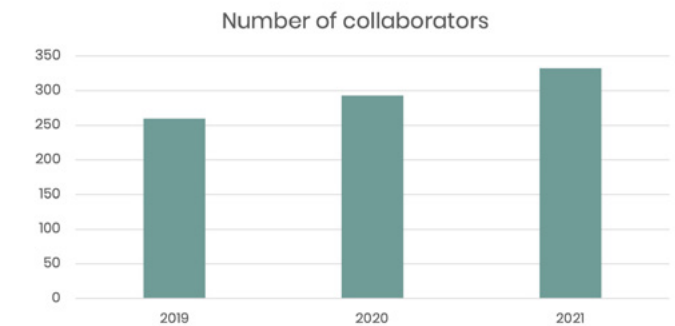


Our people

Our goal is to guarantee a healthy, safe, stimulating, and pleasant work environment so that our employees can feel a sense of belonging in the company, thus boosting their motivation and satisfaction towards their work and self-fulfillment. To demonstrate our gratitude towards them, we provide our people with several benefits:

- Supplementary insurance for employees
- Loyalty bonus
- Assistance in filling in tax returns
- Work/life balance: Part-time work
- Work/life balance: Remote work

Despite the difficulties the world had to face in 2020 and 2021, Sedamyl Group continues to grow in numbers:



To get more information about our commitments and actions towards our collaborators, get in touch with your Sedamyl sales contact!

Our values

The Group's goal is to supply customers with products deriving from cereals and services that meet the maximum quality and reliability standards. We do this by applying creative solutions through the whole industrial process in order to reach the agreed requirements in terms of performance, costs, timing, and quality. Innovation is consequently a key driver in our business approach, developing new products and new solutions for the market. Our R&D department focuses on the development of novel processes and products, also thanks to partnerships with universities and research centres.

Case study: products for clean label and sugar reduction

As many consumers today make conscious choices when deciding what food to eat, Sedamyl Group is working proactively to develop novel and healthier solutions for the food industry. We are seeing increased demand for products with low sugar content and clean labels that don't compromise the final taste. We, therefore, recently developed new solutions for plant-based glucose syrups, both liquid and dehydrated.

Liquid syrups for clean labels

Our new products Sedavisc 2972 and 3476, contain no e-numbers and are a competitive alternative for manufacturers when considering clean labels and sugar reduction of their products. While both Sedavisc

2972 and 3476 facilitate clean label products, using Sedavisc 3476 also helps you to claim 30% less sugar on the pack, allowing you to deliver healthier options for baked leavened products.

Dehydrated syrups for spreadable creams

SEDADRY 3440 and 2950 are our new solutions to help in preparing cocoa-hazelnut spreads. Both SEDADRY formulas are ideal for enhancing the cream's taste, flavour, and feel, and with 30% reduced sugars, the claim "reduced in sugar" can be included on the label. We have also found that with SEDADRY 2950, a slightly more fluid cream is obtained, while with SEDADRY 3440, the cream has a denser texture. This finding

has allowed our team to produce different textures depending on the type of product desired, creating countless possibilities when preparing new product offerings.

"Sedamyl's new Sedavisc syrups enhance the quality of sweeteners available to manufacturers whilst also adding simpler solutions to sugar reduction to our portfolio. Combined with our application, formulation and technical expertise in beverages and food, we can now better support our customers' needs, whether it's reformulation or new product developments." –

Raffaele Gazzano, Sedamyl product manager

DEHYDRATED GLUCOSE SYRUPS



SEDADRY 3440



SEDADRY 2950

-30% sugars

Taste enhancer



Customers

The success of 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 future growth for our Company and its commercial partners in a sustainable way.

Policies

Our strength is the quality of our products. To ensure the application of the best manufacturing practices, Sedamyl developed a quality policy. This policy provides a robust framework for quality objectives and includes a commitment to meet numerous requirements (ISO 9001, customer specifications, regulatory) and continually improve.

To guarantee customer care and customer satisfaction, we developed several additional policies and internal standards focused on the appropriate way to conduct business:

- Business practice policy
- Anti-bribery policy
- Code of conduct

Find more details of our [policies](#) on our website.



Certification

We establish credibility and trust within our customers and all relevant stakeholders through certifications. Our certifications guarantee that the Sedamyl Group meets global standards in every aspect of the business:

- **ISO 9001 (Sedamyl IT & Sedamyl UK)**
- **ISO 14001 (Sedamyl UK)**
- **FSSC 22000 (Sedamyl IT & Sedamyl UK)**

- **EFISC (Sedamyl IT & Sedamyl UK)**
- **HALAL EU (Sedamyl IT & Sedamyl UK)**
- **HALAL America (Sedamyl IT & Sedamyl UK)**
- **Kosher (Sedamyl IT & Sedamyl UK)**
- **Organic certificate (Sedamyl IT)**

Partnership

Another key to our success is the ability to create and develop effective partnerships with other industrial entities and with the various research institutes. Thanks to our collaboration projects, we constantly innovate our processes and products to achieve sustainable production and push towards a circular economy. We are therefore proud to be members of the following associations and alliances:

Confindustria	www.confindustria.it
Starch Europe	www.starch.eu
Wheat Protein Association	www.iwga.net
Associazione Distillatori Italiani	www.assodistil.it
Food and Drink Federation (Sedamyl UK)	www.fdf.org.uk
EcoVadis	www.ecovadis.com
Sedex	www.sedex.com
Carbon Disclosure Project (CDP)	www.cdp.net

Methodological note

This report is the third 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. In this document, we report the impacts and initiatives undertaken by Sedamyl Group regarding the environment, its collaborators, customers, and all stakeholders. It also describes our current commitment and actions within the continuous improvement of our 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, 2021. We compiled this Sustainability Report using the latest 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.

This Sustainability Report was drafted transversally, involving the entire organisational structure of the Sedamyl Group. With the drafting of this report, Sedamyl describes clearly and transparently the engagement and strategies of the Group towards all stakeholders involved.





For any further information regarding this Sustainability Report, please contact:
info@sedamyl.com