

SUSTAINABLE MALT



This statement describes Muntons commitment to producing malt that is 100% sustainable.

Muntons, established in 1921 is an independent manufacturer of malt and malted ingredients for the food and beverage industry. Although small in terms of malting, producing 200,000 tonnes of malt per year at plants in Stowmarket, Suffolk and Bridlington, East Yorkshire, when it comes to malted ingredients, we are arguably the largest in the world producing around 50,000 tonnes per year in Stowmarket.

Muntons is passionate about environmental protection and is continually looking to be more sustainable having used carbon footprinting to establish a common ground to evaluate several different sustainability initiatives. Since 1999 we have consistently outperformed climate change emissions targets set by government. In fact, we have had an energy action plan in place for many years so caring about our environment and taking steps to become more sustainable is not a new concept to us.

We have coined the phrase '*Practical Sustainability*' to describe our active lead in promoting sustainable farming. To us this means taking action that protects supply chain businesses by addressing the most intensive carbon areas of the supply chain and looking for sensible solutions now rather than waiting for the perfect carbon calculator or perfect definition of sustainability to emerge. Muntons designed the first carbon calculator dedicated to malting barley from farm through to malt production and the feedback is that through our approach we have demystified this complex area and translated sustainability into a message easily understood across the supply chain. The biggest impact on our total carbon footprint is the growing of our raw materials - barley & wheat. This accounts for a massive 60% of our footprint.

Through membership of the Sustainable Agriculture Initiative Platform (SAI) Muntons has helped develop and adopt a global definition of raw material sustainability. The Group's Technical and Sustainability Director is currently on the Executive Committee of SAI and previously chaired the Arable Working Group which has championed the use of the Farm Sustainability Assessment to benchmark existing sustainability standards and allow a future improvement plan for farmers to consider, which will enhance their margins without increasing supply chain cost. It has enabled the Muntons Group to engage with supply chain partners who source other crops from farms growing malting barley and thus reduce the demands on farmers to adopt multiple sustainability standards.

The FSA standard has also been used by SAI to benchmark existing farm standards and a number are already considered compliant with the FSA standard which has three levels: bronze (basic), silver and gold. The Red Tractor Scheme is rated as FSA Silver standard thus any farmer adhering to Red Tractor is considered by us and our major customers to be supplying sustainable malt. We have had our sustainability standards externally audited by SGS to enable us to say with pride that all our barley and malt is 100% sustainable according to the FSA standard by virtue of the Red Tractor Scheme.

An important development of collaboration within SAI is the establishment of farmer groups in a forum called Sustainable Futures. It is supported by many of our key customers and includes NFU and many individual farmers and merchants who are also associated with Muntons Malt Supply Chain Ltd. Initiated in December 2014, group

Practical Sustainability: P.S it's no afterthought

meetings along with farmer educational visits within the UK and The Netherlands have proved very successful in sharing information on best sustainable practice.

We have worked with a number of organisations from fertiliser manufacturers & compost suppliers to those involved in precision farming to look at various ways the carbon footprint of farming can be reduced and thus make it more sustainable. The manufacture and use of nitrogen fertiliser contributes the most to the cereal carbon footprint, but fertiliser manufacturers GrowHow/Yara have invested very significantly in abatement technology that has dramatically reduced the impact they have on the environment and a simple change to abated nitrogen fertiliser will have a very positive impact on farm – reducing that element of the footprint by around 40%.

Approximately 20% of the grain purchased at our Stowmarket site is sourced directly from the farm and it is very important to us to maintain good relationships with our growers. By working with them on a one to one basis we aim to achieve our goal of producing 100% sustainable malt. In Bridlington we have been involved with trials on farm using compost derived from green vegetation and both sites have hosted a number of supplier open days. Our relationship with our merchant suppliers is equally as important to us and we are working closely with a number of them to engage their growers – a key aim is to create sustainability-focussed grower groups to achieve this.

The subject of sustainability captures the desire of many people to care for the environment but to us it is an integral part of our business strategy.