

STAR OF THE WEST MILLING CO., INC.



2020

Sustainability Report

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SUSTAINABILITY REPORT

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ABOUT STAR OF THE WEST

Star of the West is proud to be celebrating 150 years in the milling industry! Established in 1870 with just one mill in Frankenmuth, Michigan, and named after a merchant steam ship from the U.S. Civil War era, Star of the West has grown to include five mills in four states. Star of the West is unique in that it also has three agronomy locations in Michigan, which allow us to interact with the farmers that grow the wheat we mill. Along with wheat, Star of the West also receives corn, soybeans, food grade soybeans, and dry beans at its eighteen country elevators. An organic division is the newest addition to the Star of the West portfolio, and Everbest Organics operates locations in Michigan, North Dakota and Minnesota.

Our mission is “Partnering food producers and food processors to feed the world”, and this is easily evidenced with our full-time staff of agronomists that work with growers to produce a high-quality crop on every acre, and our teams at the flour mills and bean facilities that create a safe, reliable product which is shipped to our food customers. We are excited to be able to facilitate this unique, farm to fork experience for both our grower customers and our food customers.

Continuing our work with farmers to assist in growing their best crops and coordinating with our food customers to create the tastiest products with our cleaned wheat, flour products and bean offerings, Star of the West has been able to remain an independent company. We are proud of this independence, and proud to be a premier agribusiness in the Great Lakes Region.



OUR VALUES

Star of the West Milling Co. will be honest, respectful and fair to our customers, suppliers, employees, stockholders and community. We will persist to improve customer satisfaction with products and services that meet or exceed customer expectations. We will provide an environment that is stimulated by teamwork, accountability and responsiveness. We are committed to continuous education, process improvement and technological advancements. Our facilities will be clean, safe and well maintained.



It all starts here; dawn is breaking at our Richville, Michigan agronomy location. Growers purchase inputs for their farms, our agronomists create detailed plans for the season field by field, and our custom application rigs get fueled and loaded for a day of application to keep the plants fed and healthy.

OUR PILLARS

At Star of the West, we have always known that people are an instrumental part of our business, and that profit is important for the long-term livelihood any company. We also know, due to our interaction with growers, that caring for the soil (planet) is necessary to produce a good crop and be a good steward. Though these concepts aren't new to us, telling others about them and calling them "our pillars" is relatively new. These three pillars: People, Profit and Planet, are referred to as the Triple Bottom Line, and at Star of the West we are proud of the unique ways we have contributed toward this three-fold approach to sustainability.



All the crops we process begin their journey the same way; a small seed is placed into the soil by large equipment.

PEOPLE

For Star of the West, the People Pillar includes not only our employees, but also our communities.

Star of the West prides itself on having a small town or family feel, and yet also able to offer bigger company benefits. Full-time employees receive health care, and Star of the West offers a wellness program that employees can earn points towards reimbursement of their monthly health care premiums. Star of the West is also committed to providing a safe work environment, which is evidenced by the dedication of our Safety Team, which includes a Director of Safety and Security and a Technical Director. Our employee handbook lays out the expectations we have for our employees, and what they can expect in return from Star of the West. Lastly, the “Star Spotlight”, an employee newsletter, accompanies paystubs weekly. The newsletter highlights both an individual employee plus a location and/or event held at location.

In our communities, we strive to be a partner to those around us. Our locations know the needs of their community, and have leeway to work independently to cover the needs of those in their area. An exhaustive list of items would be ideal, but instead a short overview of some of the projects we worked with in 2020 include: donating flour to Hidden Harvest food bank, crops/sale of crops produced on farm land we own is donated to Growing Hope Globally, donating medical supplies for the COVID pandemic, employee hours volunteered for Michigan State University, Delta College, and the Saginaw Career Complex for classroom speaking and interaction, and flour donations to a multitude of other worthy organizations for fundraising efforts.



All crops need proper nutrition, and our experienced staff applies it with these large custom applicators and the 4Rs of nutrient stewardship (Right Source, Right Rate, Right Time and Right Place).

PLANET

At Star of the West, one of the ways we best exemplify our interest in planet is at our agronomy locations. Utilizing Variable Rate Technology (VRT) lowers the overall fertilizer applied to the field by varying the rate every meter (higher rates for better producing areas of the field, and lower rates for lower producing areas of the field). We were a pioneer in this technology; we knew the importance of protecting our land, water and air, even though it meant potentially less sales dollars at our locations. Our agronomists also recommend slow release or nitrogen inhibiting products for fertilizer use in conjunction with the 4R fertilizer recommendations (Right Source, Right Rate, Right Time, Right Place). Cover crops are recommended and sold at our agronomy locations, and we strive to follow new and emerging data regarding crop production systems and approaches.

On the flour side of our business, our newest sustainability showcase is our Willard, Ohio facility. This greenfield plant was brought on line not only next to an existing customer, but also with a direct pipe between the two facilities. This allows us to completely eliminate truck traffic to that customer; trucks that once traveled 160 miles roundtrip to deliver flour, are now not used. This flour is simply blown through the pipe, across the parking lot to the customer. This is a huge reduction in greenhouse gas emissions.

Star of the West is proud to be working on several initiatives regarding planet. Our Richville, Michigan location installed solar panels to power its fertilizer blending and storage facility in 2020; it joins our Rapson, Michigan location in the solar club. Our efforts include locations recycling printer cartridges; we also accept cartridges from our growers if they need assistance with their recycling efforts. The same is true with old electronics; Star of the West utilizes a Waste Management recycling program and allows growers to include their old electronics in our recycling shipments. We also recycle batteries, cardboard, and metal/plastic at a majority of our Michigan locations. Other initiatives include reporting to the Carbon Disclosure Project and the SEDEX Self-Assessment Questionnaire.



The crop continues to grow throughout the summer after proper planting, fertilization and crop protection products have been applied.

PROFIT

Profit is necessary to keep a company running, and it's especially vital to keep a company moving forward for 150 years. Star of the West holds an annual stockholder meeting, and many stockholders are descendants of the founders from 1870. Along with paying dividends to its stockholders, Star of the West also participates in a company profit-sharing opportunity for its full-time employees that have a minimum of one calendar year of employment with the company. This profit-sharing is appreciated by our employees, and helps encourage thrifty decision-making throughout the year at each location.



A beautiful stand of wheat is ready for harvest when the heads starting tipping.

OUR PROJECTS

Though we are the 11th largest miller in the United States, Star of the West is small enough to be nimble, and large enough to have capacity to make a significant difference in outcomes for customers. We are proud of the projects we have partnered with over the years, and look forward to starting new projects. Three of our projects are highlighted below:

White Wheat Project in Michigan – Star of the West utilizes the Syngenta online platform called AgriEdge to help growers capture sustainability data that is shared with a food processor partner. The growers in the program track what has happened on their wheat throughout the year; field boundary, planting and harvest dates, fertilizer and herbicide application dates and rates, tillage or other machinery passes (or lack thereof). A yearly report is then provided to each grower to show how the farm scores in terms of greenhouse gas, soil health, and other sustainability metrics.

Red Wheat Project in Ohio – Star of the West has partnered with a food processor to offer an online platform called SupplyShift, that Ohio growers utilize to answer basic questions around sustainability. This system captures farm level data, instead of field level data. Metrics such as farm size and ownership, safety programs and also sustainability questions regarding nitrogen stabilizers, phosphorus surplus, and soil loss are included.

Carbon Neutral Project in Michigan – The wheat procured from Star of the West growers will be used to launch a new carbon neutral cracker. Star of the West was able to identify growers that would be a good fit, work through data collection with them, and have that data analyzed using the Soil Metrics/Comet Farms tool. The wheat was segregated, and delivered to Star of the West where a special run was made at the Frankenmuth mill to process the IP wheat.



Our elevator location in Gera, Michigan receives wheat, corn and soybeans from growers.

CONCLUSION

Star of the West is happy to showcase our three pillars of People, Planet and Profit, though we know that those items have been a focus for a long time. We know it is important to not only do the right thing, but also to share the story of how we are doing those things. We also recognize the specific items that got us to our first 150-year anniversary will not be the same ones that will propel us to our next 150 years. But we do know that the principles will be the same: that people are the center of our business, that our planet will need to grow it, and that our profit will need to be shared with those that have aided in its creation. We look forward to sustainably working with our employees, serving our customers and saving our soil (planet) for many years to come.



Our Frankenmuth, Michigan mill processes wheat, and our signature yellow trucks deliver it to our customers.