

STAR OF THE WEST MILLING CO., INC.



2021

Sustainability Report

Star of the West Milling Co., Inc.

SUSTAINABILITY REPORT

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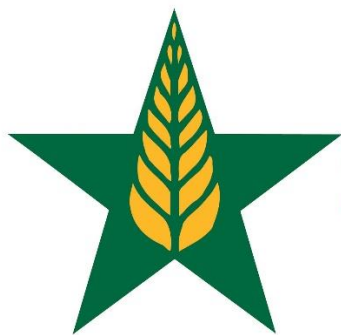
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Star of the West
Milling Co.

ABOUT STAR OF THE WEST

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 agronomy locations in Michigan, which allow us interaction with the farmers that grow the wheat we mill and the food grade soybeans and dry beans we process. In 2021, Star of the West expanded its reach in Michigan by purchasing Citizen's Elevator, with three locations south of Lansing. Along with milling, processing and agronomy, Star of the West also has an organic division, Everbest Organics, that operates locations in Michigan, North Dakota and Minnesota.

Our mission is "Partnering with food producers and food processors to feed the world" and that mission is easily evidenced by 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 (or spoon, in many instances) 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 and beyond.



Each year we highlight, in pictures, a different division of our business. For 2021, please enjoy dry beans, which are grown on fertile soil in the Saginaw Bay and Thumb areas of Michigan. Photo Credit: Nathan Beyerlein

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.

One example in 2021 of improving customer satisfaction with products that meet or exceed customer expectations was the addition of our flaking facility at the Frankenmuth location. We worked closely with a current customer and found they had a need for flaked wheat and they also wanted to source it closer to their production facility in Michigan. We were able to construct a facility and now supply this Michigan-based production facility with wheat grown and flaked in Michigan. This helped the customer and the environment both; instead of paying for freight from the western U.S., the customer only pays freight from Michigan. Along with the freight savings is the carbon reduction associated with fewer miles of transportation.



Beans are unloaded at the Reese, Michigan facility. Photo Credit: Keith Ludzinski, National Geographic

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 of any company. We also know, due to our interaction with growers, that caring for the soil (planet) is necessary to produce a 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, Planet and Profit, 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.



Dave N. checking navy beans. Photo Credit: Keith Ludzinski, National Geographic

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. Our employee handbook lays out the expectations we have for our employees, and what they can expect in return from Star of the West. Star of the West is also committed to providing a safe work environment, which is evidenced by the dedication of our Safety Team, which added two additional employees in 2021 and now includes a Director of Safety and Security, a Health and Safety Manager and a Regulatory Compliance Manager. Lastly, in regard to our employees, the “Star Spotlight”, an employee newsletter, accompanies paystubs weekly. The newsletter highlights either an individual employee, a location or an event held at our 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 help 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 2021 include: employee hours volunteered at 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 their fundraising efforts.



Keith M. examines beans that are being sorted. Photo Credit: Keith Ludzinski, National Geographic

PLANET

At Star of the West, our locations enjoy an independence to focus on what Sustainability initiatives are most meaningful to them. That being said, most, if not all, of our locations recycle printer cartridges, batteries, cardboard and metal/plastic. At our Michigan locations we also accept printer cartridges from our growers if they need assistance with their recycling efforts. The same is true of old electronics; Star of the West utilizes a Waste Management recycling program and allows employees to include their old household electronics in our recycling shipments. We report to the CDP on an annual basis, and we offer our Michigan growers a way to track their farm sustainability through AgriEdge, a farm management software tool from Syngenta, and Truterra from Land O'Lakes.

Specific to our Willard, Ohio location, we sent 45,420 pounds of organic material to the Huron Compost Site and 416 yards of paper, cardboard, plastic and glass to the recycling center. We are proud to say those pounds of organic matter and recycling were diverted from ending up in a landfill.

One of our employees was also honored in 2021 for her work in sustainability. Lisa Woodke received the 2021 Conservation Excellence Agribusiness Award from The Nature Conservancy and the Michigan Agribusiness Association. This is the second time a Star of the West employee has received this award. Justin Krick was honored with the same award in 2019 for his dedication to sustainability and his work with farmers.

Justin and the other members of our agronomy teams utilize Variable Rate Technology (VRT) that 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 of fertilizer 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.



Joe I. displays navy beans. Photo Credit: Keith Ludzinski, National Geographic

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.



Don M. hauling beans. Photo Credit: Keith Ladzinski, National Geographic

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. A few of our projects are highlighted:

Airly Crackers – Star of the West was able to help launch this new cracker with wheat from five Michigan farms. The fields and farms were evaluated, data was collected, wheat was harvested, segregated and delivered to the mill for processing. This carbon friendly wheat was then used to make the four varieties of Airly crackers now on the market. Along with the Airly carbon cracker, Star of the West was able to use verify over 14,000 acres of our soft winter wheat had an average of -1.3 CO₂e/bushel from harvest in 2021, using AgriEdge and the Cool Farm Tool.

Goats on the Riverbank – 2021 was the year of the Goat at Star of the West! We employed 10 goats from a local farm to help us with noxious weeds on the riverbank behind the main office. The slope was too great for any type of equipment, and spraying herbicide that close to the water was something we wanted to avoid. The goats were able to eat down the vegetation and allow us to make decisions on what we can do with that space in the future. This also turned out to be a great community outreach, as many residents of Frankenmuth visited and learned about Star of the West while the goats were busy munching.

We've Got an Itch for Oats – In preparing for the future, Star of the West looked to the past to bring an old crop back to life. We are partnering with several food customers to help oats make a resurgence in Michigan. We also partnered with Michigan State University to put out three oat trials with 42 varieties. Oats are an awesome soil health builder, a perfect addition to crop rotation in Michigan, and will be a great raw ingredient for our ready-to-eat flaking business.



Trailers are loaded with dry beans to ship. Photo Credit: Keith Ladzinski, National Geographic

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 our 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 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.



Star of the West proudly sells dry beans to many customers around the world.

Photo Credit: Selena Bender, Selena Ashley Designs