



**ENVIRONMENTAL SUSTAINABILITY
REPORT | 2023**



GRAIN MILLERS

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THE GRAIN MILLERS WAY

Since 1986, Grain Millers, Inc. has tested every decision against one thing: Is it good? For our farmers, employees, customers, consumers, and the environment?

As one of the world's largest conventional and organic oat millers, our legacy is built on being more than just an ingredient supplier; we are a proactive partner. We work with enthusiasm and energy every day, and we take great care in everything we do. We are stewards of our industry; we support our farmers, partners, and customers, doing what's good and what's right in order to deliver on our promise and add value along the supply chain.



Making adjustments in Yorkton, Saskatchewan



Grain Millers, Inc. founded in Eugene, Oregon



Maintenance team in St. Ansgar, Iowa



Verifying the product in St. Ansgar, Iowa



The team in Yorkton, Saskatchewan

OUR STORY

Since 1986, Grain Millers, Inc. has been a leading manufacturer and merchandiser of whole grain ingredients used in cereals, breads, bars, snacks and many other food products served around the world. These grains include oats, wheat, barley, corn, flax and rye, which Grain Millers, Inc. mills into flours, flakes, brans and fibers. Grain Millers, Inc. is a global leader in providing healthy foods and ingredients for our customers.

Even though we have grown exponentially since our beginnings, we are still passionate about each and every link in the supply chain. Being a leader brings responsibility, something we don't take lightly. That's why we never stop looking for new ways to enhance the safety, quality, and delivery of ingredients, from the field to the table.

Through it all, we have held true to the values inherent in our humble beginnings. We are still committed stewards of our industry, still seeking new ways to add value whenever and wherever possible, and still believing that partnership is the only way to do business. **Our goal has remained the same: To make good things for and with good people.**

Dear Grain Millers Partners,

This report opens the window to where we are on our path to sustainability. We have set the bar high, as our products are naturally steeped in sustainable production. As stewards of oat processing in North America, our sustainability focus is on the health and prosperity of our team, our partners, the soil, growers, and the environment we share. We are proud of the advancements we have made under this effort.

Our journey began in the late 1980's when Grain Millers' Oregon mill aligned with organic farmers and Oregon Tilth to develop an infrastructure in processing and certifying organic oats. By the early 1990's, the USDA got involved and approved Oregon Tilth as an official certifying agency, therein Grain Millers became the first organically certified oat mill in North America. This achievement was instrumental in growing the organic trade pipeline and market. In 2012, we launched a sustainable grower's program designed to improve the environmental, social, and economic sustainability of oat production. Our farmer sustainability work is a core pillar of the work we do to serve our customers, partners, and communities. Herein, please find our first annual Grain Millers, Inc. Environmental Sustainability Report.

This report shares our efforts to reduce the environmental footprint of our operations and our farmers' operations. We are measuring and monitoring the direct environmental impact of our mills as well as our indirect impact through our farm partners. Through partnerships, we are learning about new opportunities to become better environmental stewards so that we meet our sustainability goals and the goals of our customers. This 2023 report includes a special section on the oat crop and its influential role in a resilient and sustainable food system. We also share a detailed timeline of our projects and specific examples of our sustainability work in 2023 including efforts to expand rail capacity, improve the recyclability of our packaging, and launch a pilot regenerative agriculture project with one of our customers. Thank you for participating in our sustainability journey.

Christian Kongsore
President
Grain Millers, Inc.



President's Statement

CONSISTENTLY GOOD

IT'S SIMPLE. WE ALWAYS STRIVE TO DO THE RIGHT THING. IT'S OUR PROMISE, AND BECAUSE OF THAT, OUR SUPPLIERS, EMPLOYEES, FARMERS AND MERCHANTISERS ARE CONFIDENT WE'RE A COMPANY THAT CARES, THAT THEY CAN COUNT ON EVERY TIME.

SUSTAINABILITY

Values

At Grain Millers, Inc., we are committed to improving the environmental and social sustainability of our operations and supply chain. We recognize that environmental sustainability is imperative for the future of agriculture production and the success of our operations. Sustainability is deeply rooted in our values and our vision as an organization. For over 10 years, we have paved the way for cross-sector sustainability partnerships and have developed lasting farmer relationships since 1986. We recognize the imminent need to mitigate emissions and support adaptation to new climate norms. At Grain Millers, Inc. we are committed to conducting business in a manner that is socially responsible, scientifically based, and economically sound. Through our sustainability efforts, Grain Millers, Inc. is working to shape a more resilient, regenerative, and sustainable food system for current and future generations.

Photo: Oat harvest in Saskatchewan



SUSTAINABILITY

Commitments

FACILITY SUSTAINABILITY

Continuously improve the efficiency of our operations in an effort to have facility-wide reductions in our scope 1 and 2 greenhouse gas emissions.

- **Energy:** Reduce reliance on fossil fuels and increase investment in renewable energy.
- **Food waste:** Divert more than 95% of our food waste and byproducts from the landfill, prioritizing feed markets over industrial composting whenever possible.
- **Packaging:** Grow our capacity to package customer products in certified recyclable packaging and reduce headspace and overall packaging weight.

AGRICULTURAL SUSTAINABILITY

Ensure that our crop production is within planetary boundaries and work to reduce scope 3 greenhouse gas emissions.

- **Regenerative agriculture:** Expand regenerative acres in partnership with our customers.
- **Farmer support:** Provide tailored farmer support for improvements in biodiversity, water quality, and carbon sequestration.

INHERENTLY GOOD PRODUCTS

Produce the highest quality raw materials and products for our customers that inherently help to improve cropland, diet diversity, and sustainability.

PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

Work with our customers to ensure their sustainability goals are met and support organizations that are working towards sustainable crop production.



OUR SUSTAINABILITY JOURNEY

1993 ● Eugene, Oregon oat mill receives organic certification. Today, each of our facilities is certified for organic and non-GMO processing.



2013 ● Sustainable growers program launched.



2020 ● Conducted first calculation of greenhouse gas emissions at our **St. Ansgar, Iowa** oat mill.
Partnered with a customer to initiate a carbon-negative oat project.



2022 ● Further expanded our greenhouse gas accounting to our **Eugene, Oregon** oat mill.
Hired our first full-time Sustainability Manager.



Ran a cover crop seeding trial with a Canadian oat farmer.



2012 ● First customer request for an on-farm sustainability project. In response, we ran our first farmer sustainability survey and hired our first full-time crop scientist.

2018 ● First customer request for a regenerative agriculture project received and fulfilled.



2021 ● Expanded greenhouse gas accounting initiative to include our **Yorkton, Saskatchewan** oat mill.



Introduced a new, streamlined, farmer-friendly sustainability survey to replace our Sustainable Growers Program.

2023 ● Established environmental governance with an Executive Sustainability Committee & Climate Smart Agriculture Team.

Piloted an extensive customer regenerative agriculture initiative with our contracted growers.

FACILITY SUSTAINABILITY

TARGETING SCOPE 1 & 2

Greenhouse Gas Accounting: We track and report greenhouse gas emissions at our three oat mills and will continue to expand this initiative in 2024.

Electric forklifts: Transitioning our forklift fleets from propane to electric plays a key role in increasing the sustainability of our operations. Currently, over 80% of our forklifts at our Yorkton, Saskatchewan oat mill are electric.

Efficient operations: Strategically placing our oat mills in three different regions of North America allows us to reduce the miles raw oats travel to get to a facility. In addition, many of our facilities have packaging on-site, further reducing food miles.

Renewable energy investment: To support the energy transition, we actively purchase and retire Renewable Energy Credits in our name. At one of our largest facilities over 50% of our energy consumed is purchased through renewable energy credits and we look forward to expanding these efforts to our other facilities.

Energy efficiency: In addition to using motion detectors to reduce energy consumption, we look to transition all facilities to LED lighting. Our processing machinery is modern and utilizes variable frequency drives (VFDs), to improve energy efficiency.

Waste reduction: At our oat mills nearly 98% of our waste is diverted from the landfill with food recovery efforts and recycling projects. We are looking to reduce this further with new recycling partnerships.

Project Green Packaging: Our consumer-packaged goods group continues to collaborate with customers, packaging suppliers, and equipment vendors to test sustainable packaging alternatives.

Rail expansion: Rail transportation has a significantly lower energy footprint compared to road and eliminates the need for landfill-bound packaging. In recent years, our Yorkton, Saskatchewan oat mill has increased the volume of product transported by rail from 5-10% to 40%. In addition, we recently added outbound rail capacity at our St. Ansgar, Iowa facility.



Photo: Oat mill in St. Ansgar, Iowa

50%
RENEWABLE ENERGY IN ST. ANSGAR, IOWA

80%
ELECTRIC FLEET OF FORKLIFTS IN YORKTON, SK

98%
OF OUR WASTE IS DIVERTED FROM THE LANDFILL

Year in numbers

480

ACRES ENROLLED IN OUR PILOT REGENERATIVE FARMING PROGRAM. THIS WILL BE MORE THAN DOUBLED IN THE 2024 GROWING SEASON

We met

OVER 180

growers on their farms.

OATS PURCHASED DIRECTLY FROM GROWERS

95%
ORGANIC
OATS

50%
CONVENTIONAL
OATS



We attended over 20 field days, meeting with our growers and learning cutting edge soil science and research in the field of regenerative agriculture.

WE CAREFULLY MAP OUR SUPPLY CHAIN AND CAN IDENTIFY THE REGION OF ORIGIN FOR ALL OF OUR PRODUCTS.



AGRICULTURE SUSTAINABILITY

TARGETING SCOPE 3

Sustainable Agriculture Team: At Grain Millers, Inc. we have an active Climate Smart Agriculture Team composed of our crop scientists and sustainability specialists. This team is working to drive regenerative agriculture forward with our growers and help facilitate customer sustainability projects.

Grower engagement and knowledge sharing: Our Climate Smart Agriculture team meets with over 180 growers yearly to learn from them and share current best practices in this space. We meet with our growers on their farms, walk their fields, and help them answer questions and find any resources they might need to succeed.

Sustainability survey: We have been conducting a sustainability survey for over 10 years. This data is invaluable for the development of our programming and ability to share grower practices with our customers. The survey is tailored yearly to address the most pressing agriculture questions.

Regenerative agriculture: This year we helped facilitate multiple regenerative agriculture projects with our customers and growers. One customer project is incentivizing growers to adopt regenerative soil health practices like cover crops, reduced tillage, and nutrient management plans.

Crop optimization: Each year we support a variety of crop breeding research organizations and university efforts including the Centre for Crop Development at the University of Saskatchewan, Agriculture and Agrifood Canada in Brandon, Manitoba, and South Dakota State University. Crop breeding is essential for the development of climate and disease resilient seed varieties.

Photo: Minnesota oat grower

REGENERATIVE AGRICULTURE

Regenerative agriculture is a way of farming that promotes soil health and biodiversity through conservation practices. The approach to regenerative aims to be circular, offsetting extraction of nutrients with natural inputs like plant matter and manure. Regenerative agriculture must be adapted to each individual farm and landscape, matching cropping systems, soil types, topography, and climate.

Regenerative agriculture often includes the following practices:

COVER CROPPING: Growing an additional crop in the off season to cover the soil and prevent erosion. This crop is not harvested for sale but instead functions to add nutrients and carbon back into the soil, reducing the need for synthetic inputs.

CONSERVATION TILLAGE OR NO-TILL: Limiting soil disturbance with farm machinery. This practice helps reduce erosion, improve the soil's capacity to hold water, and lower carbon emissions.

NITROGEN MANAGEMENT: Reduced application of synthetic nitrogen through precision application and utilization of natural inputs including, cover crops, manure, and diverse crop rotations. When natural inputs are integrated with synthetic, growers can have significant cost savings while still maintaining yield outcomes.

LAND RESTORATION: The practice of returning less productive land to native prairie, pollinator habitat, or forest. These practices help restore wildlife, insects, and soil biodiversity in addition to capturing carbon.

Photo: Regenerative field in Iowa

Survey results

Growers reported that the primary barriers preventing them from adopting regenerative practices were **knowledge, cost, and fear that these practices would be ineffective.**

When growers were asked what resources they would need to overcome these barriers, most responded that they would need more knowledge on the practices and outcomes of these practices and financial incentive to help administer these changes.

120

COMPLETED FARMER SUSTAINABILITY SURVEYS

OVER 70%

of surveyed conventional growers used conservation or no-till growing practices

WHO UTILIZED COVER CROPS?

62%
ORGANIC
GROWERS

13%
CONVENTIONAL
GROWERS



SURVEYED CONVENTIONAL GROWERS HAD DIVERSE CROP ROTATIONS WITH ON AVERAGE 4 CROPS INCLUDED IN THEIR ROTATION.

INHERENTLY GOOD PRODUCTS

pure oats

CANADIAN & US GROWN

Affordable, high-quality nutrition

Lowers cholesterol and supports heart health

Naturally gluten free

Climate friendly ingredient in non-dairy alternatives

ENVIRONMENTAL IMPACT



EARLY SEASON CANOPY COVER HELPS REDUCE WEED PRESSURE AND DECREASES FARMER RELIANCE ON HERBICIDES.



DEEP AND FIBROUS ROOT SYSTEMS DRAW NUTRIENTS ACROSS THE SOIL PROFILE, PROMOTE CARBON SEQUESTRATION, AND BREAK UP DISEASE CYCLES.



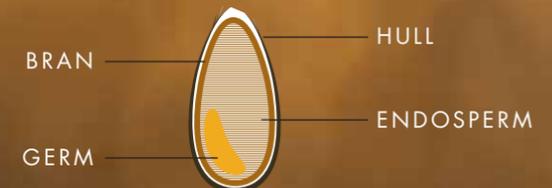
PLANT MATTER RESTORES ORGANIC CARBON AND REDUCES THE NEED FOR SYNTHETIC FERTILIZER INPUTS.



OATS REQUIRE FEWER NUTRIENTS AND IRRIGATION INPUTS THAN MANY OTHER CROPS.

ABOUT OATS

Oats are a small cereal grain that have played an important role in agriculture and diets in North America since the early 17th century. Originally, oats



were primarily grown as livestock feed, but today they are often grown for the food-grade market and as a way to improve crop diversity. This small grain is grown on family farms in North America, largely in the Midwest and Northern Plains of the United States and the Canadian Prairie provinces of Saskatchewan, Manitoba, and Alberta.

PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT

At Grain Millers we are dedicated to supporting soil health field days and conferences, this year we helped fund the following events:

US ORGANIZATIONS



CANADIAN ORGANIZATIONS



Photo: Oat fields in Saskatchewan

LOOKING FORWARD

Grain Millers, Inc. is proud of our sustainability efforts showcased in this report and we look forward to sharing our continued progress with you in future reports. We believe our work tracking emissions and farmer practices must be action-oriented. As we enter this new year, we have already taken action through a new farmer knowledge-sharing initiative and the development of a sustainability team at one of our largest oat mills. This year we aim to define our path forward and set concrete, science-aligned goals while expanding our efforts beyond our oat facilities and farms. We recognize the importance of our sustainability work and the urgency of action needed across the supply chain to mitigate our environmental footprint. Our work is ever-evolving as we strive to meet each customer and global request to do better. We are so grateful that you are on this journey with us and look forward to working with you in the near future.



GRAIN MILLERS

IT'S MORE THAN PROCESSING.

IT'S OUR *Promise.*

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