

# Ardent Mills Sustainability Report

Fiscal Year 2019





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# A Word from Our CEO

Ardent Mills is the premier flour-milling and ingredient company whose vision is to be the trusted partner in nurturing its customers, consumers and communities through innovative and nutritious grain-based solutions. With a network of over 40 flour mills and bakery-mix facilities along with a specialty bakery and Mobile Innovation Center, all located in the U.S., Canada and Puerto Rico, we offer the broadest range of premium multi-use flours, whole grains, mixes and custom multi-grain blends.

At Ardent Mills, we are passionate about bringing people the goodness of plants and grains through innovative and unique approaches. We continue to diversify our specialty grain portfolio through The Annex by Ardent Mills ("The Annex"). The Annex is a dedicated team committed to exploring and promoting what's next in whole grains, pulses, mixes, custom multigrain blends and finished breads. In the report, you'll read about our newly established relationship with Colorado Quinoa. This is just one of the many examples how we're investing in portfolio grains to meet consumer demands – and doing so sustainably.

What makes Ardent Mills different is the bold spirit of invention and imagination that is engrained in everything we do. Our ingredients are focused on your businesses' success. We bring superior quality, deep knowledge, excellent service, creative approaches, and earth-wise thinking to the foods of today and the innovations of tomorrow.

Our sustainability pillars focus on agriculture, operations, procurement and transportation. But our commitment doesn't stop there. We've recently aligned our sustainability efforts with the United Nations and their Agenda for Sustainable Development and Sustainable Development Goals. By championing sustainability and focusing on these global goals, we believe our investment in sustainability delivers a product that brings value to both our customers and the environment.

We are pleased to share our story and demonstrate how we partner with customers, communities, vendor partners and our team members for a more sustainable world. At Ardent Mills, we believe sustainability is everyone's business.

Dan Dye CEO, Ardent Mills



### Sustainable Development Goals







In 2015, the United Nations put together their Agenda for Sustainable Development. This document, adopted by all member states, provides an outline for sustainable practices for people and the planet – now and in the future. This impact-focused agenda houses 17 Sustainable Development Goals created from decades of sustainable work and research by the United Nations. These goals span multiple fields of work including clean energy initiatives, good health, wellbeing and climate action.

Ardent Mills has worked to align our practices with the Sustainable Development Goals put together by the United Nations. Our organization has identified three key goals including zero hunger, responsible consumption and production, and climate action that we believe we can make the greatest impact.

Through our serving based culture and nutritious grain-based solutions, we feel our team members strive towards our eventual goal of **zero hunger**. By focusing on continuous improvements and streamlining our process efficiency through renewable solutions we embrace **responsible consumption and production**. By prioritizing sustainable solutions and innovative operational practices we track **climate action** in our facilities and our offices.



## Agriculture

We are proud of the local partnerships we've built with family farms across the United States. At Ardent Mills, we have a responsibility to support growers in the field of sustainability and continuous improvement. Our work in breeding and grain genetics with public and private partners focuses on bringing new varieties to the market. The goal of these new varieties is to offer better agronomic packages for the farmer, and improved milling and baking properties for our customers which help to reduce food waste in the bakeries. By introducing sustainability at the agricultural level, we can think about waste-reducing measures farther along the development chain.

Ardent Mills partners with Field to Market: The Alliance for Sustainable Agriculture as an Associate Member, collaborating with a diverse group of stakeholders across the value chain to deliver sustainable outcomes for agriculture. Through Field to Market, Ardent Mills is involved with a number of sustainability projects—including partnering with Kellogg's to engage growers in continuous environmental improvement on their farms in Utah, Idaho and California, and working with Unilever to support farmers on their sustainability journeys in eastern Colorado.

Our collaboration with Field to Market allows us to engage growers in measuring and advancing the sustainability of their agricultural practices. Our team has also begun developing our own Field to Market projects by partnering with Agrible on a pilot project for spring wheat farmers in the Snake River Valley of Idaho.





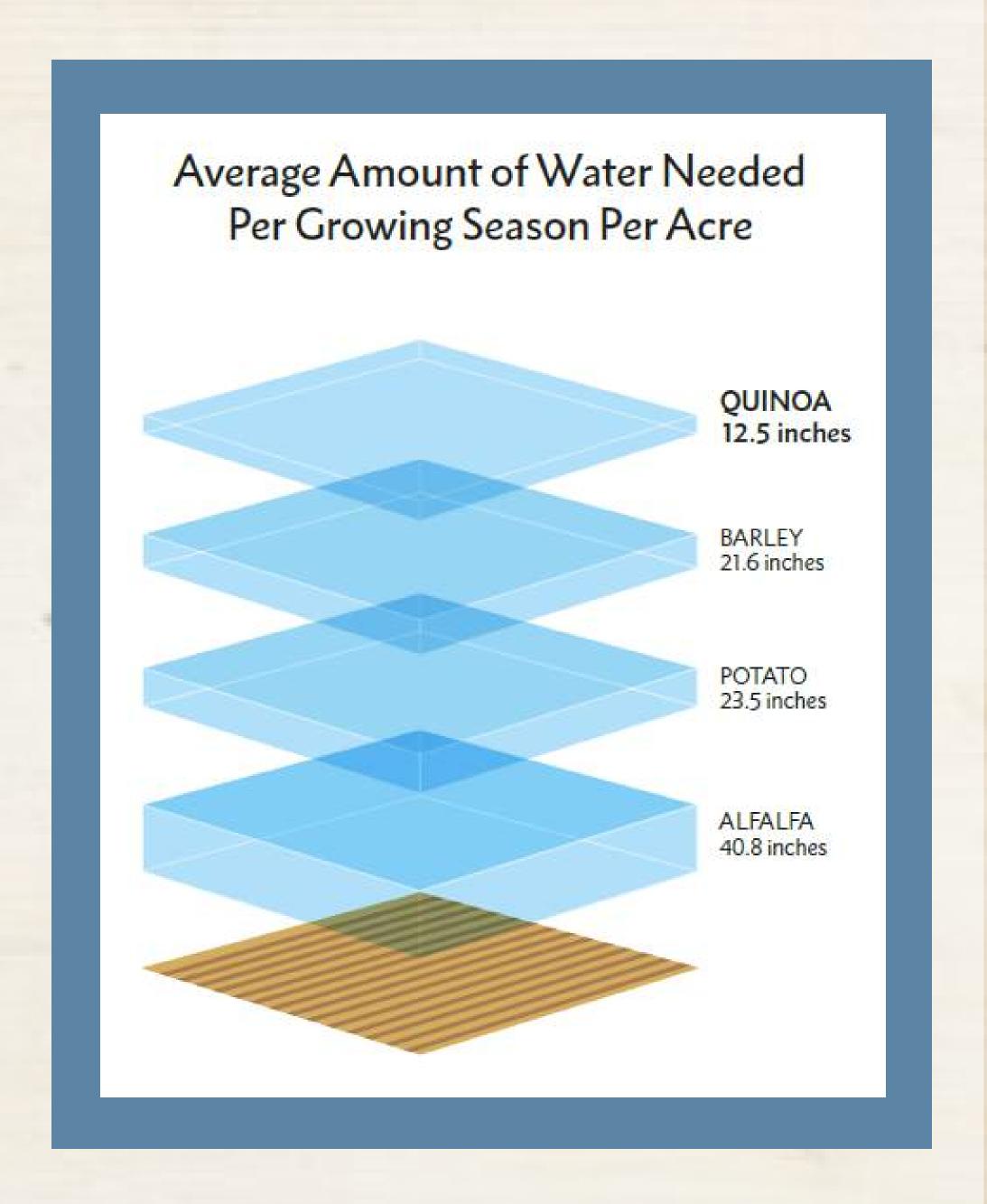




## Sustainability Stories

Colorado Quinoa

The Annex by Ardent Mills is proud to partner with Colorado farmers to grow Colorado Quinoa. Colorado Quinoa helps food companies support more sustainable growing practices for farmers and water conservation efforts in our local communities. Quinoa is a profitable crop rotation option for farmers. It also promotes soil biodiversity and water conservation as it requires less water to grow.





For every **1,000** acres of quinoa planted, **366** million gallons of water are saved — the equivalent of **555** Olympic-sized swimming pools.\*

\* Water requirements, which are taken from fao.org and wisc.edu, are based on the assumption that the crop rotation where quinoa would be inserted into is two-thirds potato and one-third barley and alfalfa.



# Operations

We are working to reduce the operational impact on our Earth. We now use less water and energy in our facilities. We also manage our waste responsibly, choosing to recycle or compost. Ardent Mills acknowledges that a small change can have a large impact. That is why we are always looking for ways to lessen our global footprint.

This fiscal year, Ardent Mills launched a comprehensive zero waste program. The program encompasses 12 facilities with over 500 tons of waste diverted from the landfill or reduced entirely. The program has gained great traction in the first year, with a multitude of facilities identified to join the zero-waste effort in the coming year.

The Ardent Mills Innovation Center in the Denver headquarters began composting in FY18. Since the program began, 80,409 lbs of material have been diverted from the landfill. In addition, over 46,000 lbs of materials have been recycled. These sustainability efforts, pioneered by team members, have a large impact on the building. Denver headquarters now ranks high on sustainability with the local waste management company. In fact, this ranking is about twice the score of waste management customers in the service area.

Additionally, Ardent Mills continues to mine energy-saving initiatives. We are improving the Operational Equipment Effectiveness (OEE) at our facilities to reduce energy usage. In fact, our focus on energy saving projects yielded a reduction in 3,779 tons of greenhouse gases (GHG) over FY18.

One of our facilities in Newton, Kansas has worked diligently to improve operational sustainability across the board. Turn to the next page to see their incredible efforts over time.

# Sustainability Stories

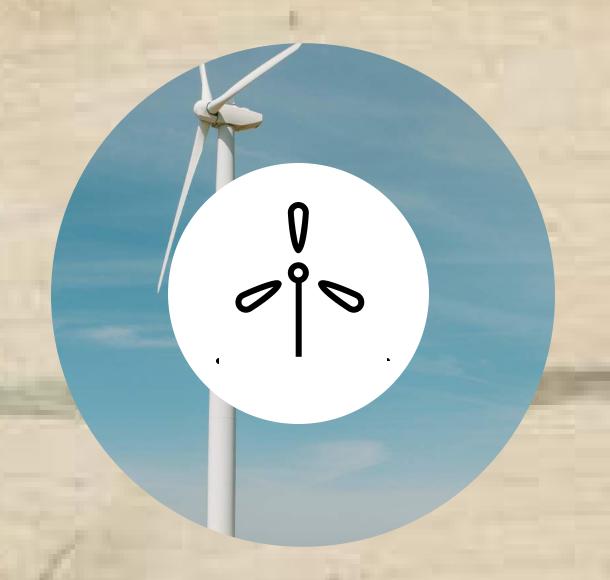
Newton, Kansas Community Mill

# Making a Positive Difference



At Ardent Mills, we're committed to *Nourishing what's next*. Our community mill located in Newton, Kansas works hard to push the boundaries of sustainability in flour milling. Read below to learn how our facility is making a positive difference.

#### Investing in Renewable Energy



Our facility made a major commitment to sustainable energy solutions by enrolling in Westar's new **Green Energy Program**. Beginning in 2020, our Newton community mill will **receive 90% of energy** from the Soldier Creek Wind Energy Center.

By choosing renewable energy, Ardent Mills will reduce its total carbon footprint by **7,254 metric tons each year.** 

### Implementing Better Recycling Standards

Over three years ago, our Newton community mill partnered with recycling leader Pratt Industries, to track and recycle all appropriate waste streams.

This effort led to tremendous, positive change.

Since implementation: **400 tons of waste** have been **recycled**, resulting in **1,314 cubic yards of waste** diverted from the landfill and **6,766 trees** saved.



### Continuously Improving Facilities



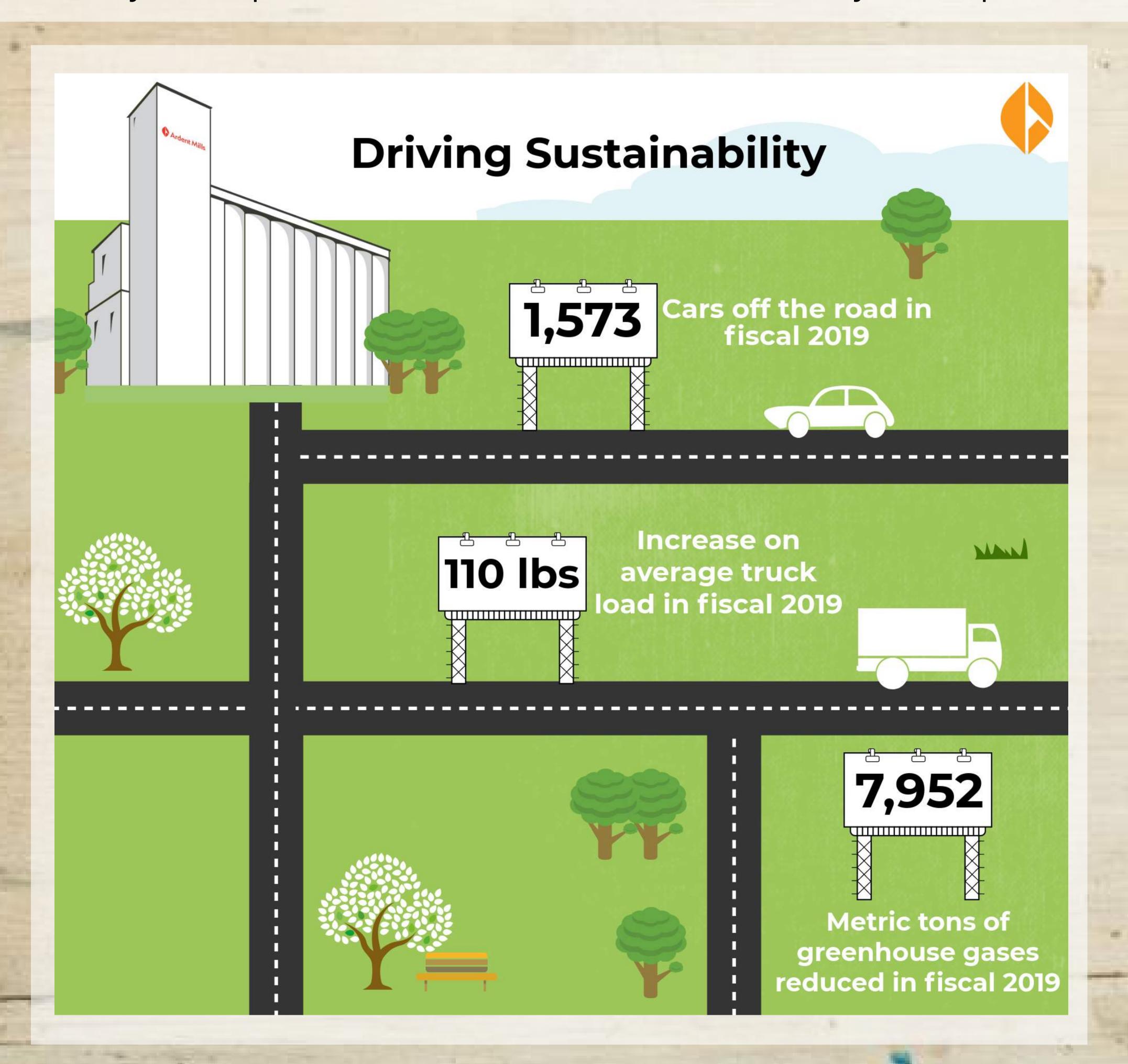
In 2018, Newton completed the first phases of electrical service upgrades for the mill and elevators. By installing Power Correction Units on the main feed, the Newton facility saw a 10.19% reduction in energy use (kwt) from FY18 to FY19. The facility forecasts a 17.67% reduction in energy use from FY18 to FY20. In addition, the facility switched from traditional lighting to greener LED bulbs.



## Transportation

We aim to drive sustainability across all modes of transportation. By prioritizing sustainable shipping methods, we can have a positive impact on the environment.

Ardent Mills is a proud partner of the U.S. Environmental Protection Agency's SmartWay® program. 68 percent of Ardent Mills carriers are Smartway partners. Through this program, a single truck can reduce yearly consumption of diesel fuel by 2,000 to 4,000 gallons. Ardent Mills' carriers employ 118 CNG and 47 dual fuel trucks that drive almost 4 million miles per year. These CNG trucks have reduced emissions by 10 - 30 percent over the standard diesel trucks they have replaced.





## Procurement

Our bag design features a Sustainable Forestry Initiative label. This label tells customers that the fiber in our packaging meets the SFI standard. This standard promotes sustainable forest management in North America.

The team focused on the overall palletization process – at our facilities as well as our suppliers. Partnering with our suppliers, together, we reduced how inbound shipments are palletized reducing fuel emissions and waste. The palletization modifications at our Ardent Mills facilities reduced our consumption of packaging materials while maintaining a high level of protection for our product in storage and transit. This change reduced our overall plastic consumption by over 120 tons. Ultimately, this means our customers now receive less plastic that they'd dispose of or recycle.

Our Innovative Bakery Resources facility and Canadian mix facilities have earned a certification from the Roundtable on Sustainable Palm Oil (RSPO). The RSPO is an organization that ensures all palm oil products are responsibly sourced. By pairing with an organization like the RSPO, we can take steps towards protecting the environment and wildlife.

## Sustainability Stories

Ogden, Utah Community Mill

At Ardent Mills, we understand the importance of the journey from farm to flour. At our Ogden Community Mill we take pride in supporting local family farms, implementing sustainable practices in-house and working with environmentally-conscious carriers to transport our product.



The story of the Ogden
Community Mill begins on
family farms in northern Utah
and southeast Idaho. Over 95
percent of our total
conventional wheat grind comes
from within 250 miles of the mill.

This local connection is important as Ardent Mills engages with growers. One such engagement is our partnership with Agrible, an industry-leading sustainable agriculture platform offering digital solutions and programs the agriculture supply chain with the goal of finding agronomic and economic improvement opportunities for farmers.

At the facility we implemented a new process to reduce our stretch wrap usage. The new process uses a lower gauge plastic which requires less rotations to fully contain a pallet.

Overall, we expect this process change to result in a truckload's worth of plastic reduction from the waste streams of our customers.

When our flour ships to the customer, they can rest easy knowing 100 percent of our outbound flour shipments from our Ogden Community Mill are transported on EPA SmartWay certified carriers. Since 2004, SmartWay has helped carrier partners avoid emitting 119 million tons of air pollution, helping to protect the environment from toxic fumes.

Through our work with family farms, our focus on improving our internal processes and by choosing SmartWay certified carriers, Ardent Mills is helping our customers and our communities enjoy a more sustainable future.



## Corporate Responsibility

Ardent Mills is a values-based company committed to **Trust**, **Serving**, **Simplicity**, and **Safety**. Our team members strive to embody these values by giving back. Giving back can mean planting trees, picking up trash along roads, or restoring wildlife habitats. Whatever the activity, team members work to protect and beautify their local environment. During our annual Month of Service, Ardent Mills focuses on nourishing our communities.

This year, our annual Month of Service saw 676 Ardent Mills team member volunteers, 3,520 hours volunteered, 54,630 lbs of food donated, and \$16,641.75 dollars raised.

In addition, we raised \$205,000 at our annual Supplier Charity Golf
Tournament. We partnered with Food Bank of the Rockies to create over 800,000 meals for people across the Front Range of Colorado and all of Wyoming. Although we promote our Month of Service, we are proud to live out our values year-round.



Dan Dye, CEO, and Bill Stoufer, COO, present a \$205,000 check to Food Bank of the Rockies.



Ardent Mills team members volunteer with a local food bank.