

PARTNER SOURCED INGREDIENTS

Quality, Transparency, Safety – Verified.



2022 ANNUAL REPORT

**Bay State
Milling** 
A Trusted Family of Ingredients.

Letter from the Rothwell Family

Dear Friends:

From the Rothwell Family to yours, we're excited to present the 6th Edition of our Partner Sourced Ingredient Annual Report. As we exited the pandemic last year, our valued customers, partners and colleagues graciously and enthusiastically welcomed us back on their fields and in their facilities.

While the past year was not without its challenges — from global drought conditions to international conflict affecting supply chains — our partners continued rise to the occasion and our time-honored values of investing in trusted relationships and fostering diversified supply chains enabled us to fulfill our promise of high-quality plant-based ingredients.

This year, our Partner Sourced Ingredient report focuses on one of our most modest cereal grains: Millet. Since the United Nations General Assembly named 2023 the International Year of Millets, we couldn't miss an opportunity to highlight the various attributes of this nutritious and sustainable ancient grain. And, we'll introduce you to one of our latest examples of vertical integration as we highlight our acquisition of CleanDirt Farm, now fondly known as Bay State Milling Sterling and the local family farmers who partner with us to grow this wonderful ingredient.

As always, we strive to provide the highest level of transparency into our supply chains by featuring both the people and the processes behind some of our most diverse and globally-sourced ingredients.

We thank you for your continued partnership.



THE ROTHWELL FAMILY

Brian Rothwell, Jillian Wishman, David Miller and Brian Miller

A photograph of three men standing in a vast field of tall, green and yellow crops under a sunset sky. One man in a white polo shirt and dark pants stands with hands on hips, looking towards the right. Two other men, one in a dark shirt and one in a light blue shirt, stand further back on the right, looking at something in the man's hands.

Contents

LETTER FROM THE ROTHWELL FAMILY	01
PROGRAM OBJECTIVES	03
GUIDING PRINCIPLES	04
A GLOBAL SUPPLY OF SPECIALTY INGREDIENTS	05
OUR SUSTAINABILITY PILLARS	07
A SPOTLIGHT ON MODEST MILLET	09
Millet 101	10
BSM's Step into Vertical Integration	11
Millet Processing	13
Farmer Profiles	15
OUR VERIFIED METRICS	19

Program Objectives

- ✓ **TO ENSURE** a reliable supply of consistent, high-quality ingredients.
- ✓ **TO SELECT,** develop and partner with suppliers that operate ethically and honorably—in the treatment of their growers and of Earth’s natural resources.
- ✓ **TO DEVELOP** differentiated supply chains that serve the unique needs of our customers and provide competitive strength to Bay State Milling.
- ✓ **TO PROVIDE** our customers and employees with a clear understanding of what makes our supply chain partnerships distinctive and enduring.

Guiding Principles

PARTNERING

We are not traders. We develop lasting partnerships with our ingredient suppliers. We share in their challenges and benefit from their success. We are actively engaged in providing resources and support to enable them to improve operational processes, enhance product quality and develop new supply chains. Our supply chain partners are an extension of our business. Their business practices must align with our values.

QUALITY

We continue to believe in our Founder's Statement and seek to position our products as a gilt-edged article of premium-quality. Our product quality begins with and relies upon our supply chain partners. We take product specifications seriously. We begin customer engagements with a discussion about the product specification and adapt our supply chain capabilities to meet them.

HONESTY

We try to be objective and use meaningful metrics that demonstrate the distinct value of our supply chain partnerships to all our stakeholders. We are eager to share our metrics in this report with you.



A global supply of specialty ingredients



Bay State Milling partners directly with suppliers and growers across five continents to source the highest quality specialty grains and seeds.

Our Sustainability Pillars

INGREDIENTS FOR A SUSTAINABLE FUTURE

Since 1899, we have maintained business practices that are economically viable, socially responsible and environmentally sustainable. We strive to balance the current needs of the environment, our employees and their families, the community, our supply chains, the marketplace and our family owners without compromising the ability of future generations to meet the needs of those same stakeholders.

This is critical for our internal operations, as well as for our supplier relationships. When we select partners, we look for suppliers who embody our sustainability values across all three pillars and go above and beyond the industry regulations. For instance, we appreciate supply partners with certifications like B Corp, Green Seal, Energy Star and Fair Trade, and policies like employee tuition reimbursement programs, and corporate and facility giving efforts to help people in need.

Throughout this report, we will use the icons on the next page to indicate where our engagement with stakeholders helps strengthen our sustainability pillars.



ECONOMIC SUSTAINABILITY

We commit to creating and sharing value across the entire supply chain in our pursuit to provide access to nutritious, sustainable food choices.



SOCIAL SUSTAINABILITY

We invest in the wellbeing of our employees, customers, growers and the communities in which we operate.



ENVIRONMENTAL SUSTAINABILITY

We believe exceptional ingredients come from stewardship and sustainable practices from farm to factory.



A Spotlight on Modest Millet

U.S. GROWN AND PROCESSED MILLET

Thought to be one of the earliest cultivated cereals, millet is a small grain, stemming from a warm-season cereal grass.

Current evidence has millet originating in China, where domestication is believed to have occurred over 10,000 years ago, and it has long been a staple in Asian and sub-Saharan African cuisines. Uptake in North America, where it has been used mainly for birdseed or feed applications has been slower. However, with a growing focus around affordable and sustainable food sources, millet is well positioned for growth. This is supported by its low moisture requirements, favorability as a rotation crop, and ability to sustain soil fertility.

Looking to promote the growth and consumption of this underutilized and under-appreciated grain, the United Nations has declared 2023 to be the International Year of Millets highlighting the health environmental and economic benefits on a global scale.

Bay State Milling Company has been sourcing millet for nearly 20 years and we continue to see the potential for growth of this unique crop.



Millet 101

WHAT IT IS

Millet encompasses a family of naturally gluten-free cereals. Proso Millet, one of the many varieties grown globally, was first introduced to the United States in the 1800s and is now the most common variety in the US, grown mainly in Colorado, Nebraska and South Dakota. It is also the variety currently sourced and processed by Bay State Milling Company's Sterling, Colorado facility.

ITS GROWING CYCLE

As a warm-weather grass with only a 60-90 day growing cycle, millet has a wide window for planting. In the United States, Proso Millet is typically planted in late May or early June and harvested in late August or early September.

WHY OUR CUSTOMERS LOVE IT

As the demand for gluten free and ancient grains remains strong, Proso Millet is a versatile and low-cost whole grain with a neutral flavor profile that can be incorporated into both savory and sweet applications. It delivers more protein and fiber than brown rice or sorghum.

ITS ENVIRONMENTAL IMPACT

Proso Millet, with one of the lowest water requirements of any cereal crop, is well adapted to the low water holding capacity and low fertility common to most land in the High Plains of Northeastern Colorado, Southeastern Wyoming and Southwestern Nebraska. It is an important part of a crop rotation plan with Winter Wheat in the High Plains as it enhances the control of annual grasses and has minimal issues with disease and insects.

Image credit: Bay State Milling



ECONOMIC AND SOCIAL SUSTAINABILITY

BSM's Step into Vertical Integration

Quietly nestled in the heart of millet growing country, a flourishing operation, with deep and determined roots, has been raising the bar in the industry.



Image credit: Bay State Milling

Rob and Meryl Stern, the fourth-generation owners of their family's Colorado homestead, were enthusiastically promoting millet as a nutritious and sustainable ancient grain long before the important ingredient was widely used outside of animal feed in the United States. In service of advancing awareness and availability and after several discussions with other local farmers, Rob decided to build the CleanDirt Farm millet processing facility and opened their doors in 2001.

The Bay State Milling team first met Rob and Meryl in the early 2000's as part of an initiative to expand BSM's ancient grain portfolio so that they could better serve customers who were trying to address the evolving needs and interests of their consumers. It was natural to begin this exploration into millet in Colorado, which is home to more than half of all the millet growing in the United States. However, Rob and Meryl stood out because of their unwavering commitment to quality and precision. As a result, BSM purchased the first truckload of millet from CleanDirt Farm in 2006 and eventually grew to become their largest customer.

Rob and Meryl continued to invest in their facility and their process over the years and incorporated an optical sorter which helped ensure cleaner millet and set a new standard for purity specifications. These pioneers decided to retire in 2017 and sold CleanDirt Farm to BSM. Today, we continue to honor their mission and their legacy by prioritizing safety and quality and by passionately supporting the community of growers and customers.

⋮ **Bay State Milling purchased CleanDirt Farm in 2017**
⋮ **as one of our first vertical integration initiatives**
⋮

Millet Processing

STERLING, CO

RECEIVING

Upon arrival, all inbound millet is tested for moisture, density and purity, making certain it meets our raw material specification before being received and stored at our facility.

RAW MILLET

CLEANING

All millet starts by first moving through our multi-stage cleaning process, leaving behind only pure, clean millet.



Gravity Table

Separates product by density



Cylinder Separator

Separates product by length



Screener

Removes large foreign material



Destoner

Removes any remaining stones



CLEANED MILLET

HULLING

Cleaned millet moves through to the hulling process which includes additional steps to ensure hulled millet meets our strict purity specification.



Sifter

Removes fines produced during hulling



Aspirator

Air streams remove loosened hulls



Huller

Separates the outer husk from the grain



Color Sorter

Removes any off-color product



Gravity Table

Separates the finished product by density



HULLED MILLET



SimplySafe™ Treatment

Our complete millet product line is available with our proprietary heat-treatment process, resulting in a validated 5-log reduction for pathogens.



Milling

Hulled Millet can be ground to our custom flour specification through one of our gluten-free certified Air Classified Mills.

WOODLAND, CA OR BOLINGBROOK, IL
TRANSPORTATION

Image credit: Bay State Milling

“

The fact that we're selling to national brands throughout the country and throughout the world gives me a sense of pride. With that, also, a sense of responsibility. You're feeding a lot of people throughout the world, there is a responsibility to get it right.

GAREN NIGHTENGALE

Supply Chain and Direct Sales Manager
Bay State Milling Sterling

”



Farmer Profiles

We appreciate the collaborative relationship we have with our growers. Their ingenuity, work ethic and resilience inspires us every day.



Image credit: Bay State Milling





ECONOMIC, SOCIAL & ENVIRONMENTAL SUSTAINABILITY

BRANDON MASON

STERLING, CO

For over 100 years, Brandon Mason's family has been farming in Sterling, Colorado, only five miles from Bay State Milling's premier millet processing facility. Brandon recently reflected, "My grandfather was a farmer, my great-grandfather was a farmer, and my great, great-grandfather was a farmer. Growing up along my father and my grandfather and watching them farm, I've always wanted to follow in their footsteps. I love working with the land, being out in the open, and being able to see the crops grow."

Today, Mason Farms grows millet, wheat, and corn. While Brandon has expanded from 900 acres to 7,500 acres over the last 20 years, he has been steadfast in his commitment to nurturing the land. "We try to be good stewards of the land as far as wind and water erosion, trying to maximize every acre that we have to be the most beneficial".

Millet has been a vital crop in support of this stewardship. Brandon shared "We really like millet for a few reasons. It's very drought tolerant and doesn't take very much moisture. We seem to be going to a drier climate and hotter temperatures and millet is resilient in those conditions. Millet is also very gentle on the ground. It doesn't pull a lot of nutrients out of the soil, and it leaves a lot of nice organic matter that helps boost our yields in the next crop."

Mason Farms has been selling Millet to Bay State Milling since the opening of the Sterling facility and Brandon predicts, "We see ourselves moving to possibly more millet in the future".

"My grandfather was a farmer, my great-grandfather was a farmer, and my great, great-grandfather was a farmer. Growing up along my father and my grandfather and watching them farm, I've always wanted to follow in their footsteps. I love working with the land, being out in the open, and being able to see the crops grow."



Image credit: Bay State Milling



ECONOMIC, SOCIAL & ENVIRONMENTAL SUSTAINABILITY

NATE NORTHUP

NEW RAYMER, CO

Nate Northup is a fourth-generation farmer growing millet, wheat, milo, and corn on 5,000 acres in New Raymer, Colorado. Beyond farming, Nate is also a member of the local Soil Conservation Board and the High Plains Millet Association. The association supports millet research, production, marketing, and education.

Nate's father started incorporating millet in their planting rotation in the early 1990s when he converted the farm to a no-till operation. Millet has been a consistent crop for the family farm for nearly 30 years, in part, because it leaves behind substantial stubble or residue to plant into.

This is very important in a no-till operation — it's a natural deterrent for weeds, improves water retention, and helps prevent soil erosion. It also has the lowest production costs of all the crops grown on their farm.

Nate and his family have been supplying millet to Bay State Milling since 2001 when the BSM Sterling, Colorado facility first opened. Nate has valued the accountability of the partnership with BSM over the years, "We hold ourselves to a high standard and I feel like Bay State Milling holds our product to high standards, so we try to keep that each year."

“It’s really rewarding to see a crop in its entirety ... from seeding to harvest through its entire lifecycle, and based off the decisions that you feel are right, (when) you have a successful crop, it’s a pretty rewarding feeling”



Image credit: Bay State Milling

Our Verified Metrics

In our Partner Sourced Ingredients program, we evaluate ourselves on five key metrics to ensure that we are achieving rigorous standards of quality and supply chain partnership. We supply quality assurance files, visitor logs, trip reports and travel receipts to ACET Global, a third-party auditor and food safety consulting firm, that assist companies with gap assessment and the development, implementation and maintenance of global food safety programs.



1. VISIT 8 SUPPLY PARTNERS

We visit our supply chain partners to review business operations, understand the conditions of growers and offer resources and expertise.



2. HOST 3 SUPPLY CHAIN PARTNERS

We host at least 3 supply chain partner visits per year to our U.S. facilities. This enables us to solidify partnerships, share resources and give insight to the products and needs of customers.



3. THREE NON-PROCUREMENT EMPLOYEES VISIT SUPPLIERS

Visits to our supply chain partners enable employees involved in Quality Assurance, Operations, Finance, R&D, Marketing and Sales to see first-hand how critical supply chain partnerships are, and how they can offer support.



4. VENDOR & FACILITY ASSESSMENTS

We conduct a comprehensive questionnaire focusing on key food safety and security processes and show the certification status and risk level of our suppliers.



5. 95% OF ALL INGREDIENTS RECEIVED IN SPEC

We work closely with supply partners, taking steps like further cleaning, processing or rejection if necessary.

Metrics 1, 2 & 3

 Virtual visit

METRIC 1: 8 SUPPLY CHAIN VISITS, BY COMMODITY AND BY SUPPLIER

SUPPLIER	COUNTRY	INGREDIENT	SUPPLIER REPRESENTATIVES	PROCUREMENT TEAM	NON-PROCUREMENT TEAM
Spokane Seed	USA	Chickpeas	Andrew F.	Jonathan A.	Shanna T.
Johnson Seed	Canada	Flax	Brian J., Tanya S.	Katie W.	
Scoular	Canada	Flax	Drew F.	Katie W.	
Dandilee	Canada	Flax		Katie W.	
Geisbretcht	Canada	Caraway	Ray G., Clayton G.	Katie W.	
Producer	USA	Millet	Brandon M.	Brenden O., Garen N.	Ross F.
Minndak 	USA	Buckwheat	Jeremy P., Kristin S.	Brenden O.	Courtney C.
Sesaco 	USA	Sesame	Nathan S.	Brenden O., Jonathan A.	

METRIC 2: VISITS BY AT LEAST 3 SUPPLIERS TO OUR FACILITIES

SUPPLIER	COUNTRY	INGREDIENT	SUPPLIER REPRESENTATIVES	PROCUREMENT TEAM	NON-PROCUREMENT TEAM
Bora	USA	Sesame	Rutuparna D.	Jonathan A., Andy K.	
OLA	USA	Organic Long Grain Rice	Christian M.	Jonathan A.	
Farmers	USA	Millet	Brandon M.	Brenden O., Garen N.	Ross F.

METRIC 3: VISITS TO OUR SUPPLIERS WITH NON-PROCUREMENT MEMBERS OF BSM

SUPPLIER	COUNTRY	INGREDIENT	SUPPLIER REPRESENTATIVES	PROCUREMENT TEAM	NON-PROCUREMENT TEAM
Producer	USA	Millet	Brendon M.	Brenden O., Garen N.	Ross F.
Spokane Seed	USA	Chickpeas	Andrew F.	Jonathan A.	Shanna T.
Minndak 	USA	Buckwheat	Jeremy P., Kristin S.	Brenden O.	Courtney C.



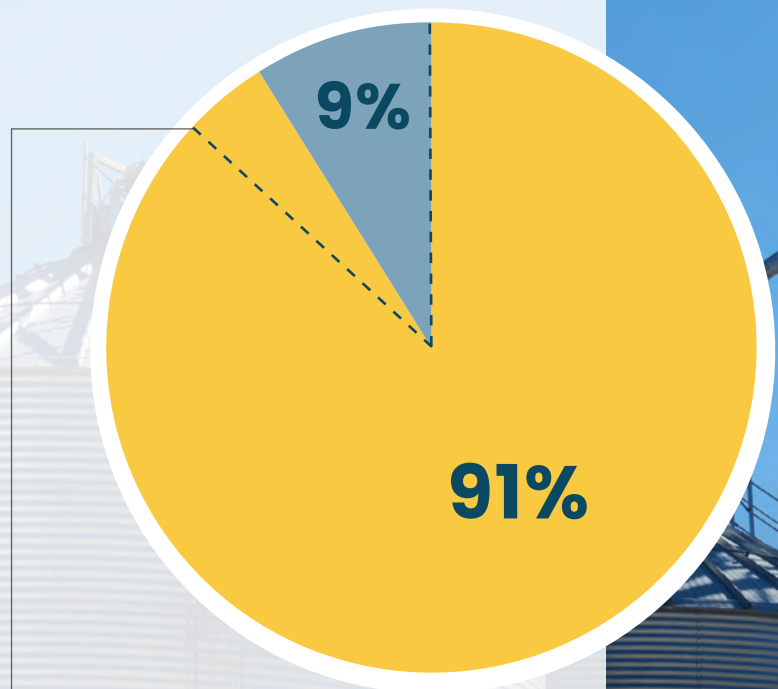
METRIC 4

Vendor & Facility Risk Assessment

METRIC 4A: CERTIFICATION

All current and potential supply chain partners complete our comprehensive questionnaire focusing on key food safety and security processes. Data collected is used to assess the risk profile of suppliers for partnership decisions and improvement opportunities. We partnered with **83 suppliers in our Partner Sourced Ingredients program**. All our supply partners are certified by third-party accredited audits or covered under our GFSI certification.

% SUPPLIERS WITH FOOD SAFETY CERTIFICATIONS



87% GFSI-certified suppliers in 2021
4% more GFSI Suppliers in 2022

METRIC 4B: RISK

We ask our supply partners to complete a detailed questionnaire that assesses Vendor Risk and Facility Risk. Supply partners receive a numerical grade for each assessment; lower scores correspond with lower risk. We combine the Vendor Risk score and Facility Risk score and create a Total Risk score. As applicable, we work closely with supply partners to help them lower their risk; for example, by helping them obtain certifications and building measures to improve quality and food safety.




TOTAL RISK ASSESSMENT CRITERIA

VENDOR RISK ASSESSMENT CRITERIA

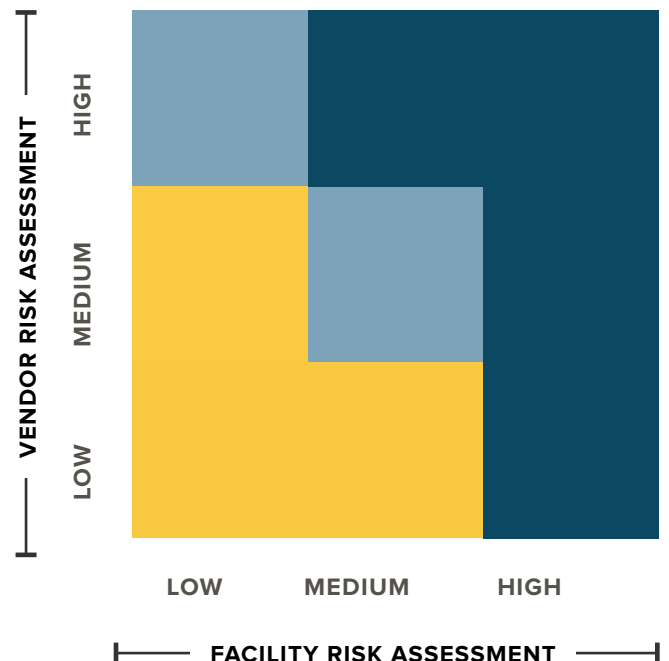
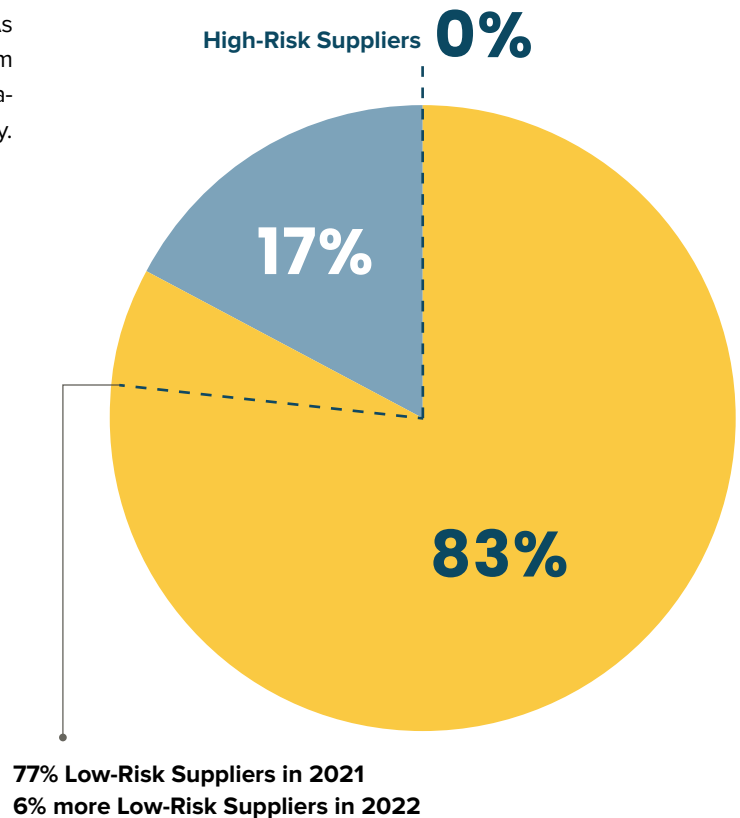
- Familiarity with vendor
- Number of years in business
- Number of employees
- Three-year annual food sales average
- Estimated purchase dollars/year
- Certificate of Insurance
- Continuing Guaranty and Hold Harmless
- USA or foreign company

FACILITY RISK ASSESSMENT CRITERIA

- Company compliance with FDA regulations
- Product safety, certification and policies
- Radiological hazard analysis
- Receiving, warehousing and shipping practices
- Product quality and specifications
- Product control and customer complaint tracking
- Sanitation practices
- Inspections and regulatory compliance
- Food defense measures
- Food fraud mitigation
- Food contact packaging
- Product complexity

	Low-Risk Suppliers Required Risk Assessment every 3 years
	Medium-Risk Suppliers Required Risk Assessment every 2 years
	High-Risk Suppliers Required Risk Assessment every year

RISK ASSESSMENT CLASSIFICATION





METRIC 5

95% of All Ingredients Received in Spec

Our commitment to product quality will be verified by product specific quality attributes and related measurements on all ingredients received. If we receive raw materials that are out of specification, we work with our partners, taking steps like further cleaning, processing or rejection if necessary.

99.02%

99.02% of 2,048 in-bound shipments from our Partner Sourced Ingredient suppliers met all specification criteria on receipt without further processing necessary.



ACKNOWLEDGEMENT ABOUT OUR AUDITOR

Each year, Bay State Milling's Partner Sourced Ingredient program is audited by ACET GLOBAL Consulting, LLC. This year, Mr. Mark Weighner, Vice President, performed the audit. Mark and ACET GLOBAL Consulting, LLC have substantial experience and knowledge in the food industry and with FSMA, HACCP, Food Safety, and the pre-requisite programs and schemes for SQF, BRC and FSSC 22000. ACET GLOBAL Consulting, LLC was chosen for its knowledge and reputation within the food industry and its ability to conduct a customized, objective examination of the Partner Sourced Ingredients Program. Their audit—conducted on January 23, 2023—verified all our metrics.





BAY STATE MILLING COMPANY

100 Congress Street

Quincy, MA 02169

P: 1-800-55-FLOUR

W: www.baystatemilling.com

Bay State Milling is a family-owned company with a strategic intent to support the growth of the next generation of foods in North America by providing the leading array of plant-based ingredients. Since 1899, we have proudly provided exceptional quality flour and grain products, and we continue to build on our legacy as we bring new supply chains and technologies into our realm of capabilities.