



# CORPORATE AND SOCIAL RESPONSIBILITY REPORT



# OWNER'S STATEMENT

As Starion Owners, we are committed to managing and leading the organization with a focus on corporate and social responsibility. This has been part of our culture for a long period of time. We believe this gives us a competitive advantage in the marketplace, both in recruiting the talent we need to lead the organization and to serve our customers and attracting like-minded businesses and individuals to bank with us. Engaging on these issues at Starion Bank will:

- Drive oversight of risk
- Increase productivity and innovation
- Enhance our reputation
- Strengthen our communities
- Help us meet the expectations of our shareholders, our customers, our communities, as well as future generations.

We are excited to share with you our first **Corporate and Social Responsibility Report**.



## WHO WE ARE

Frank and JoAndrea Larson, our founders, purchased First National Bank of Oakes on January 1, 1969. In 2016 we changed our name to Starion Bank. This change put community banking at the forefront of what we do and positioned us well for future growth and expansion. The name Starion Bank allows our community banking focus to shine through while preserving the values and trust we have worked so hard to build. In 2003 we introduced a new logo with a star symbol representing aspiration, rising achievement and our commitment to take people farther. Starion Bank is a community bank with 16 locations in two states.

## CORPORATE & SOCIAL RESPONSIBILITY STATEMENT

At Starion, corporate and social responsibility is an important way we live our purpose of helping make financial lives better. How we engage in the communities in which we operate is tied closely to the business we do with customers in those communities. We want to reinforce our current responsible practices, products, and services and we continuously look for ways to develop and improve our program.

### CORPORATE GOVERNANCE

Strong governance, ethical business practices and prudent risk management are critical ingredients to Starion's achievement of its goal for long-term value creation for shareholders and driving sustainability. Corporate governance guidelines assist the Board in exercising its responsibilities and promote the effective functioning of the Board and its committees. The Board's goal is to oversee and direct management in building long-term value for the Bank's stockholders. In addition, the Board's goal is to assure the strength, integrity, and vitality of the Bank for its customers, employees, and the communities in which it operates. Starion's Conflict of Interest – Code of Ethics Policy, which applies to all officers, employees, and members of the Board, serves as the foundation for high standards of integrity and ethics, the deterrence of wrongdoing and the promotion of compliance with applicable regulations



# INITIATIVES



## STRONG RISKS & CONTROL ENVIRONMENT

Starion takes pride in its risk and control environment. We take a proactive regulatory stance and have a positive, cooperative, and mutually respectful relationship with regulators. This is important to the viability and functioning of our organization.



## DATA SECURITY

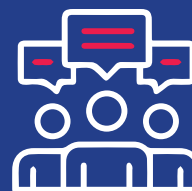
The Company maintains a comprehensive written information security program. The information security program is designed to ensure the security and confidentiality of customer information, protect against unanticipated threats, protect against unauthorized access to or use of information that could result in substantial harm or inconvenience to any customer, and ensure the proper disposal of customer and consumer information.

All employees are trained at least annually on data security and privacy-related issues, risks, and procedures, as well as how to spot and protect against various types of cyberattacks. In addition, the Company employs an ongoing anti phishing awareness and testing campaign. On an annual basis, the Company hires independent, third-party experts to conduct various audits following top information security standards, including internal and external vulnerability and penetration testing.



## POLICIES & PROCEDURES

We maintain a library of policies and procedures that provide a roadmap for day-to-day operations. They ensure compliance with laws and regulations, give guidance for decision making, and streamline internal processes. All employees acknowledge annually they have read and reviewed various policies, including our Conflict of Interest – Code of Ethics, and Safeguarding Customer Information Policies. Each of the employees also receives Bank Secrecy Act / Anti-Money Laundering training annually.



## BOARD OF DIRECTORS

Strong governance is essential to our ongoing success and ability to generate long-term shareholder value. This all begins with our Board of Directors. The board is comprised of 12 directors of which nine are independent directors. The board is committed to good business practices, transparency in financial reporting, and excellence in all areas of the bank. We operate within a comprehensive plan of corporate governance to define responsibilities, set high standards of professional and personal conduct, and ensure compliance with them. Independent board-level committees are responsible for audit, talent management, nominating/governance, and risk oversight.



# SOCIAL RESPONSIBILITY

At Starion, we pride ourselves in the long-standing culture of respect and empathy for our employees and our communities at-large. We employ a fair pay practice which ensures that Starion’s pay practice is competitive with the market for the same or similar jobs, qualifications, and experience.

We believe that differing opinions and lived experiences are valuable and serve to support our business overall. Our benefit choices are designed to help employees meet their own specific needs. We believe programs, such as flexible work arrangements, help employees balance work, life, and family matters more effectively. We encourage employee involvement of their time, talent, and resources to worthy causes in their communities and the markets we serve. We also work to create partnerships with vendors that share a commitment to sustainability. We intend to further improve our social impact across our organization and within the greater community.

# INITIATIVES



## GIVING BACK TO THE COMMUNITIES

At Starion, we are a proud supercommunity bank. That means much more than just being a local bank, however. It means having a strong commitment to community support and taking responsibility for its success. We are dedicated to personal contribution, economic development, and local responsibility. Our employees strive to be civic leaders and active in charitable, public, and other organizations and events that show our commitment. Starion is very supportive of our employees’ efforts to make a difference in their community. In 2023 alone our employees volunteered nearly 3,000 hours of their time in the community. Starion also gave charitable donations of over \$680,000 in 2023.



## COMMUNITY REINVESTMENT ACT (CRA) PERFORMANCE

Starion complies with the Community Reinvestment Act (CRA) by meeting the credit needs of the communities we serve. The Board of Directors and Senior Management take an active role in ensuring overall compliance with CRA. We make safe and sound loans and investments and provide safe and sound services while ascertaining the credit needs of the communities we serve and developing and marketing products and services to meet those needs.



## VENDOR SUSTAINABILITY

Within procurement of vendors, Starion considers factors that benefit the organization and society while minimizing its impact on the environment. This means considering social and environmental factors alongside purely financial and economic ones.



## FAIR LENDING

We comply with all laws and regulations related to fair lending. We make credit products available to qualified applicants and customers without discrimination on the basis of race, color, religion, sex, sexual orientation, national origin, marital or familial status, age (provided the applicant has legal capacity to enter into a contract), disability, receipt of public assistance, or good faith exercise of rights under the Federal Consumer Protection Act. We offer assistance and service in a fair and equitable manner and do not discourage the completion or submission of an application for credit by any applicant or customer on any of the prohibited basis.



## WORKPLACE CULTURE

As a family-owned, supercommunity bank, we measure success by more than numbers; we also value our people and communities. Starion Bank continues to invest in both, providing our team with opportunities to grow personally and professionally. Starion prioritizes the well-being of employees, offers support at all levels within the organization, and has policies in place that encourage respect, trust, empathy, and support.

- **Health and wellness** – Our employees' overall health and well-being is a top priority. It is our goal for all employees to work hard and experience a high-quality work life, but we also encourage employees to be active participants in our communities, and to enjoy quality time with their families and cultivate their independent interests. An Employee Wellness Newsletter is published and provided to our staff each month.
- **Retention strategies and financial benefits** – We also believe employee retention is critical to our success, and we are proud of our track record when it comes to retaining employees. Retention strategies are woven into all our compensation and retirement programs, and even our efforts at expansion. We provide our qualifying employees with a comprehensive benefit program, including health, dental and vision insurance, life, and accident insurance, short- and long-term disability coverage, as well as paid time off. In addition, we offer a Profit Sharing and 401(k) Plan and an incentive compensation plan.
- Starion offers **telecommute work arrangements** for some positions. This is mutually beneficial to the employee and the Bank.
- Starion provides **training opportunities** both internally and externally. Last year alone there was 1,674 hours of internal training and development provided.

# ENVIRONMENTAL STEWARDSHIP

Starion recognizes that the world faces environmental challenges and is committed to promoting a healthy environment. We believe that our business can and should do things to promote a positive influence in matters that improve the world we live in. We are committed to continuing to educate our stakeholders and enabling the growth of sustainable companies, which we believe are important to improving our environment.

Within the context of our operations, Starion is committed to reducing its energy consumption, water usage, and carbon footprint in a practical and cost-effective manner.

## INITIATIVES



### HYBRID AUTOMOBILES

We have a fleet of hybrid automobiles. These automobiles not only save on fuel costs but are environmentally friendly.



### HOLISTIC AG

Starion Bank has launched a Legacy Agriculture Program. The program features ongoing educational workshops covering urgent and timely topics like succession, soil health, financing, and regenerative practices. Starion is also pioneering a new line of agriculture financing products to serve Midwestern producers of all kinds.



### ENERGY EFFICIENT FACILITIES

**Solar Panels** – We have installed solar panel arrays at several of our locations. The solar panels provide up to 50% of each building’s power per year.

**Living roof** – Our Fargo Urban Plains office has one of the first living roofs in the Fargo-Moorhead region. This 3,000-square-foot roof uses soil and vegetation to insulate and reduce energy usage by up to 20%.



## SOLID WASTE MANAGEMENT

**Paper reduction** – We have become increasingly paperless over the past several years. We have optimized many of our operational processes, including consolidating printers and increasing awareness of printing and paper use.

**Recycling efforts** – Recycling is encouraged at Starion to do our part in reducing what is taken to the landfill. This recycling includes cardboard, plastic, aluminum, and glass. In 2023 we recycled 14,741 lbs. of paper. We also recycle our electronics.

Throughout all our facilities, interior and exterior lighting has been converted to LED, which also saves electricity and materials costs because the life span of LEDs far surpasses that of other bulbs.

**Geothermal** – The Bank has geothermal systems at several of our branches. These systems not only give us satisfaction of doing our part in building a cleaner energy future, but also save money on heating and cooling costs.

**Programmable thermostats** – Starion has programmable thermostats at all our branches. These thermostats allow automatic temperature control to coincide with our branch hours. This not only helps to keep the branches comfortable, but also to save on energy.

**Water bottle filling stations** – Starion offers water bottle filling stations for its employees, saving thousands of plastic bottles from hitting landfills.

**Native prairie grasses** – At several Starion locations, we've moved away from regular lawns and toward landscaping with native prairie grasses and flowers adapted to our climate and soil. This approach requires less water to maintain, provides increased animal habitats and adds beauty for building occupants to enjoy.

**Motion sensor lights** – Starion has installed motion sensor lights in all its branches. These lights detect when someone is in the area and turn on automatically, which eliminates wasted energy from leaving a light switched on when no one is there.

**Water conservation fixtures** – We have water conserving plumbing fixtures in several branches. These fixtures reduce water usage and not only help to conserve and protect our critical water supply, but they also save energy, reducing utility costs.

**Centralized supply ordering** – Centralized sourcing for the purchase of office supplies reduces waste and lowers costs.



## FARGO CO-OP SOLAR AGREEMENT

We are the largest investor in the Cass County Electric Cooperative Prairie Sun Community Solar, North Dakota's first active community solar garden, located in Fargo.



## ONGOING COMMITMENT

The most important component of our Company is that we never forget our main purpose, which is our commitment to serve our customers, communities, and employees. These values have not only led us to flourish, but to uphold and continually improve upon Corporate and Social Responsibility principles. We believe in a promising and bright future for Starion Bank as these core commitments remain steadfast.