

2009 Sustainability Report



**SILVER
STAR** 
COMMUNICATIONS

introduction



Photo by Shannon Phillips

In the spring of 2008, Silver Star began a journey towards becoming a more sustainable technology company. We joined the Yellowstone Business Partnership (YBP), an organization that unites businesses dedicated to preserving a healthy environment and shaping a prosperous and sustainable future for communities in the Yellowstone-Teton region. Through YBP Silver Star participated in the UnCommon Sense Program, which equips businesses to make desired changes in their operations and empowers them to become sustainability leaders in their communities and industry sectors.

When we first began, most of our staff would have had a hard time defining the word sustainability, much less understanding why we would invest in sustainability programs. This has been a learning process for us all, those of us heading up the program, those participating on our Lean Operations Initiative (LOI) committee, and all of our team members who we are counting on to help us make long-lasting improvements to our operations.

We've made great progress over the past two years, gathering data and creating baselines from which to track our progress moving forward and introducing several programs to improve our operations. It is our future goal to change the culture of our organization, where every team member thinks about their impact on our triple-bottom line, economic, environmental and social, with every decision they make. We have a lot of work yet to do, and always will, but are proud to share our accomplishments since we began our program in 2008.

profile

Silver Star Communications started out as a family operation over 60 years ago providing basic telephone service to Star Valley, Wyoming. The company is governed by a five person Board of Directors, of which Allen Hoopes is the Chairman and CEO.

What began as a traditional telephone company has evolved into a full-scale technology company offering communications and broadband services to a wide geographic area covering Eastern Idaho and Northwestern Wyoming. Silver Star has invested millions of dollars into the communications and broadband infrastructure of its serving territory to meet the future demands of the industry. Silver Star operates out of three corporate locations and two additional retail outlets, with approximately 85 team members.

Our Mission

Providing value through our integrated broadband solutions to enrich the lives of our customers.

How We Do Business

- » Customers: Dedicated to exceeding our customers' expectations at every opportunity!
- » Team Members: Foster a dynamic environment for our team members to reach their highest potential.
- » Technology: Enrich lives through progressive, reliable technology solutions.
- » Community: Embrace and support the communities in which we live through partnerships and service.
- » Sustainability: Committed to conscientious decision making which supports our social, economic, and environmental missions.



Photo by Shannon Phillips

corporate social responsibility



Silver Star is continuously investing in its team to foster a dynamic environment for them to reach their highest potential. Receiving direction from the Board of Directors and CEO, the Human Resources group has developed a significant benefits package that is unlike any other in the area. The company recognizes the value of vested employees who become loyal to the company's mission.

To measure the company's success in this area, we began conducting a simple two question survey annually. We incorporate employee satisfaction in our strategic planning and company goals each year to ensure that this remains an important part of our business operations.

Survey

Survey results show that our employees are most proud of the following programs:

- » Wages, health benefits and housing allowance
- » Health challenge program
- » Staff potlucks, golf outings and parties
- » Employee stock ownership program
- » Community support

On a scale of 1-10 with 10 being the highest level of satisfaction, our team originally scored the company at 6.97 in 2008. In a follow up survey one year later, the score slightly rose to 6.99.

2010 Goal: Increase employee satisfaction by 1 point or to 7.99

community

Community Involvement

Supporting the communities in which we live has long been an important part of Silver Star's philosophy. The company actively supports its rural communities through many efforts, such as:

- » Scholarships
- » Caring for Community grant program
- » Members of local non-profit organizations
- » Sponsors of local events
- » Participation in local events, like parades and fairs
- » Sponsors of Teton Valley's Celebration and Community Trash Clean-Up & Afton's Swift Creek 5K Run

Community Service Projects

New in 2009, the company allocated significant resources to a new company-wide community service program. The company split into nine teams, determined their own specific project and completed the projects with 94% employee participation.

2009's Projects

- » US Veteran Gravestone Beautification, Victor, ID
- » Ruby Carson Memorial Park Beautification, Teton, ID
- » Cotton Wood Trail Project, Smoot, WY
- » Fire Department Fencing, Swan Valley, ID
- » Bridge Campground Project, Alpine, WY
- » Teton Kindergarten Playscape, Driggs, ID
- » Turning Point Safe House Moving Project, Afton, WY
- » Snow Shoe Hollow Cabin Renovation, Afton, WY
- » Clothing Drive, Thayne, WY

2010 Goal: Increase employee participation by 6% or to 100%



giving



Silver Star's Caring for Community program donates thousands of dollars to local non-profit groups focused on creating healthy communities.

2010's Recipients

- » Jackson Hole Regional Horse Rescue (Grover) - supplies for shelter
- » Animal Humane Association of Star Valley - lockable storage unit
- » Lincoln County 4-H - educational horse camp
- » Thayne Senior Citizen Center - new hot box to deliver meals
- » Star Valley Senior Citizens - repair of refrigerator
- » Star Valley Therapeutic Activities & Riding - funds for expansion
- » The Turning Point - emergency transportation for clients
- » Lincoln Uinta Child Development Services - phone system
- » Star Valley Medical Center Auxiliary - 4 chairs that convert to beds
- » Learning Academy of Teton Valley - scholarship for students
- » Teton Valley Museum Foundation - file cabinets
- » Targhee Animal Shelter - test kits and vaccinations
- » Teton Arts Council - kiln for ceramics program
- » Teton County 4-H - dog and poultry learning kit
- » Teton Valley Education Foundation - flip video technology
- » Teton County Extension - laptop for educational classes
- » Teton Regional Land Trust - plotter printer for use by all non-profits
- » Subs for Santa - Easter Baskets and Back to school supplies
- » Teton Basin Ice Recreation - overhead lighting at ice rink
- » Teton Valley Hospital Foundation - Latino Health/Diabetes Fair
- » Teton Valley Community School - Expedition Yellowstone field trip

purchasing

Silver Star's purchasing agent has helped us streamline our purchasing, save on consolidated shipments, avoid paying rush fees, and research the most economical and environmentally-friendly purchasing decisions. The purchasing agent evaluates the environmental impact of the items we purchase, how and where they are shipping from, and if there are local options for consideration.

In 2009 we created a Preferred Purchasing program, which states that Silver Star will purchase recycled or environmentally preferable products whenever practical, and that we will make every effort to establish and maintain relationships with vendors that are sustainability conscientious.

Changes to date

- » Copier Paper: changed from 100% virgin to 50% PC
- » Toilet Tissue: changed from 100% virgin to 60% PC
- » Paper Towels: Tri-fold virgin to 40% PC
- » General Purpose Cleaner: changed to Greenworks non-toxic
- » Window/Glass Cleaner: replaced aerosol with Greenworks non-toxic
- » Carpet Cleaner: replaced aerosol with liquid
- » Air Fresheners: replaced aerosol with Febreze pump and baking soda
- » Styrofoam: replaced cups with coated paper cups and reusable cups
- » Facial Tissue & Non-Commercial Paper Towels: now purchasing locally
- » Coffee: now purchasing with fair trade coffee roasted regionally

2010 Goal: Investigate alternatives for floor polish, Ickie Pick solvent, packing material, batteries, and office supplies

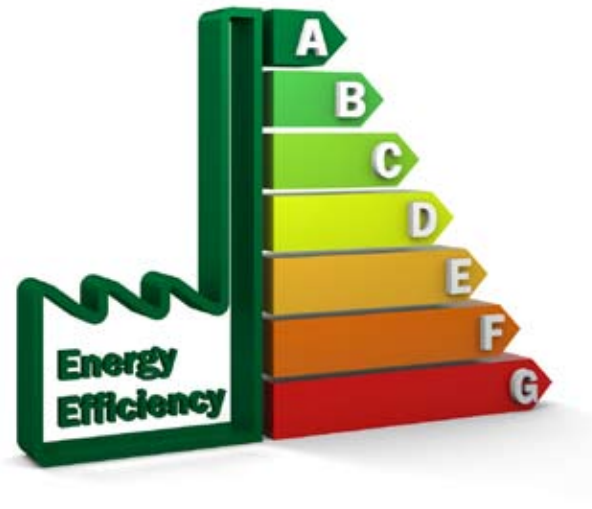


measurements

One of the greatest areas of challenge has been collecting all of our baseline data and setting up tracking programs, so we can accurately measure our progress in the future.

Measurements

- » Quarterly Waste Audits
- » Recycling
- » Electricity Use
- » Water Use (where metered)
- » Annual Fuel Consumption
- » Annual Miles Travelled
- » Paper Consumption

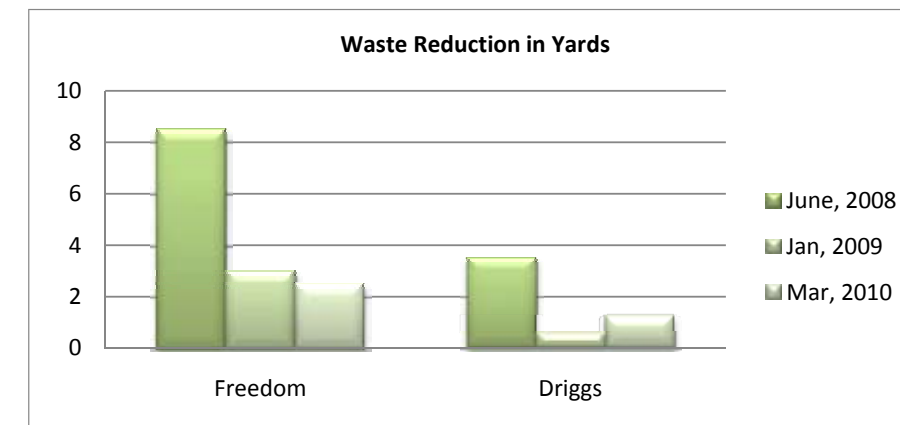


waste management

Silver Star began by conducting a waste audit to identify the items we regularly dispose of and determine if we can reduce, reuse or recycle those items. To date we have made the following changes to our operations to reduce our waste generation.

Improvements

- » Addition of a full-scale recycling program
- » Creation of a Hazardous Waste program
- » Addition of reusable dishes in kitchens
- » Internal paper reduction campaign
- » External "ebilling" campaigns
- » Reusing modems through modem lease campaign
- » Proper disposal of electronics

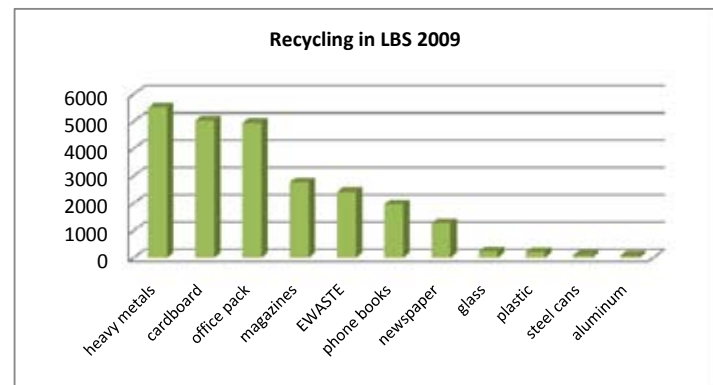


recycling

Silver Star has been recycling in some fashion for several years; however, we have now completed an in depth analysis of our recycling practices and have instilled a company-wide, consistent recycling program.

Items Recycled

- » paper, magazines, newspaper
- » aluminum, steel
- » glass
- » plastic #1, #2
- » phone books
- » heavy steel
- » HPDE
- » copper cable
- » cell phones
- » electronics
- » bubble wrap
- » cardboard

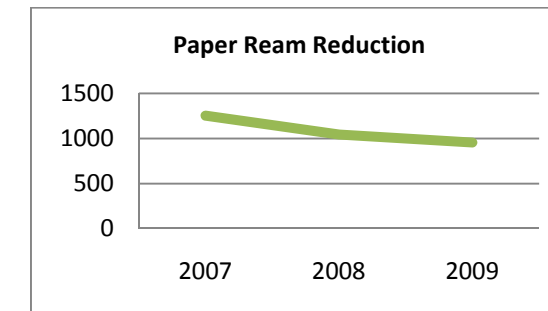


paper reduction

The telecommunications industry has historically been paper-intensive, with all of its various forms, terms and contracts. It quickly became apparent that this is one area in which we could make a big improvement, as seen from our recycling numbers (it was the number one item being disposed of, weight-wise). We have made great progress since 2008, but there is much work to be done. We have an opportunity in 2010 to greatly reduce our paper consumption due to a software conversion that we will complete in July. This conversion should allow us to see many efficiencies, one of them being less need for paper.

Internal Paper Reduction

We began an awareness campaign internally educating our team on how to reduce our paper consumption. Duplex printing, sharing digital files, converting paper applications to digital versions, using email rather than printed memos and forms, and using the back of wasted paper for scratch paper were just some of the ways we encouraged our efforts. Overall, we were successful; however, at the same time we began our campaign, we also began paying more for our paper because we chose a partial recycled content paper over virgin paper.



2010 Goal: Reduce by 10% from 2009, or 495 pounds

Paperless Billing

We have also been making an effort to reduce the amount of paper used to produce monthly statements for our customers. In late 2009 we created a new policy where all new customers are automatically signed up for our paperless billing, unless specifically requested otherwise. We have run campaigns offering discounts and free reusable bags, and will continue to run additional educational campaigns to convert "paper bill" customers to "ebill" customers.

2010 Goal: Increase e-statements by 13% from 2009 to 25%

Magazine Subscriptions

Silver Star staff has been encouraged to remove themselves from unwanted subscription lists, share subscriptions, or request digital versions of magazines where possible.

2010 Goal: Reduce by 10% from 2009 or 277 pounds



energy



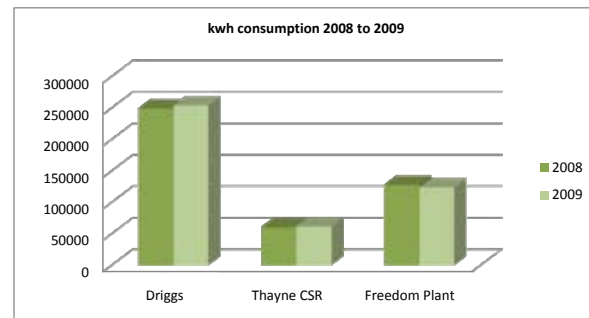
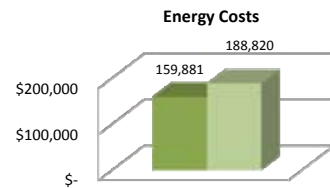
Tracking our energy consumption has been one of our biggest challenges. Unfortunately, neither of our energy utilities provides consolidated billing, and we have over 100 individual locations. Moving forward we will be tracking kwh for the total company.

We attribute the rise in our energy costs to 1) changing energy prices and 2) the installation of several new, power-intensive pieces of equipment for our telecommunications and wireless services.

Our biggest accomplishment in this area has been our ability to gather the amount of data that we have. Silver Star has never really analyzed our spending on electricity at this level, and now that we have a clear picture of our usage in each location, we can incorporate future goals to reduce consumption and track our efforts.

Our annual energy expense increased over the last year; however, we had several significant equipment installations which we feel drove that increase. We also recognize that increases in energy costs will affect this number; however, for us to see a financial savings in this area, we need to track these numbers. While we plan to gather our total kwh use for all locations, we have chosen our three largest offices for this report because this is where people reside and can make personal choices to reduce our energy consumption.

2010 Goal: Reduce electricity consumption by 3%



water

Tracking water is currently only possible in our Driggs facility, as it is the only metered location. As we develop conservation programs, we will apply them across the company and hope to gain efficiencies company-wide.

Our biggest water usage is attributed to our sprinkler system; however, Driggs is our only location with extensive grass areas. The table below shows Driggs' water use in gallons in 2009. We do see areas for great improvement in 2010 because of a few factors:

- » Our sprinkler system was turned on during the rainy season.
- » We discovered and repaired a leak in our sprinkler system.



Date	Gallons of Water Used
1/31/2009	13,000
2/28/2009	36,000
3/31/2009	58,000
4/30/2009	16,000
5/30/2009	77,000
6/30/2009	258,000
7/31/2009	181,000
8/31/2009	370,000
9/30/2009	312,000
10/30/2009	9,000
11/30/2009	3,000
12/30/2009	3,000
Total Usage	1,336,000
Monthly Avg Usage	111,333

2010 Goal: Reduce annual water use by 15% or 200,400 gallons

transportation



Being in the service industry with close to 10,000 customers covering a large, rural geographic area, Silver Star's need for an ample fleet is unquestionable. How we use this fleet most efficiently is our challenge. We currently have over 50 vehicles, mainly half-ton pick-up trucks. With the exception of our diesel-run heavy equipment, our fleet consists of 100% gasoline-run vehicles.

In 2009, Silver Star vehicles travelled 698,800 miles and consumed 46,385 gallons of gasoline. Because 2009 was the first year that we tracked our miles and gallons for the entire company, we will begin reporting on progress in next year's report.

Improvement Plans

- » GPS location tracking on fleet
- » Routing job assignments to increase efficiency
- » Utilizing most fuel-efficient vehicles for travel between valleys
- » Standardize fleet to be job specific, reducing truck weight
- » Future consideration of hybrids or more fuel-efficient vehicles

2010 Goal: Reduce vehicle miles travelled by 10% or 69,880 miles

letter

from the sustainability program coordinator

I knew when we first began our sustainability program that it would be no small feat. Even though I knew it would be hard work, I had no idea what a task it would be to simply gather and analyze data. A company Silver Star's size isn't really in the position to have a dedicated full-time environmental affairs officer, but luckily the company allowed me to share my normal duties as Marketing Manager with that of the coordinator of our sustainability program, the Lean Operations Initiative.

Living sustainably is a lifestyle choice that is becoming more of the norm. While it may be a choice now, I feel that it's a necessity for us to change our behaviors now to protect our natural resources for our future generations. Working for a company that takes sustainability seriously and sees not only the benefits of operating in a lean fashion, but also cares about the impact we make on the environment, our people and our communities with our daily decisions, is something very important to me.

Even with the best of intentions fueling my passion for this program, I also recognize that not everyone views the world the way I do. When I consider how I can best encourage change in our company's culture necessary to support our sustainability mission, I must keep in mind that it's the small acts combined in masses that will improve our operations. It's not my job to convince others to share my opinions; it's my job to show them the benefits to our company in making changes that make us a good Corporate Citizen, in our communities and beyond.

It is my ultimate hope that businesses will lead the way by changing behaviors in the workplace first and then trickling down to their employees' personal life decisions, thus bettering our world just a little bit every day. If our sustainability program has resulted in just a few people in our organization recycling, using reusable grocery bags, carpooling or using

alternative transportation, composting, using CFLs, choosing environmentally-friendly, human-safe cleaners, then I feel it's all been worth it. And, it has.

I'm very excited for the upcoming year as we take all of the data we've gathered and create plans to achieve the aggressive goals we've set for ourselves in 2010. Sometimes overwhelmed by the challenges, the greatest reward I've found are the combined effect of all of our small steps forward into one giant leap for Silver Star as a more sustainable company.

Onward,

Jennifer Brannen
Marketing Manager





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