2014 | J.R. Simplot Company Sustainability Summary
What we stand for:

a passion for unearthing new possibilities

For over eight decades, the Simplot Company has been built on family ideals and values. Even in the beginning as J.R. Simplot embraced innovations, he was driven and passionate about cultivating a philosophy where new ideas have a chance to grow and flourish.

That spirit continues today as we seek new, smarter ways of managing resources to feed the needs of a growing world.

Today, sustainability touches every corner of our company: building facilities that reduce energy consumption; creating green energy resources from potato waste; developing new safety methods and policies for a better workplace; and restoring old mining land to help wildlife thrive.

At Simplot, we’re dedicated to Bringing Earth’s Resources to Life. We consider ourselves to be true stewards of the land, and are driven to provide more plentiful, healthier food—and do so with fewer resources, less energy, and smarter practices. It’s more than our goal. It’s our passion. It’s our legacy. It will be for generations to come.
J.R. Simplot had a knack for spotting trends. He had the inherent ability to see possibilities nobody else could see, and the resolve to act on them—helping him turn a one-man farming operation into today’s global food and agribusiness enterprise.

His spirit of embracing innovation remains the foundation of our Company. It’s the sense of curiosity that continues to drive us to unearth new, sustainable ways of producing food for a growing world.

Certainly, there are challenges to overcome. There are more people to feed, and fewer resources with which to do it. That’s why we believe that our future relies on finding new, sustainable ways to produce more with less, and to do so in ways that meet the environmental, social, and economic needs of our customers and communities.

Each one of us is a farmer at heart—from the worker in the field to the technicians in our processing plants to the teams of scientists in our labs—and we all share a deep respect for the environment. We understand how important it is to treat nature’s resources with respect to help it thrive.

Sustainability is more than being a good corporate citizen. It’s about being open to new ideas, taking the initiative in creating solutions that are better, more efficient and more effective—and being inspired by the possible, and excited about helping to create a better tomorrow. Throughout this Sustainability Summary, you’ll find case studies that highlight our passion for innovation, respect for employees, and our determination for doing things the right way.

Yes, it’s true. The future may be challenging, but by continuing to embrace innovative ways that improve and advance sustainability, we believe it will also be bright.

Bill Whitacre
President and CEO
Feeding a Growing Population

Nutrients
Phosphate ore from mines in Utah and Southeastern Idaho is used to create crop nutrients and other products at facilities in California, Idaho, and Wyoming.

Plant and Animal Sciences
Our plant and animal technologies produce healthy, efficient, and sustainable foods.

Food Production
We produce roughly 3 billion pounds of frozen french fries and formed potato products, as well as numerous vegetable items, for the U.S. and other parts of the world.

Farms, feedlots, and ranches
The largest beef cattle producer in the western U.S. with extensive farm and ranch holdings, including about 40 farms, over a dozen ranches, and just under 30,000 mother cows.

Turf, industrial, and feed markets
We are the largest supplier of professional turf and nursery nutrients in the western U.S. and Australia, and a worldwide distributor of turfgrass seed.

Retail
More than 90 Simplot Grower Solution centers provide value and enhance business success for thousands of farm customers in key growing areas of the West and Midwest.

Simplot's major operations are in the U.S., Canada, Mexico, Australia, and China with products marketed in more than 40 countries worldwide. Whether we’re processing avocados in Mexico, utilizing plant science technology to help grow a healthy potato, or developing agricultural solutions in China, our reach is extensive. Simplot is the sixth-largest food supplier to retail markets in Australia with approximately 10 major brands supplied to grocers there, and our sustainability efforts are evident throughout all locations.
While our sustainability efforts continue to grow as we explore and implement new opportunities, our core values have remained true over the years. For more than 100 years, these values—Respect for Resources, Spirit of Innovation, and Passion for People—have guided all our efforts...and continue to guide them.

Today’s Simplot is a far-reaching organization with roots in seed production, farming, animal nutrition, ranching, fertilizer manufacturing, frozen food processing, food brands, and distribution—all of which embrace sustainable practices. This includes leading innovations in genetics to grow healthy foods and reduce waste; constructing state-of-the-art processing facilities that reduce energy consumption; and partnering with conservation organizations to help improve water quality and trout habitat. These represent just a few illustrations of our passion and commitment to sustainability across our business.

In fact, in a very real way, sustainability is our business.

At Simplot, we believe in taking care of the planet that takes care of us. Sustainability is woven into the very fabric of our organization, driving us to unearth new ways of working smarter, more efficiently, and more cost-effectively as we help feed the world for generations to come.

At Simplot, our commitment to sustainability is founded on our core values.
At Simplot, we take our responsibility to our customers, employees, and the communities in which we work and live seriously. That’s why we have developed a broader framework that reaches beyond typical “green” concerns. The resulting partnership between the Company and our employees creates a positive culture to both underpin and advance the health, wellness, prosperity, and sustainability of our entire organization.

- **Environmental**—We preserve environmental quality and soundness in all areas through the development of new pollution prevention and control methods, and by anticipating and adhering to emerging regulations governing environmental impacts, while continually examining practices for opportunities to improve.

- **Health and Safety**—We foster safe and healthy workplaces by including employees as active participants in the process, resulting in proactive systems that reduce risk and maximize awareness.

- **Security**—Our security-oriented culture protects not only our employees, but also our customers, suppliers, and communities. We evaluate potential vulnerabilities with an eye toward producing prudent plans to eliminate risks associated in any way with the manufacturing and distribution of Simplot products.

- **Energy**—We seek to remain a leader in energy efficiency and conservation throughout the supply chain. We train employees in best practices, partner with suppliers to reduce their energy footprints, reach out to our home communities on issues of conservation, and work hard to drive waste from processes.

The ultimate goal is to forge a leadership role for our Company with facilities that ensure a safe food supply, help preserve the environment, and improve the quality of life for our employees and the communities in which we operate.
Focused on Safety
We care deeply about the safety of our employees and communities. That’s why Simplot introduced the Safety Trained Supervisor (STS) certification program in 2013. The program requires applicants to meet minimum education and experience requirements and demonstrate knowledge of basic safety and health standards and practices. The certification process is overseen by the Board of Certified Safety Professionals (BCSP) and is recognized nationally. The goal of STS is to prepare every supervisor to be a safety leader, and supervisors in all operating groups are encouraged to participate in the program.

The program consists of a two-day formal training session, held two to four times a year. Participants are required to submit an application to BCSP and then take a 100-question written test. Recertification is required every five years to ensure that every STS remains knowledgeable in safety and health practices.

The Grand Forks plant is proud to have certified the first STS Simplot employee. Since then, other Company locations have followed suit, certifying 41 supervisors to date.
For more than a decade, the CARE process has played a vital role in encouraging all our employees to engage in proactive safe practices. The CARE acronym reflects key values:

**Choose** to commit

**Assess** physical and behavioral

**React** to resolve

**Explain** and encourage

Employees and managers throughout the Company have integrated CARE into their facilities. CARE assessments are performed on a routine basis by both managers and employees. The Smoky Canyon Mine in Southeast Idaho has taken this one step further by developing a CARE Team to provide direction and accountability to the process. The team meets monthly to discuss safety suggestions and solutions that come out of these assessments. The CARE Team prioritizes these suggestions and outlines action plans for completion. The team reviews the plans with managers and develops an agreed-upon timeline. The management team demonstrates their commitment by providing an update each month on the status of the recommendations.

As a result, the Smoky Canyon Mine has experienced a significant reduction in Mine Safety and Health Association (MSHA) citations. MSHA conducts inspections at all mines twice a year. Before CARE was implemented, the yearly average of citations was 11; today, that number has dropped significantly and at times has been zero for an inspection. This is a great example of all of our employees working together to bring about a safe and productive work environment.

Simplot stages hands-on rescue competition

Embracing safety processes and measures isn’t just about education and training. It is also about working together and sharing experiences. That’s why Simplot teams participate in competitions to demonstrate their skills and improve their ability to respond to emergencies.

In the summer of 2014, Simplot staged its fifth annual rescue competition. The two-day competition consisted of a written exam and a variety of hands-on scenarios. These scenarios were designed to prepare employees at Simplot fertilizer manufacturing plants and mines to deal with emergency situations that include confined space rescue, low and high angle extrication, fire response, and medical response/patient packaging.

Rescue experts from Idaho, Utah, and Oregon acted as judges and proctors for the competition, and Idaho-based St. Luke’s Regional Medical Center shared insights on helicopter safety in rescue operations.
Passionate about the Environment
Passionate about the Environment

Sometimes it’s as simple as doing what’s good for the land. This no-nonsense approach makes it possible for us to continue utilizing the resource, while providing benefits to both the landscape and the species that inhabit it, such as the Greater sage grouse.

Research plays an important role in protecting habitat. The University of Idaho, the BLM, the U.S. Fish and Wildlife Service, and other partners are in the process of conducting a spring cattle grazing/sage grouse study. Hens on both BLM land and Simplot property have been collared and monitored throughout the nesting and brood rearing season with excellent preliminary outcomes.

A major threat to sage grouse is wildfire. Simplot employees created Rangeland Fire Protection Associations to suppress wildland fire across Simplot’s BLM allotments. This helps us to project forage for our livestock, while at the same time, protecting habitat for all species using the range, including sage grouse. Simplot Land and Livestock employees, along with BLM personnel, were honored in May, 2014 with the Pulaski Award, given annually to the nation’s best wildland fire crew.

The Simplot Vernal Mine, in Vernal, Utah, also does its part to restore and improve habitat in an area that’s highly valued by the local community. Working with the Utah Division of Wildlife Services (UDWS), we reclaimed an important habitat area for Mule deer, Greater sage grouse, elk and numerous other wildlife species. From establishing vegetation by re-seeding old reclaimed areas to seeding different varieties of sage brush on approximately 50 acres, Simplot is passionate about restoring land for future generations.

Protecting sage grouse —and their habitat
We’re proud to have recently completed a major remediation project at our Conda phosphate mine in Southeast Idaho. Located northeast of Soda Springs in Caribou County, the Conda Mine was active from 1906 to 1984. Due to mining practices that were common during that time period, a trace element—selenium—can be released into the environment. In the Pedro Creek area of the Conda Mine, we placed a soil-type “cap” over about 120 acres of the overburden and seeded it with a mixture of grasses. Erosion control and water management features were also added.

The project was completed on an accelerated timeline and in collaboration with the U.S. Environmental Protection Agency, the Idaho Department of Environmental Quality, the U.S. Bureau of Land Management, the U.S. Fish and Wildlife Service, and the Idaho State Department of Lands. In all, the project took more than two years and required 51,304 total worker hours to complete.

While this specific project is complete, we will be involved in the Mine site’s remediation over the next decade. Our future plans include developing a plan for long-term monitoring, expanding the soil-cover and seeding operations, and continuing to study the soil and vegetation.
Incorporating sustainable practices can result in multiple benefits. For example, at the Simplot Grand Forks potato processing plant, we constructed an anaerobic digester as part of a wastewater treatment upgrade project. Besides achieving cleaner water, the biogas (methane) generated by this treatment unit from the decomposition of potato waste produces an energy source that lowers the plant’s natural gas consumption by 25 percent.

**Grand Forks Digester Facts**

- **To fill the digester with a standard garden hose would take** 5.5 YEARS!
- **Wastewater and potato trim from this facility produces over 300,000 million Btus per year of biogas!**
- **The digester capacity would fill nearly 75 Olympic-sized swimming pools!**
- **The plant has the potential to produce enough methane daily to heat 4,200 U.S. homes for the day!**
Serious about Saving Energy
In 2009, Simplot joined the U.S. Department of Energy’s Save Energy Now Leader program and adopted the goal of reducing our energy output by 25 percent over 10 years. To date, the results have been astonishing—five of the Company’s thirteen industrial facilities have reduced their energy intensity over 25 percent, with other locations expected to surpass that goal soon.

In fact, we have earned numerous awards for our energy-saving efforts. The company is an EPA ENERGY STAR Partner, with the first frozen vegetable processing facility in the nation to earn the ENERGY STAR award. The facilities shown below have consistently earned the annual ENERGY STAR award as well.

Outside the United States, Simplot’s Portage La Prairie facility in Canada also met the ENERGY STAR requirements from 2009–2013.

Two Simplot facilities were also recently honored with the Idaho Governor’s award for Excellence in Industrial Energy Efficiency. These awards recognize companies that showcase exceptional leadership in implementing energy efficiency at their local facilities, and are a reflection of Simplot’s ongoing focus on creating policies and best practices for reducing energy intensity.

Simplot facilities earn multiple energy awards

Grand Forks, ND 25%
Rivergate, OR 38%
Caldwell, ID 30%
Helm, CA 25%
Grandview, ID 29%

Smoky Canyon Mine, ID 2013
Don Plant, Pocatello, ID 2014

Aberdeen, ID 2009 annually to 2013
Othello, WA 2009, 2013
Sustainability snapshot:
Caldwell, Idaho plant

As our company grows and expands, Simplot recognizes the opportunity to use the latest technology advancements to improve sustainability. The new potato processing plant in Caldwell, Idaho, is an ideal example of our dedication to building smarter, more efficient facilities that reduce energy consumption and waste. For example:

Saving energy is a big deal to Simplot employees around the world, both at work and at home. Each year, we recognize facilities and employees going above and beyond to reduce our company’s energy intensity.

Our Energy Awards are based on common criteria across all sites worldwide, and scoring is based on standards established by Simplot’s Global Energy Steering Committee.

In 2013, Simplot Australia accomplished a triple play by winning all three of the top awards.

Simplot’s top energy achievers share many common traits, including a culture of energy awareness as well as a willingness to deploy energy-efficiency projects that benefit our plants, our company, and our communities.

Biogas combusted from Simplot facilities in 2013 combined saves enough natural gas to supply
1,900 homes for a year.

LED lighting enables the factory to cut over 1.8 million kilowatt-hours (kWh) of electricity per year.

An advanced wastewater treatment system allows this facility to save over 230 million gallons of water per year by recycling.
Embracing the latest Innovations
Innate™ —the next generation potato

How do we help nature to grow potatoes that benefit growers, consumers and the environment alike? That was the challenge at Simplot Plant Sciences, who used genetic technology to suppress potato genes to create Innate™ potatoes—new, naturally-grown potatoes that will help growers and retailers reduce waste while saving money.

Innate potatoes are created with a biotechnology process that results in improved, more sustainable crops. They’re less susceptible to bruising caused by impact and pressure during harvest, enabling growers and packers to utilize a higher number of potatoes and experience less waste and rejection. These potatoes have lower levels of asparagine and sugars, providing alternative choices for consumers.

Innate is expected to receive USDA deregulated status and FDA consultation approval soon, and with those approvals, to be introduced into small-scale, closed-loop test markets in 2015.

Estimated Innate™ use benefits by the numbers*:

- **240 million lbs.** Reduced waste for packers and retailers
- **30 percent** Amount of reduced consumer potato waste
- **$55 million** Yearly amount saved by reducing potato waste reduced in the retail market channel
- **44 percent** Percentage of Innate Burbanks that bruise less than ordinary Burbanks
- **135 million lbs.** Yearly amount of bruised Russet potato waste growers will save

* Assumes 100% market penetration for Innate™

The Innate™ brand represents responsible plant biotechnology, products and services leading to new and healthy foods for consumers.
Sustainable agriculture must be economically viable, socially responsible, and ecologically sound. The practice of "site-specific" farming, also known as Precision Agriculture, allows farmers to sustainably utilize resources like land, water, and agronomic inputs while maximizing the productivity of each and every acre of a farm.

Simplot SmartFarm® is a platform of solutions and technologies which enhance farm operations from planting to harvest. Simplot follows the guidelines outlined in The Fertilizer Institute’s 4Rs of Nutrient Stewardship by applying the right source, at the right rate, at the right time, and in the right place. Although directed to proper nutrient stewardship, these principals carry over to all agricultural inputs, which is the basis of precision agriculture: applying inputs only where and when they are needed—no more, no less.

SmartFarm provides our farm customers with customized solutions that combine our knowledge in crop protection, crop nutrition, specialty products, seed, and technology to maximize production and profitability across the variable of each field.

Reducing, Reusing, Recycling:

Simplot Australia embraces innovative ways to minimize waste

Throughout Simplot Australia, finding new ways to reduce waste has been a constant driving force. Each site has implemented a waste reduction plan to increase recycling rates and reduce waste sent to landfills.

These efforts have resulted in more than 85 percent of manufacturing waste being recycled.

In addition, Simplot Australia’s Birds Eye® brand was a founding member of the REDcycle product—a closed-loop recycling system that diverts plastics from landfills into a reusable resource. Through the program, consumers recycle soft plastic packaging into bins at their nearest retail outlet. The plastic is then converted into high-quality products such as:

- children’s playgrounds
- outdoor exercise equipment
- park benches
- signage

The public has enthusiastically embraced the program, recycling more than 82 tons of packaging within the first six months of the program.
Committed to our **Communities**
We are committed to supporting our communities—not only with financial investments, but also with investments that enrich the community as a whole. Our participation in everything from cultural events to the health and wellness of local citizens is an important part of our Simplot sustainability philosophy.

Across our operations, Simplot employees are working on charitable programs and volunteer projects. Simplot is a significant United Way Corporate Sponsor in Idaho’s Treasure Valley, a commitment that reflects our considerable contributions across the board. We encourage our employees to be active in their communities, from participating in civic groups to serving on nonprofit boards. A volunteer review committee meets regularly to discuss opportunities for employee engagement.

Simplot’s support to our local communities and society as a whole extends to organizations whose primary missions fit one of five focus areas:

- Arts
- Business
- Community
- Education
- Youth

Celebrating Earth Day in Moses Lake

Each year, the Simplot Moses Lake plant hosts an Earth Day celebration to showcase what the company is doing to create a sustainable, environmentally efficient operation. The celebration includes tours around the plant’s award-winning waste digester, nicknamed “Bertha,” and views of the adjacent farms where treated process water is used to irrigate crops and reuse nutrients.

The anaerobic digester creates biogas that is burned in the plant’s boiler, turning what was once considered a waste product into a valuable source of power, to date generating over 150,000 carbon credits. This celebration provides a natural opportunity for plant employees to share its efforts with the public.

In 2013, we recycled 2,155,508 pounds of mixed metal (steel, iron, aluminum, etc.)
Grand Forks
French Fry Feed breaks world record

The Grand Forks French Fry Feed, with fries supplied by the Simplot Grand Forks potato processing plant, is an annual event that honors the potato growing industry.

In 2014, the event celebrated its 25th year by breaking the Guinness Book of World Records for largest single serving of french fries. Over 10,000 people attended the 2014 event, consuming a total of 5,130 pounds of fries—surpassing the event’s 2011 record by 120 pounds.

The French Fry Feed has been a popular event during Potato Bowl week, which also includes a parade and a college football game. Simplot is an integral part of the festivities, along with local businesses and the Northern Plains Potato Growers Association.

Bringing energy conservation home

At Simplot, saving energy at home is just as important as saving energy at work. To encourage our employees to have a conversation with their children about ways to save energy, the Company created an Energy Efficiency Calendar that highlights the benefits of energy efficiency through images, activities, and messages. Each page of the calendar was developed by representatives from a different part of the company, making it one of the first global joint creative exercises among Simplot employees across the globe.

Children were invited to complete their calendars and write brief essays explaining why saving energy is important. Those who submitted completed calendars and essays were eligible to receive special prizes.
The Simplot Games is the largest indoor high school track and field meet in the West. Always held at Idaho State University in Pocatello, Idaho, 2014 marked the 36th Annual Simplot Games with approximately 2,000 athletes competing.

2014 brought several changes to the event with a team from Mexico competing for the first time. In addition, the 400-meter invitational race was newly introduced for both men and women. Each year, meet records are broken as young athletes compete to get one step closer to a potential Olympic qualification.

As part of the Simplot Games tradition, former Olympians participate each year in the event. Olympians Dick Fosbury, Andre Phillips, Willie Banks, and Idaho State University alumna Stacy Dragilaare were just a few of the Olympians who have joined the athletes and coaches for the annual event.

Let the games begin:
Simplot Games sets records