Respect for Resources
As a food company, we are dependent on the earth’s resources and we acknowledge the responsibility we and our suppliers have to use these resources sustainably.

Spirit of Innovation
Innovation is the link between our people, our resources and the future.

Passion for People
We are committed to the wellbeing and safety of our people and the communities within which we live and work.

Our History
Whatever the occasion, our brands have been an integral part of Australian lives for generations.

Who We Are & What We Stand For
Simpot, Australia is a leading food manufacturer and home to many of Australia’s favourite food brands.
Home of Australia’s Favourite Food Brands
Who We Are & What We Stand For

Simplot Australia is a leading food manufacturer and home to many of Australia’s favourite food brands.
Company Profile
Simplot Australia is a diverse business that is driven by a passion for great food. Our portfolio includes more than 1,500 different food products that we offer the Australian retail and foodservice markets. These range from balanced meals, convenient frozen vegetables, tasty pasta sauces, and nutritious seafood to fun snack foods. As a strong supporter of the Australian food industry we employ around 2,800 people and source more than 300,000 tonnes of Australian grown vegetables each year. We are passionate about Bringing Earth’s Resources to Life in a sustainable way so that Australians can enjoy good food for generations to come.

This is Simplot Australia’s second Sustainability Report.

We have used the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines and referred to the GRI Food Processing Sector Supplement to address specific sustainability issues relevant to the food industry. We believe that this report meets the GRI criteria for a Level B Self Declared Report. The list of GRI indicators we have responded to can be found in the GRI index table on page 40.

As a private company we have not disclosed full financial data. However, this report includes some financial information from Simplot Australia’s 2012 and 2013 financial years. Our report provides an overview of the progress we have made in each of the three pillars of our sustainability commitment: Respect for Resources, a Spirit of Innovation and a Passion for People. We highlight a number of the specific actions we have taken including our energy efficiency program, our commitment to seafood sustainability and our sodium reduction nutrition program.

For the first time this report includes information about our Top Cut Foods business. We acquired Top Cut Foods in 2010 to complement our food manufacturing portfolio. Top Cut Foods is an internationally accredited Australian meat manufacturer producing and distributing an extensive range of fresh beef, lamb, pork, poultry, game, smallgoods, and processed products to the foodservice industry.
The J.R. Simplot Approach
Simplot Australia’s parent company, the J.R. Simplot Company, is a U.S. based family-owned business and this governing model has allowed us to make sustainability a priority. We are committed to the wellbeing of our employees and we are deeply embedded in, and committed to, the communities in which we work.

Being a family-owned business also means that we apply a generational lens to all our decision making—we want to preserve the opportunity for future generations to meet their economic, environmental and social needs.

As a Company we’ve always considered it common sense to use resources sustainably—it’s part of our history, it’s good for our business and it’s simply the right thing to do.

When the young J.R. “Jack” Simplot established his one-man farming operation in 1929, he grew the Company by creating new and innovative ways of doing business. Today we recognise many of his instincts as “green” thinking: he adapted emerging technology to improve products, made processes more efficient, and devised uses for material that others considered waste.

The Company has continued along this path. Today, almost ninety years on, these principles have been embedded into every aspect of the organisation.

The J.R. Simplot Company’s commitment to doing business sustainably is supported by three pillars: Respect for Resources, a Spirit of Innovation and a Passion for People. These three pillars guide the actions of over 10,000 Simplot employees in 14 countries, on four different continents.

Respect for Resources
Simplot is committed to natural resource protection, reclamation, recycling and compliance with environmental laws and regulations.

Spirit of Innovation
Simplot places a priority on technological innovation. The Company infuses this mission in all levels of operations to improve efficiency, lower costs and reduce operational impact.

Passion for People
Simplot takes care of the wellbeing of its employees and their communities. The Company is highly dedicated to educational partnerships, philanthropy and volunteerism.
Message from the Managing Director, Simplot Australia

Welcome to Simplot Australia’s second Sustainability Report which outlines how we have continued to build sustainability considerations into our business strategy, operations and culture.

The challenges around the sustainability and competitiveness of the Australian food and grocery manufacturing sector have been well documented and in my role as Chairman of the Australian Food and Grocery Council I’ve been at the forefront of advocating for the industry. Despite pressures such as rising input costs and retail price deflation I am proud of Simplot Australia’s achievements this year. Positioning ourselves for long-term sustainable growth has involved some hard decisions but we’ve been encouraged by the way communities, including farmers and suppliers, have joined with us to ensure a viable future for all.

As a Company we have always faced challenges head on—our agility and our ability to adapt are behind Simplot’s historic success. With that in mind in 2013 we embarked on a new strategic direction in order to secure our profitability and ensure long-term growth. Our new strategy has redefined our vision which is to be a vibrant, sustainable provider of great food in Australasia and South East Asia.

The acquisition of Top Cut has allowed us to further develop our “whole-of-plate” approach and continue to build on our passion for great food, our expertise in food production, and the success of our iconic brands. Simplot Australia aims to be a leader in creating delicious and inspiring menu solutions. And we plan to build stronger and more direct relationships with consumers by utilising the possibilities of the new digital world. Executing our new strategy will allow us to increase our share of the Australasian plate and help us to capitalise on emerging opportunities in South East Asia. I am confident we will achieve our new Vision 2020 strategy because of the know-how, commitment to innovation and dedication of our people.

As we bring the earth’s resources to life and implement this new strategic direction our three key sustainability principles—Respect for Resources, Spirit of Innovation and a Passion for People—will continue to underpin and guide everything we do. This Sustainability Report describes the progress we have made in each of these areas. It includes our improved safety record, our commitment to employee wellbeing, our environmental performance, our investment in innovation, and our work with communities in need. Corporate responsibility and growth are not mutually exclusive. These initiatives can and do help to support our Company’s continued success.

We continue to support communities in need by assisting Foodbank and SecondBite as they work to deliver nutritious meals to disadvantaged Australians. We are involved in the Smith Family Learning for Life program that provides computers and Internet access to disadvantaged children and families. This year we proudly launched a new initiative further afield in partnership with WWF-Australia: the John West Conservation Program. This program seeks to help communities in the Pacific Islands reduce their environmental impact and enjoy a secure source of food and income.

I look forward to the year ahead and to making further progress in our sustainability journey in order to benefit consumers, our employees, the communities in which we operate, and the environment.

Terry O’Brien
Managing Director
Simplot Australia Pty Ltd
Our Business
Simplot Australia is headquartered in Melbourne, Victoria and includes operations in Australia, New Zealand and Asia. As part of our new business strategy we divested Mr Chips, our New Zealand-based potato manufacturing business, in 2013.

Over the past 12 months we have implemented a new seven-year strategy that is designed to enhance Simplot Australia’s competitiveness by reducing our cost base and optimising growth opportunities into new markets. The first phase of our 2020 Vision was implemented in 2013 to deliver a more efficient operating model. The new structure is designed to ensure we have dedicated teams that are able to deliver in-market excellence to our customers. We also launched a series of company-wide projects aimed at creating a leaner, more agile business model by eliminating unnecessary cost and complexity in our supply chain. The aim of these projects is to make significant savings by streamlining key business activities. The cost savings achieved through these projects will assist in restoring earnings and strengthening the business, through reinvestment in new opportunities for growth and increased productivity.

Governance
Simplot Australia is committed to conducting business in an ethical manner that maintains high standards of corporate governance. For more than a decade our LIFE values and Code of Conduct have guided our approach to business and engagement with our stakeholders. Together they provide clear, practical guidance, while aiming to help all Simplot employees act with Leadership, Integrity, Flexibility and Excellence.

The LIFE values are incorporated into our employee performance reviews. All employees with access to company computers are required to complete our online Code of Conduct training course. We proactively provide targeted training on topics ranging from harassment, discrimination and equal opportunity, to trade practices and occupational health and safety. We also carry out regular OH&S observational audits at our manufacturing sites. This helps ensure that every employee, along with management, is responsible for maintaining a safe workplace.

We understand that it is important for all employees to feel they have a safe and confidential way to share any ethical concerns. We maintain a hotline called the Employee Reporting Hotline and a web-based reporting tool, so that employees can raise questions and concerns confidentially and anonymously.

In Australia food production and manufacturing are regulated, licensed and monitored in all States. Simplot Australia complies with these regulations as a base line.

We are committed to ensuring we maintain an ethical and transparent supply chain that utilises responsible sourcing. We do not employ children or forced labour within our facilities in Australia and have had no breaches of indigenous rights. Our supplier guidelines are incorporated into our contracts. They require our suppliers to promote ethical business practices within their own operations and they expressly prohibit corrupt business practices.

As part of our move to a leaner more agile operating model our Board of Executive Directors has reduced in size from ten to eight members. Our Corporate Governance Committee reports into the Board and is made up of senior managers from across the organisation. This Committee assists the Board to fulfil its responsibilities and is involved in actively overseeing and monitoring key risks for the business.

Global Sustainability Taskforce
The J.R. Simplot Company has created a global Sustainability Taskforce to engage the entire Company in the sustainability conversation. The goals of the Sustainability Taskforce include identifying and monitoring potential areas of improvement, creating measurements for success and tracking and reporting progress towards those goals, and consistently and proactively communicating results with Company leadership. The Sustainability Taskforce reports quarterly on the Company’s progress towards our sustainability goals.
Stakeholder Engagement
We understand the importance of listening to and communicating with a broad array of stakeholders on a wide range of issues. The following table lists some of our key stakeholders and the primary ways in which we engage and communicate with them.

The Australian Food and Grocery Council (AFGC) is an important stakeholder. Currently our Managing Director is the Chairman of the AFGC and we have representation on the Sustainable Practices Committee and the Health Nutrition and Scientific Affairs Committee. Participation on these committees provides an opportunity for leading Australian food and grocery companies to collaborate on common issues impacting the food industry.

In 2014 Simplot Australia became a founding member of the Retail and Supplier Roundtable (RSR) Sustainability Council. The RSR Sustainability Council will provide an opportunity for broader collaboration between retailers and food and grocery companies on issues relating to the environmental, social and economic impact of products.
Creating Shared Value

We want to be a part of a food production system which has sustainability at its heart. This means the social, ethical and environmental performance of our Company is inextricably linked to the success of our business. Our aim is to create shared value by developing products that meet the needs of our consumers, using resources more efficiently across our supply chain, and supporting the communities in which we operate.
Who We Are & What We Stand For
Simplot Australia Sustainability Report 2014

Logistics and Packaging

Environmental Protection

Reduce Reuse Recycle

Our People

Consumers

Community
**Responsible Marketing**

Marketing and advertising can be a powerful force for behavioural change. It helps inform people about the benefits of our products and innovations. It is also a way for us to engage with consumers on issues that matter to them. At the same time, we recognise the influence of marketing and advertising on consumers and take our responsibilities seriously. We use the Australian Association of National Advertisers (AANA) food and beverage advertising and marketing communications code as the basis for all our communications. The AANA code stipulates that all marketing and advertising must be honest and truthful and that all claims must be accurately represented.

We are committed to marketing to our consumers in a responsible way and we achieve this by using transparent communication methods both directly to our consumers and indirectly through our stakeholders. We provide clear information on the proper use of our products and we use a combination of channels to communicate openly with our consumers including product labels, websites, social media, consumer leaflets and via our consumer information phone number.

**Responsible Marketing to Children**

Simplot Australia is a voluntary signatory to The Responsible Children’s Marketing Initiative (RCMI). We recognise that responsible advertising to children is an important part of our social responsibility as a food manufacturer. We follow the RCMI’s framework for the marketing of our products to children. The code covers advertising shown during children’s TV viewing hours, as well as internet sites and computer games directed at young children. By supporting the code we are helping to ensure that only healthier products are promoted directly to children. This means we are committed to:

- advertising and marketing that promotes healthy eating and lifestyles to children
- providing parents with a means to raise concerns about advertising to children
- not paying for or seeking product placement in television programs, editorial content or interactive games aimed at children, unless the product is a healthier choice, and
- not advertising and marketing to children in Australian schools unless we are asked to by those schools.
Focus on Nutrition
We recognise that the food industry plays an important role in protecting and promoting the health of Australians by providing access to safe, affordable and nutritious foods which assist individuals to make diet and lifestyle choices consistent with good health and wellbeing. With diet-related disease continuing to rise there is increased pressure from governments, public health advocates and consumers to improve the nutritional profile of manufactured foods.

Simplot Australia, like many other key players in the food industry, is committed to continuously improving the nutritional qualities of our products in line with recommendations outlined in the Australian Dietary Guidelines. This means we are aiming to limit the saturated fat, trans fat, added sugar and sodium content of our products and to increase protein and fibre where possible. To achieve these goals Simplot Australia has developed a nutritional profiling system that sets out nutrient benchmarks for each food category. We are using our profiling system to review the nutritional value of our products, consulting with industry bodies and working to make improvements through product development and reformulation.

Food for Better Living

Sodium reduction program
Simplot has been working with the Australian Government’s Food and Health Dialogue since 2011 with the aim of reducing the sodium levels of 28 products in our Leggo’s sauce range by up to 15% by the end of 2014. In three years we have eliminated more than fifteen tonnes of salt from our Leggo’s products.

Heart Foundation Tick
Simplot Australia has been a long-standing supporter of the Heart Foundation Tick Program. Over 80 of our consumer products have earned the Heart Foundation’s Tick of approval: an independent assessment of the nutritional content of food products. Consumers use the Tick to help them choose healthier foods which are lower in saturated fat, sodium, kilojoules and contain plenty of good stuff like fibre, calcium, wholegrain and vegetables.

Nutrition education
Our team of dietitians and nutritionists provide advice and guidance on the nutritional qualities of all our products. They produce a quarterly online newsletter, helping consumers to stay up to date with the latest nutrition topics, research and healthy food ideas.

Cooking education
Our Leggo’s brand has developed an ambitious cooking education program. Through messages on-pack, online and in specially commissioned cookbooks, Leggo’s is making it easier for Australians to prepare great home cooked meals.

All natural ingredients
Our John West canned seafood, Birds Eye Oven Bake and the Leggo’s Vine Ripe Range of products contain all natural ingredients.

Calorie controlled meals
For over 25 years Lean Cuisine products have provided consumers with a balanced approach to nutrition. Lean Cuisine’s frozen prepared meals are developed by chefs and nutritionists, using quality ingredients. The range is 97% fat free and free from artificial colours, flavours and preservatives. Our meals are simply cooked then frozen to maintain nutrition and great taste.

Convenient meals
We understand that eating good food is important at each stage of life. In 2012 we launched the Simplot Life range of low cost, easy home style meals to assist older Australians to eat well. The range provides complete three course meal options and includes more than 40 products such as chicken schnitzel and apple pie with custard. These easy meal options are ideal for retirement villages, hospitals and government institutions.
Respect for Resources

As a food company we are dependent on the earth’s resources and we acknowledge the responsibility we and our suppliers have to use these resources sustainably.
Reducing Environmental Impact

We live in a resource-constrained world and these resources are under increasing pressure. Therefore we recognise it is critical that we run our business in a way that is environmentally, socially and economically sustainable for the long term.

We aim to minimise our overall environmental footprint and have made good progress since our last report. To do this we have identified five areas of our business where we can make the biggest impact:

- Energy
- Emissions
- Packaging
- Water
- Responsible Sourcing

Four of these—energy, emissions, water and packaging—relate to our day-to-day operations. But we have also recognised and taken responsibility for influencing the sustainability of our supply chain, hence our interest in responsible sourcing.

We have set goals in each of these areas, tracked our progress, and made ourselves publically accountable.

The environmental data presented in this report covers the operations of our 15 manufacturing plants based in Australia.

Efficient Manufacturing

The operations of our manufacturing plants are guided by the Simplot Australia Environmental Policy. Inspired by the principles set out in our Code of Conduct, our environmental policy affirms our commitment to continuous improvement in the environmental and energy efficient performance of our production processes.

We have implemented an environmental management system that is integrated with our operations. Our Ulverstone and Devonport facilities are ISO 14001 accredited with the remaining sites following similar procedures. This provides a framework for us to ensure that our business is conducted in a manner which uses materials and energy efficiently and minimises the impact of our operations on the environment, the community, our employees, customers and consumers.
Our Energy Strategy

Targeting energy efficiencies helps us achieve our environmental objectives and to improve the economic sustainability of our business through energy cost reductions.

In 2008 we set ourselves an ambitious goal to improve energy efficiency by implementing our global “25 in 10” energy reduction initiative. This initiative aims to reduce the amount of energy used per tonne of product processed across our manufacturing sites by 25% over a 10 year period. In August 2013 Top Cut Foods formally joined this program.

Beyond what we are doing internally to improve energy efficiency we also work collaboratively to support industry-wide programs and advocate for regulatory change. We participate in the Federal Government’s Energy Efficiency Opportunity (EEO) program: an Australian Government initiative encouraging large energy-using businesses to improve their energy efficiency, and we are an active member of the Energy Users Association of Australia (EUAA): a not-for-profit national association that represents and services the needs of Australian energy users, helping them manage their energy use efficiently and advocating to all levels of government. In the last reporting period we were actively engaged in advocacy for electricity network regulatory reform: as part of a subcommittee of the EUAA we submitted rule changes to the Australian Energy Market Commission. We have also joined an energy subcommittee of the Australian Food and Grocery Council working with similar industries to provide input into proposed regulatory changes.

Our Progress

We have achieved a 12% reduction in energy intensity since launching our “25 in 10” energy efficiency target. These results have been achieved not only through capital projects but also through embedding a culture of energy efficiency into our organisation. We have undertaken a number of activities to ensure we continue working towards our goal. These include:

- collaborating with our parent company to share opportunities on energy efficiency
- identifying site-based energy champions and energy teams, supported by a corporate Energy Efficiency Steering Committee
- issuing weekly and monthly energy reports to allow visibility of performance
- publishing monthly energy efficiency newsletters, and
- undertaking energy audits across our sites.

Developing a culture of energy efficiency is critical to the success of our “25 in 10” program. In recognition of this our parent company presents annual global energy efficiency awards to acknowledge both individual and site based achievements. In 2013 Simplot Australia was the proud recipient of three awards including the Award for Energy Excellence, Energy Champion of the Year and Energy Employee of the Year.

Energy Efficiency Projects

**Energy Efficient Lighting**

The installation of energy efficient lighting has saved us more than 1,700 MWh in energy use each year. Our first step was to install 80 solar tubes (industrial skylights) at our Ulverstone and Echuca sites. This allows us to utilise natural light during daytime operations and reduce our reliance on electric lights. We’ve also upgraded more than 1000 electric lights by replacing 400 watt metal halide lights with a range of lower wattage induction lighting. These lights provide the same level of illumination with lower energy usage. Our lighting project has extended to head office where energy efficient lighting is now used in all of our administration areas.

**Refrigeration Upgrades**

We sell more than 200,000 tonnes of frozen products each year and so appropriate refrigeration is critical to our operations. The majority of our frozen products are manufactured at our Bathurst, Pakenham and Ulverstone sites. As part of our work to identify energy efficiencies we recognised that significant improvements could be gained by upgrading our freezers. With funding assistance from The Clean Energy Future Grants provided by the Federal Government we’ve been able to launch our refrigeration upgrade projects. On completion they will save us 4,275 MWh of electricity and reduce our carbon emissions by 3,300 tonnes per year.

**Boiler Upgrade at Bathurst**

Boilers are used to create steam for blanching vegetables and for the retort process where canned products are cooked after they have been filled and sealed. Large amounts of water and energy are used by boilers during the cooking process and efficient operation can provide significant savings. To ensure we are using the boilers at our Bathurst site in the most efficient way we have undertaken a boiler upgrade. This project involves increasing the size of the water tank and the installation of more piping to allow more hot water to condensate and be returned to the boiler. On completion this project will save 8,400 GJ of natural gas and 433 tonnes of carbon emissions each year.
Reducing Carbon Emissions

We recognise the importance of adopting technologies that will help us to reduce greenhouse gas emissions. In 2013 we made an important step towards reducing our carbon emissions by converting the coal fired boilers at our Ulverstone plant to natural gas through the installation of a cogeneration plant. We estimate that this project will save 39,000 tonnes of carbon emissions in a full operating year. Since our last report we have reduced the carbon footprint of our Ulverstone site by 39% and the total company carbon footprint by 21%. This saving is equivalent to removing 5,500 cars from the road.

We have also been working closely with our logistics providers to reduce truck mileage, use lower emission vehicles, employ alternative transport such as rail or ship and improve the energy efficiency of our warehouses. These projects include:

- reducing truck transport mileage by moving from central delivery of our canned seafood products into Melbourne to direct delivery into our WA and NSW distribution centres
- working to eliminate the relocation of products by improved planning systems to ensure products are delivered to the correct State for sale
- utilising coastal shipping opportunities from Melbourne to WA where available
- investigating opportunities for shipping from Melbourne to QLD to replace reliance on trucks and rail
- upgrading our refrigeration facilities at three of our sites in order to reduce carbon emissions by 3,300 tonnes, and
- investing in advanced video conferencing facilities in order to reduce travel by our employees.

<table>
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<th>Total GHG Emissions (tCO2e)</th>
<th>Total Scope 1 &amp; 2 Emissions Intensity (tCO2e/Processed Tonne)</th>
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<td>20,000</td>
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Our Water Strategy

Water is a precious and constrained resource and we are working hard to ensure that water conservation is a key part of our sustainability strategy. Our use of water is both direct and indirect. We use water directly as an ingredient in our products and during the manufacturing process. Water is also used by our supply chain, namely growers who use water to irrigate their crops.

Water in Manufacturing

We use water in the processing of our products to help us maintain the highest levels of hygiene in our production facilities. All our manufacturing sites are focused on improving their water intensity (kilolitres of water used per tonne processed) and have committed to a 10% reduction in water intensity (using 2010 as a baseline year).

Working towards our 10% water intensity reduction target has been challenging for our business during this reporting period. We have achieved improvements at our Devonport, Bathurst and Kelso sites however our remaining sites have not yet reached our target. A key factor impeding our success has been variations in volume and capacity through our factories. We are committed to achieving our goal and we have implemented the Simplot Water Wise Program.

Water in Agriculture

As well as working greater efficiencies into our own processes we have also taken responsibility for influencing the sustainability of our supply chain. Over the last few years Simplot’s agricultural services team has been working alongside our Tasmanian potato growers, applying precision agricultural technologies that allow us to carefully manage agricultural inputs such as water.

We are using bioscience and the latest technologies in agricultural farming techniques including electromagnetic soil mapping and infrared imaging of crops to create digital maps that provide information not seen by the human eye. This information gives growers the opportunity to develop precise crop management methods and to adjust the amount of water used on their crops. This means seeds planted in heavy soils, which hold moisture and nutrients well, are not over watered (causing potatoes to rot) and seeds planted in light, sandy areas, which quickly dry out, are watered more frequently. We estimate that precision agriculture will provide significant water savings for our growers in the future.
Our Waste Strategy
Simplot Australia is committed to reducing waste from our manufacturing sites and offices as well as minimising packaging waste for our consumers. Our Company’s “3R waste strategy” of Reduce, Reuse and Recycle is focused on improving recycling rates, reducing waste to landfill and developing campaigns to foster better waste management behaviour.

Each of our sites has implemented a waste reduction plan to increase recycling rates and reduce waste to landfill. Our waste streams are broken into four areas consisting of water, liquid waste, solid waste and recyclables. We have achieved good results in all of our waste streams during the reporting period with more than 85% of our manufacturing waste being recycled.

Reducing Office Waste
We are improving the environmental management of our non-manufacturing sites and educating our employees about waste-related issues. We have implemented commingled recycling, as well as cardboard and organic programs to divert waste from landfill and we have installed a worm farm at our head office to increase our recycling opportunities. As a result of these initiatives we divert more than 300 cubic metres of waste from landfill each year.

Recyclable Waste
Currently we are able to recycle cardboard, plastics, glass, aluminium, scrap metal and green waste. Soil and mud are returned to farmland, waste vegetable matter is delivered as feed to livestock, and food oils are sold to third parties. We have also developed a food donation program to ensure that products near their use-by date can be distributed to community food programs rather than going to landfill.

Wastewater
Wastewater that is generated as part of the food manufacturing process is discharged to external water authorities. We are working to reduce the amount of water used for processing and to improve the quality of wastewater discharged in all our plants. A key part of our water savings plan is to identify more opportunities for water reuse. Our Bathurst plant has implemented a project that takes advantage of the close proximity of our farms to the site. Water used in the manufacturing process is captured, treated, filtered and then transferred directly to farms just outside our factory. We have redirected more than 200 million litres of water to crops each year, significantly reducing the load on the Bathurst town water treatment plant.

85% of our manufacturing waste is recycled

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<tbody>
<tr>
<td>Cardboard</td>
<td>2,040 tonnes</td>
</tr>
<tr>
<td>Soil</td>
<td>5,038 tonnes</td>
</tr>
<tr>
<td>Green Waste</td>
<td>81,895 tonnes</td>
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</table>

Total waste recycled 88,973 tonnes
Sustainable Packaging

Packaging ensures the protection of our products from the production phase through to shipping, distribution and final consumption and is crucial in safeguarding the quality of our products for our consumers. However packaging can also end up as waste in landfill or as litter. Our approach is to reduce, reuse and recycle but increasing resource scarcity means it is more urgent than ever to be efficient with packaging and to find solutions for post-consumer waste. The business case for more sustainable packaging is clear—by reducing packaging we can achieve cost benefits in materials, energy and transport.

As a signatory to the Australian Packaging Covenant (APC) Simplot Australia is directly involved in working to change business culture by designing more sustainable packaging, increasing recycling rates and reducing packaging litter. We support the Sustainable Packaging Guidelines and in 2011 implemented our APC action plan that sets out key actions and targets for the design, recycling and product stewardship of our packaging.

Packaging Reduction Program

As part of this program all packaging must be assessed against the sustainable packaging guidelines. This assessment process requires us to consider whether our product packaging designs can be altered to yield a more optimal format that is capable of protecting the contents and, at the same time, reduce the amount of packaging required. Our packaging reduction program is also driving us to consider the impact of lean design—we are working to adopt more standardised designs and to create generic and simplified packaging formats. By adopting a more standardised approach we are able to reduce inventory and production line setup times. It also provides us with the opportunity to reuse redundant packaging that might otherwise go to waste as a result of product deletions.

Since 2010 we have reviewed more than 75% of our packaging against the APC guidelines and we are committed to reviewing 100% of our products by 2015. We have saved more than 1,500 tonnes of packaging as a result of our sustainable packaging assessment reviews.

These are some of the steps we have taken to reduce, reuse or recycle our packaging. We have:

- made more than 95% of our product packaging recyclable
- changed the packaging format for our Oven Roast Birds Eye Frozen vegetable products and reduced the packaging per kilo of product by more than 85%
- reduced waste from our manufacturing process by adopting generic packaging
- reduced packaging materials that have a negative impact on the environment, such as moving from PVC to polypropylene in our John West chilled range
- redesigned our product storage bins so we could increase the rate of their reuse (from 4 to 32)
- supported initiatives that encourage recycling, and
- ensured that all of our products carry the recycling mobius loop.

Carton Design Improvement Project

We have reduced the environmental footprint of our foodservice business by resizing the outer cartons that carry our foodservice products. Through packaging redesign we created a taller carton that used less cardboard per kilo of product while continuing to carry the same weight. This design allows for better use of space on pallets and in containers. By optimising the number of cartons on each pallet, the number of pallets in each container and, in turn, the number of trucks needed to transport our products, we saved 31,666 litres of fuel per annum. We have also reduced the damage rate because taller cartons mean that fewer layers of boxes per pallet are required, resulting in less of a load on each carton. The new efficient design has also decreased the use of virgin fibre by 39%.
Birds Eye REDcycle Project

In 2012 our Birds Eye brand became a founding member of the REDcycle project. REDcycle is a true product stewardship model where everyone involved in the lifecycle of a product—manufacturers, distributors and consumers—choose to share responsibility for the best end-of-life outcome. REDcycle is a closed loop system that will divert millions of units of post-consumer soft plastics from landfill, turning them into a reusable resource. Consumers recycle soft plastic packaging into bins at their nearest retail outlet and then the plastic is collected and converted into high quality new products such as children’s playgrounds, outdoor exercise equipment, park benches, signage and many other products. The Australian public has embraced the program with more than 82 tonnes of packaging returned within the first 6 months including 1.46 tonnes of Birds Eye packaging. A key part of the REDcycle project has been the development of a label that helps guide consumers towards ensuring that soft plastic packaging is returned for recycling. By the end of 2014 the REDcycle logo will appear on all soft plastic packaging in the Birds Eye range.
Responsible Sourcing
As a leading food company we depend on primary producers, such as agriculture and fisheries, for our raw materials and ingredients. We are committed to sourcing these inputs in a responsible way, which is why we are integrating sustainability considerations throughout our supply chain. For Simplot Australia, responsible sourcing means working closely with all our stakeholders, including growers, suppliers, policymakers and non-government organisations, to ensure our supply chain shares our commitment to a sustainable food supply system. We have made genuine progress in this area.

We want to provide the products our customers want today without compromising the future and therefore these are our commitments:

• Buying and selling responsibly: we are supporting local farmers and our products are clearly labelled to identify the source of ingredients.
• Sustainable and ethical sourcing: we are seeking to source ingredients from ethical producers who are using natural resources responsibly, over the long term.
• Ensuring quality and safety: we deliver quality products to our consumers and we also expect all our suppliers to comply with the standards set out in the Simplot Australia Supplier Guidelines. These guidelines address areas such as health and safety at work, business ethics, labour standards, consumer safety and the environment.

Traceability
Improving traceability is key to our responsible sourcing strategy. We are putting systems in place so we can provide our consumers with verified information about every step in the production chain—a complete chain of custody. For example, John West canned tuna labels show the tuna species, catch area and catch method, making it easy for consumers to make informed, sustainable seafood choices.

To strengthen the traceability of our seafood range we also use third party accreditation systems: our pole and line skipjack tuna range and our Wild Canadian pink salmon range carry the Marine Stewardship Council’s (MSC) distinctive blue eco label. The MSC works to ensure fish stocks are responsibly managed for the future and only those fisheries that have achieved certification to its stringent sustainability standards are able to use its eco label.

All of our tuna products also carry the Dolphin Friendly symbol. Standards for dolphin safe practices were developed by the Earth Island Institute in the early 1970s. In order for products to bear the Dolphin Friendly symbol, tuna fishing vessels must be certified by the Institute.

Labelling
Consumer choice is important and so we are working to provide more information to consumers about the sustainability of our products.

Sustainable Palm Oil
In 2012 we committed to move our sourcing of palm oil to suppliers certified by the Roundtable on Sustainable Palm Oil (RSPO). We made this decision in order to ensure we were acting responsibly by helping to preserve the natural habitat of some of the world’s most endangered species.

Palm oil is commonly used in foods because its relatively high content of saturated fat makes it very stable over long periods of time. Simplot prioritises the use of poly and monounsaturated fats in our products and so if we are using palm oil at all it is used only in small amounts where a functional purpose is served. We are actively searching for technically feasible alternatives to palm oil.

We have reviewed all of our products to identify whether palm oil is an ingredient and have determined that less than 0.23% of the total ingredients used in our products contain palm oil. Because palm oil is not labelled and is only represented as a vegetable oil our review was a collaborative process where we relied on information provided to us by our suppliers. We know that:

• Edgell, Birds Eye and Lean Cuisine products do not contain palm oil
• John West products only use RSPO certified palm oil
• 88% of all palm oil used in Quorn products is certified as sustainably sourced, and
• Leggo’s Chicken Scallopini, Leggo’s Tuna Bake and Birds Eye Salmon Cakes with Vegetables and Herb contain a very small amount (less than 0.1%) of palm oil in the emulsifier.
Sow Stall Free Pork

Our commitment to responsible sourcing extends to our High Country range of pork products. In 2007 Rivalea, Australia’s largest pork producer, committed to removing all pregnant sow stalls from their farming operations. In the same year Top Cut Foods partnered with Rivalea to develop the ethically sourced High Country Pork brand for distribution to the foodservice industry.

In 2013 Rivalea achieved their goal of becoming 100% sow gestation stall free, four years ahead of the target date set by the peak industry body, Australian Pork Limited. Rivalea removed all sow gestation stalls because it was the right thing to do. All pregnant sows are now reared in groups and they are able to move freely around their pen. Their new accommodation system has been designed to responsibly handle the welfare of pregnant sows, with spaces for social interaction as well as places for refuge and feeding.

In 2011 Rivalea received a “Leadership in Pig Welfare” award from Compassion in World Farming. The commitment to sow stall free means that customers of our High Country Pork branded products can be confident that their pork is not only the highest quality but also responsibly sourced.

Australian Grown

Simplot Australia is a proud supporter of locally grown produce— it’s the way we deliver quality food to Australian families. Our Birds Eye frozen vegetables proudly carry the Australian Grown logo, assisting consumers to support locally sourced produce.

Over 240 growers supply us with more than 300,000 tonnes of vegetables every year and many of our growers have been supplying Simplot with Australian produce for over three generations. We believe that supporting Australian growers will not only ensure the viability of our farming communities, it is the key to a sustainable future for all Australians.

We also provide local manufacturing jobs, with our 15 manufacturing and 7 office sites employing more than 2,800 people across the country.

Tim Watson - Farming for Simplot, Australia for more than a decade.
Responsibly Sourced Seafood

At Simplot Australia we recognise that the world’s ocean resources need to be respected and used wisely so that they continue to be healthy, productive and resilient. Global demand for seafood has grown dramatically in the last 50 years with an increase in global fishing volumes from 35 million tonnes in 1960 to over 140 million tonnes in 2010. An estimated 1 billion people rely on fish as their primary source of protein, while another 200 million rely on the industry as their main source of income. This is why we need to take an active part in helping to protect the world’s marine resources by working closely with our suppliers and partners to ensure they share our commitment to sustainable fishing.

We actively seek to source fish from well-managed fisheries. A well-managed fishery uses effective management practices, including scientifically based catch settings and responsible fishing methods, to secure fish stocks for the future, safeguard jobs, and help to protect the marine environment.

Simplot Australia is committed to:

- sourcing seafood from well-managed fisheries, because in this way we can help to maintain stocks and protect ecosystems
- ensuring full traceability of all our seafood products
- increasing sustainability information on our seafood labels to enable our consumers to make informed seafood choices
- working with all our suppliers to put into practice sustainable fisheries management strategies
- sourcing tuna from suppliers whose fishing vessels have been certified to comply with Dolphin Safe requirements
- working alongside industry and research bodies who are developing fishing practices aimed at reducing unwanted catch
- giving social and economic support and recognition to local communities where tuna is harvested, and
- sourcing fish caught in accordance with the United Nations Convention on the Law of the Sea (UNCLOS) which outlines a comprehensive set of rules to govern our oceans.
John West Sustainability Commitment

In 2012, to improve the sustainability of John West’s seafood supply chain, we formed a partnership with WWF, one of the world’s largest independent conservation organisations. Ultimately this partnership will see all John West Australia products responsibly sourced by the end of 2015.

This means that all products will have full traceability procedures, demonstrating they are from fisheries that:

- are Marine Stewardship Council (MSC) or Aquaculture Stewardship Council (ASC) certified, or
- have been identified by an independent assessment to be responsibly managed, or
- have entered either a MSC or ASC certification process or a Fishery Improvement Project (FIP) or an equivalent WWF endorsed transition program.

Partnering with WWF

Our partnership with WWF commits John West Australia to WWF’s Global Sustainable Seafood Charter. This means we will work with WWF to help safeguard marine wildlife, the natural environment and the livelihoods of people who depend on the oceans for their wellbeing.

WWF is assisting us to review the sustainability of our supply chain and the fisheries that supply our seafood. The findings from this review will lead to more responsibly sourced seafood options becoming available as we work with WWF and our suppliers to develop Fishery Improvement Projects (FIP). A FIP operates via a collaborative alliance between buyers, suppliers, producers, conservation organisations and governments. FIPs are unique in that they use encouragement and support of the seafood supply chain and the customers demand for sustainable seafood to incentivise positive changes in the fishery.

Through our partnership with WWF, John West is also investing in conservation projects that are aimed at improving the environmental sustainability of coastal fisheries and the wellbeing of communities in the Pacific.

Responsibly Sourced Tuna

We have committed to sourcing 100% sustainably caught tuna by the end of 2015. To achieve this we are working with our suppliers to ensure that our tuna is caught using only low impact fishing methods. This includes a combination of pole and line and FAD free purse seine. Our sustainable sourcing plan was rolled out across the John West supply chain in 2013. It will see 70% of John West tuna being sourced FAD free or pole and line by the end of 2014, increasing to 100% by the end of 2015.
Spirit of Innovation

Innovation is the link between our people, our resources and the future.
Meeting Future Challenges

The Spirit of Innovation is one of our Company’s three pillars and for good reason. At Simplot Australia we know that we can’t reach our sustainability goals without a commitment to innovation because it’s the vital link between our people, our resources and the future.

In the fast changing food supply landscape, the Spirit of Innovation helps our people meet the demands of a changing and sometimes challenging market, the ever-evolving needs of our customers, and the need to reduce our environmental impact.

Innovation keeps us one step ahead, demanding collaboration and pro-active, fresh thinking from our people; pushing us out of our comfort zone as we aim for operational excellence. We are always looking for new and better ways of doing things. Whether it’s redesigning our learning and education tools to provide online resources that reduce travel requirements for our people or developing new inventory control processes that reduce waste, we know that the increasing costs of resources means we have to rethink ways of doing business and improve efficiencies.

Supply Chain Innovations

Whether it’s working with our growers to improve productivity or investing in plant research and new food production technologies, we work collaboratively, focusing on both innovation and efficiencies in order to ensure the long-term viability of Australian grown products.

One of our recent supply chain innovations includes the implementation of a new inventory deployment system to ensure our planning system evenly shares inventory to our finished goods warehouses, significantly reducing transport costs and emissions generated by our logistics providers. We are also developing a global sourcing strategy for raw materials and finished goods that will see us streamline our purchasing footprint.

Fresh Thinking

We are constantly harnessing and adapting new technology and rethinking our processes to not only lower costs but to bring earth’s resources to our customers and consumers in a responsible way. We do this by investing in research and development that drives significant reductions in energy, water and waste efficiencies.

We pioneer innovations in food processing, always seeking smarter ways to achieve flexible manufacturing, automation, good practices, hygiene, safety, quality and lowered production costs. Innovation around new technology is vital for us to retain competitive advantages and gain new market share.

Our commitment to innovation helps to ensure a sustainable food supply, the long-term sustainability of our business and helps us tread lightly on the earth’s resources.

95% product packaging that can be recycled

1,700 MWh energy saved through efficient lighting projects

$22 million invested in Research and Development projects each year
Farming for the Future
We source more than 250,000 tonnes of potatoes from the rich fertile soil of Tasmania every year. The relationships we share with our Tasmanian growers span decades and in some cases include three generations of families. We value these relationships and are committed to working to assist our farmers as they face increasing challenges in their efforts to remain viable in the Australian market.

We recognise that innovation plays an important part in helping to develop more efficient agricultural practices. Our dedicated agricultural services team work collaboratively with our growers on a day-to-day basis in the development of new technologies to improve agricultural practices. This work has identified opportunities to reduce cost and environmental impact for our growers through the use of advanced computing technologies.

Using bioscience, GPS, infrared and electromagnetic soil imaging we can help our growers to get a more accurate picture of the health of their crops. Computer technology is used to assess the data from various electronic monitoring systems on their farms. The information gathered from infrared and soil imaging is used to create computer models of their crops with information included about the differences in soil structure, elevation, slope, fertility and drainage. This information is used to design a more efficient system of agriculture management. The computer maps the area to be planted and turns irrigation on and off based on the needs of the crop. Planters and irrigation systems use an array of computers and GPS to guide them around crops. By using GPS and computers a grower can ensure they are not over seeding or over spraying areas because the computer system can accurately judge the path of the planter or sprayer and precisely apply the right amount of seed and water depending on the need of each crop.

Our trials with precision technology farming techniques are producing promising results for our growers. As part of this work we have set an ambitious goal to help improve the current yield of our growers from 56 tonnes per hectare to 70 tonnes per hectare by 2020.

We are also working collaboratively with our parent company to ensure that the benefits of this technology can be made available to all of our growers around the world.

Soil Management
Simplot is using bioscience to help identify soil diseases that can impact the success of our Tasmanian crops. Through our association with Horticulture Australia we have been supporting the work of Dr Kathy Ophel Keller of the South Australian Research and Development Institute. Dr Keller is working to develop techniques for identifying and quantifying DNA extracted from soil for potato disease such as powdery scab, common scab, black dot, nematode (M.fallax), and rhizoctonia (AG1, 2 &3). The testing process requires growers to submit a 500g sample of soil for analysis. The results of the analysis help growers to make better crop management decisions including: avoiding planting potatoes in high risk areas; selecting varieties of potato that are resistant to existing diseases; targeting existing diseases with specific field management methods such as rotations, treatment or cultivation; avoiding the use of unnecessary treatments; and maintaining uncontaminated sites.

Electromagnetic (EM 38) Soil Mapping
EM 38 soil mapping is a technique that is used to zone paddocks according to soil type and potential yield. We are using EM 38 soil mapping to better understand soil types so our growers can apply inputs more efficiently. An EM 38 machine containing electromagnetic sensors is towed around a paddock using a quad bike. The sensors are applied across the soil surface and measure soil moisture content, salt levels and soil texture. This data is converted into a digital map using farm management software that shows areas of farmland with high, medium or low yield zones. This information helps our growers use water and fertilisers more efficiently to increase yields and cut costs by directing resources toward the high yield sections of their land.
Variable Rate Potato Planting

Our agricultural team has designed and modified a potato planter that is controlled by a variable rate controller and a handheld-sized computer which runs field management software. Using integrated software the information collected from the EM 38 soil map directs the variable planter to plant potato seed for optimum yield outcome. This is achieved through a hydraulic drive system that automatically adjusts spacing in a row, allowing for variable spacing and modifying depth of planting. The planter either plants the seed into a traditional ‘potato hill’ or, if the soil is light and sandy, seed is planted into a ‘flat’ soil situation. This approach helps ensure that the right amount of water is retained in the soil to give the best yield to our growers.

Variable Rate Irrigation

Conventional centre pivot irrigation systems apply a constant rate of water which results in areas being lost to over irrigation and other areas not being maximised due to under irrigation. Variable rate irrigation (VRI) enables a centre pivot irrigation system to increase water efficiency by delivering water in precise amounts based on the individual management zones of a crop. The VRI system works by integrating GPS positioning into a software based control system which cycles sprinklers on and off to achieve the desired result within each zone of a crop. Utilising the information collected by the EM 38 soil testing software, the VRI system can limit water delivered to seeds planted in heavy soils which hold moisture and nutrients well (reducing potato rot) and increase water delivered to seeds planted in light, sandy areas that dry out quickly. Our trials have shown that by matching the rate of irrigation with the soil type we can reduce yield variation, improve quality and water management.

Infared Imaging

In order to check the health of a crop a grower may use an aerial image that is taken by a light aircraft fitted with infrared cameras and GPS mapping software. The infrared camera forms an image using infrared radiation that is able to measure heat emitted from a crop. The pictures are converted into a digital map that shows in-depth detail about how a crop is progressing. The red part of the image indicates a lower yield potential with the green and blue indicating high yield zones of the crop. This information allows the grower to make adjustments to water or fertiliser use in order to address issues and improve management of low yield areas of the crop.

Measuring the Yield

Gathering yield data during harvesting is another important aspect of precision agriculture that we are trialling. Harvesters are fitted with a crop weigher and a GPS unit. As the crops are harvested the weigher calculates the weight of the potatoes and, using the GPS unit, provides detailed yield information. This valuable data assists growers to assess the treatment plan they have adopted and to make any adjustments to their inputs that will reduce costs and improve crop yield. Over time this data can be used to create a long yield history that will better inform growers and influence their long-term management plans.
Supporting Research and Development

We support the Australian Government’s initiative to nurture the creative abilities and skills of our most promising researchers through The Australian Research Council (ARC) Industrial Transformation Research Program (ITRP). This program funds training centres that assist postgraduate research students and postdoctoral researchers in gaining real world skills and experience through placement in industry. The research hubs and training centres are aimed at encouraging projects that could help solve the big problems facing our industries today. Here students, researchers and industry representatives work together to address concerns such as our need to reduce pollution in our manufacturing processes and our struggle to compete globally with a high Australian dollar. As part of this program Simplot Australia has committed to support the placement of two researchers from the University of Queensland and the University of New South Wales. During the course of their placement the researchers will develop and execute projects that are relevant to our business including value chain analysis of our potato processing operation and investigating the extraction and characteristics of valuable components from potato processing by-product.
Product Innovation
At Simplot Australia we have a proud history of product leadership. Our product, quality and innovation, research development and culinary specialists utilise our custom-built pilot plant and sensory facility to create nutritious food products that represent quality, value and convenience.

Our product innovation process starts with the generation of more than 250 new product concepts every year. Around 200 of these progress to factory trials and we carry out in excess of 150 taste testing sessions for new products at our purpose built sensory facility on site each year. Our investment in product development has seen us launch 80 new products since our last report including the new Five Tastes Range, Leggo’s Vine Ripe Range, Birds Eye Steam Rice, chilled Quorn products, John West Tuna and Rice and Leggo’s single serve pasta sauces.

Digital Community Involvement
Our online community is our direct portal to research new ideas and concepts with our consumers in a closed, secure setting. This community of more than 2000 consumers is a robust sample size audience that allows us quick, efficient feedback on anything from new product innovation to developing new communication ideas. In this way we are using technology to assist us to determine the best product ideas to suit the desires of our consumers.

New Technology
Pulse Electric Field Technology
We have invested in new technology to help improve the quality and efficiency of our potato manufacturing process. The conventional method of potato cutting involves a step where potatoes may be submerged in hot water in excess of 50 degrees for more than 40 minutes. While this assists in improving cutting yield and quality it can sometimes lead to a negative impact on the texture of the product. Our R & D team identified an opportunity to alleviate this issue and at the same time reduce energy and water costs by replacing the pre-heating step with pulse electric field technology. This new technology works by applying electric fields into a water medium that transfers through the potato and has a softening effect. It is an instantaneous process that requires no heat and very little water and provides a better cutting quality with higher yield and no negative impact on texture.

Working in collaboration with the developers of this technology Simplot invested in laboratory and factory evaluations that resulted in the adoption of this technology not only by our Australian factories but also at a global level. Simplot is one of the first potato processing companies in the world to adopt this technology which has saved us on a global level in excess of 300,000 KL of water and 100,000 GJ of energy.

GS1 GoScan Technology
Simplot Australia is working in collaboration with government and industry to empower Australians to make more informed food choices. As a founding member of the GS1 project Simplot worked with major retailers, local and international food companies, the AFGC, national health organisations (including Allergy & Anaphylaxis Australia) to help support the development of the GS1 GoScan smart device application. The app was launched as a free download in early 2013 and allows consumers to access accurate, authorised product information directly by scanning the bar-code on the label of products.

GS1 technology is assisting Australians to make more informed food choices for dietary and lifestyle requirements and is key in providing important information to Australians with allergies, intolerances and special diets by giving them more information about their food. The aim of this app is to make it easier to access product information to enable better, healthier product choices.

In 2013 the GS1 GoScan app received the national Consumer iAward in the Services Domain Category for Information and Communications Technology Innovation. This award provides important recognition of the collaborative work done between industry and health professionals and demonstrates how innovation and the application of new technologies can be successfully achieved in traditional industries such as food manufacturing.

Innovation Awards
In 2013 Simplot Australia’s Foodservice Marketing Manager, Geoffrey Meade, was the proud recipient of the McDonald’s Innovation and Excellence award for Supply Chain in Australia and New Zealand. This award recognises Simplot’s contribution to the development of innovative ideas for new products destined for McDonald’s menus all around the world.
Passion for People

We are committed to the wellbeing and safety of our people and the communities within which we live and work.
Developing Our People

At Simplot we want to create a safe workplace environment that supports employees and fosters integrity, collaboration and flexibility. We aim to be a high performance organisation that engages the capabilities and potential of our people so that we can anticipate and deliver future market and customer needs. But our Passion for People is wider than this. It also involves supporting the communities in which we operate.

Our Company pillar, Passion for People, reflects J.R. Simplot’s passion for the wellbeing of his employees. Today this employee focus continues to help strengthen Simplot Australia’s relationships with customers, partners and the communities within which we live and work.

With the needs of our business evolving at a rapid pace, it’s critical that we define and build new capabilities to ensure we’re poised to meet future business demands. That’s where our Passion for People employee strategy comes into play. From knowledge and competencies to skills and abilities, we’re providing the tools and information to empower our talent and help Simplot thrive as a high-performing organisation. Our Passion for People employee strategy is critical to our success. It drives what we need for today and tomorrow, it helps us determine what we have, and what we must do to get there.

Our People in Today’s Economy

The challenge of remaining competitive in the Australian food industry required us in 2013 to make significant changes to the way we conduct our business. These changes included the launch of our new Vision 2020 strategy and a major restructure of our workforce. In some cases difficult staffing decisions needed to be made. Those employees affected by selective workforce reductions were, in some cases, transferred to vacant roles within the Company. Where that was not possible, they received transition benefits and outplacement support. As a private company that considers its employees a part of its family, making these decisions was tough. As we move forward, our vision is focused on managing the business with efficiency in mind, continuing to invest in our people and driving innovation that meets consumer and customer needs.

The launch of our new strategy has helped refocus our organisation—we want to become a vibrant, sustainable provider of great food in Australasia and South East Asia. By embracing the passion of our people, our vision is to be a leader in creating delicious and inspiring menu solutions. In order to achieve this ambition, our strategic plan recognises we must secure our profitability through achieving greater efficiencies, innovation and investment opportunities. These form a key part of the Simplot Australia sustainability agenda. Our commitment to managing our business in a sustainable way is reflected in our core values and it is the combination of our vision and LIFE values that is helping guide us in everything we do.
Employee Health and Safety
At Simplot we know that the safety and wellbeing of our employees is critical. We take our responsibility to provide a safe place to work very seriously. Every day we look to identify hazards that may cause harm and strive to reduce the risks.

Leadership and Governance
Our commitment to safety comes from the most senior levels in our organisation. Ultimate responsibility for our safety performance rests with our Managing Director and Board of Executive Directors. Simplot’s Occupational Health and Safety Policy and Guiding Principles underpin our commitment to providing a safe and healthy work environment.

We have a Safety Leadership Team with senior management representation from all areas of the business to provide guidance and oversight of company-wide safety activities and projects. We have embedded responsibility for health and safety with our line managers and safety procedures and guidelines are available at all Simplot locations on an intranet-based system. Site safety committees carry out engagement and consultation with employees. Our site safety professionals meet regularly as a team. The team is chaired by our National Occupational Health and Safety Manager who reports to the Executive Director of Human Resources and provides monthly safety updates to the Board.

Targets and Performance
Our ultimate goal in our safety journey is to achieve zero injuries. Lost Time Injury Frequency Rate (LTIFR) is the main industry measure we use to track our safety performance. The LTIFR represents the number of lost-time injuries recorded for every one million hours worked over a 12 month period. In the last two years Simplot has improved its performance, reducing the frequency rate from 18.0 to 7.9. Practically this means that in 2013 we had 18 less serious injuries than in 2012. In 2013 we achieved an improvement target of 8.0. We will continue to focus on the health and safety performance of all our sites in our effort to reach zero.

Costs of Incidents
Safety incidents and employee injuries not only impact the lives of our employees, they also have a direct impact on our financial performance. It is difficult to quantify the direct costs but these incidents affect our insurance premiums, interrupt business activities, reduce productivity and affect employee morale and motivation. In 2013 our WorkCover insurance premium decreased by $1.3 million (a reduction of 35%).

Safe Behaviour and Safe Systems Of Work
We recognise that looking after the health and safety of our employees goes beyond just having best practice policies and procedures. For this reason we have adopted our SimSAFE program that is aimed at creating a safety focused culture. Our work environment is constantly changing and how our people choose to react is critical to preventing injuries. Our managers lead by example and we have tools and training that help our employees adopt safe behaviours. Best practice such as ‘Take 5’, Job Hazard Analysis (JHA) and Safe Work Procedures (SWPs) form part of how we identify hazards and manage risk. Our safe systems of work are designed to encourage employees to identify unsafe situations and choose safe behaviours.

Plant and Equipment Safety
We are constantly assessing our equipment to ensure that it is appropriately guarded and that safety interlock systems are working correctly. All new plant and equipment must conform with Australian Standards and equipment must meet the Simplot minimum standard of category 3 guarding. When the risks require it, we fully isolate and lock out plant and equipment to ensure the safety of our employees undertaking the work. Plant safety is kept under continuous review and we have developed tools to involve employees in identifying hazards and assessing their risks.

Safe Working Environment
One of the highest risks at our manufacturing sites is the interaction between powered mobile equipment and pedestrians. In setting best practice targets over the last two years our sites have been working toward a goal of “total separation”. To date this has included the installation of barriers, fencing, automated boom gates, staging areas and significant changes to our work practices.

Manual Handling and Ergonomics
A high proportion of our soft tissue injuries are a result of manual handling. Once we identify tasks and processes that involve hazardous manual handling we set targets around reducing or eliminating high risk manual handling tasks. We have processes in place to ensure risks associated with ergonomics and manual handling are identified and assessed before and during the introduction of new plant and equipment to the workplace. Our site engineers are trained to identify ergonomic issues and how to eliminate or reduce the risks.
Developing and Engaging Our People

A key part of our Passion for People employee strategy is listening to our employees and taking action on their feedback. Our employee engagement survey helps us gain a better understanding of our people and also gives employees a voice to help drive innovation and accelerate growth. Starting with salaried employees in 2007 the Simplot Australia survey was expanded to include salaried and wages employees in 2012. We saw a positive improvement in our engagement score from 77% in 2007 to 80% in 2012.

The importance of employee feedback was elevated to a global level in 2013 with the launch of the first Simplot Global Employment Engagement Survey for participation by salaried staff around the world. Despite the timing of the survey coinciding with the announcement of a major restructure to our business we achieved an engagement score of 77%. While this represents a 3% decline from our 2012 score it nevertheless represents continued high levels of engagement. We value the feedback provided by our people and we are continuing to review the survey results in order to develop strategies that will drive positive change for our business.

Equal Opportunity and Diversity

As a family-owned company we are committed to supporting our employees achieve the work life balance they need to meet their family circumstances. We do this by offering permanent, part time and casual employment. We also recognise the special needs of new parents and offer parental leave in addition to Federal Government entitlements. In 2013 we launched a Purchase Annual Leave Scheme which allows added flexibility for employees needing to take additional leave.

We support equal employment opportunities and diversity in the workplace and do not discriminate against employees. We provide fair working conditions and maintain a safe and healthy work environment for all our employees. Our Harassment, Discrimination and Equal Opportunity in the Workplace policy includes the recognition and management of non-discrimination issues on the grounds of gender and religion. We recognise our employees’ rights to freedom of association as embodied in a number of collective employment arrangements that are in place across our business.

We are working hard to ensure that our people are able to access and enjoy the same rewards, resources and opportunities regardless of gender. Each year we participate in the Federal Government’s Equal Opportunity for Women in the Workplace Agency Report.

Talent Management

To ensure that we are putting the right people in the right roles at the right time we launched our Talent Management Program in 2012. This program helps us assess the capability, potential and career development needs of our people. The program provides the opportunity for employees who have the ability and desire to broaden their career aspirations so that they can access coaching, training and the education they need to reach their full potential. It also facilitates succession planning, a process that proactively identifies and develops individuals as successors to critical roles. This ensures business continuity and assists us to drive strategic outcomes.

Data from Equal Opportunity for Women in the Workplace Agency Report 2013

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Leadership and Employee Development

We are committed to the growth of our people throughout their careers and to ensuring that leadership skills are developed at every level. Developing leaders who are authentic and inspiring is important to the future success of our business. We are working to support our employees in their development by providing the following learning opportunities:

- Managing People for Performance (MPP) is Simplot’s core leadership program. Since its launch in 2004 more than 340 employees have attended the 30 programs offered. Each program caters for around 12 employees drawn together from across the business, creating a collaborative learning environment. The nine-day program is held off site and provides our people with the opportunity to develop their leadership skills and engage with senior levels of management. On completion of the course participants present their key learnings to our senior management. MPP has been so successful in contributing to the leadership culture at Simplot Australia that it has now been adopted at a global level. Our US parent company launched its first MPP program in 2013.

- Our internal Mentoring Program was developed and launched in 2011 and involves up to 14 of our leaders mentoring a group of employees. Applications are invited and positions are nominated through our Talent Management Process. This is a cross-functional program with a focus on career and capability development.

- Simplot’s Performance Management Program (PMP) drives the goal measurement and development of all salaried employees. Formal PMP discussions between employees and their managers are held biannually at a minimum. Goals and competencies are reviewed, highlighting strengths and development opportunities. A plan is then developed to build individual skills and capability throughout the year.

- The Competency Development Library supports the PMP by providing development solutions for each competency. Employees and managers have access to a wide range of learning solutions to assist them in building personal development plans.

- Simplot has an Employee Development portal on our SimCentral intranet. Along with the Competency Development Library, this site shares learning and development resources company wide.

- We have also commenced our SimLearning project: e-learning solutions that contribute to our blended learning approach. A number of compliance and wider learning programs have rolled out across the business.

- We are working on building further targeted frontline leadership and competency based programs to ensure our people have the right technical and leadership skills.

Employee Health & Wellbeing

We are committed to protecting our employees from work-related hazards as well as promoting their health so that they can enjoy fit and healthy lives, both at work and at home. Our employee health strategy focuses on health protection and promotion. It covers three key areas and we are developing performance measures to assess our achievements in these three areas:

- Physical activity and exercise awareness
- Diet and nutrition education
- Staff vaccinations

- Positive social interactions
- Strong working relationships
- Community mindedness

- Awareness of mental health issues
- Support for managers and workers
- A culture of self care and care for others
Be Well Program

In 2006 we launched our Be Well workplace wellness initiative that is aimed at providing benefits to our people by improving health and wellbeing, productivity, morale and job satisfaction. It aims to support employee health by providing free voluntary health checks to identify potential health issues and to challenge individuals to take responsibility for their health. Early detection of underlying problems can help our employees take steps to reduce chronic disease and mitigate the impact on personal lives as well as organisational productivity. The results of employee health checks are confidential and individual results are not shared with the business.

Our Be Well program is also helping us create a workplace culture that is supportive of healthy lifestyle choices. We provide showers, lockers and bicycle storage to promote active transport and physical activity. We act to reduce behaviours in the workplace that can be harmful to the health of our employees, such as promoting a smoke-free workplace and we offer free flu vaccinations each year. Our lunch and learn programs focus on setting health goals, diabetes prevention, mental wellbeing and we also provide free Quit Smoking sessions. We encourage the promotion of positive health behaviours. We offer yoga classes at head office and each year we sponsor more than 200 of our employees to participate in sporting events including Bupa Around the Bay, the Edgell Bathurst Jog, the Fitness First corporate triathlon and various other community-based fun runs.
Community Support

Simplot recognises that many Australian communities are in need. We are responding to this need in various ways by giving support where it makes a difference. We are significant contributors to a number of food-based assistance organisations, we work alongside the Smith Family to improve educational opportunities for young people and we are contributing to the wellbeing of communities in the Pacific Islands.

Simplot’s Food Donation Program

Simplot is helping provide long-term solutions to Australians who do not have access to a safe and nutritious food supply. Our commitment to the Simplot Food Donation Program began more than a decade ago when we launched our partnership with Foodbank in an effort to help the organisation achieve its mission to see “An Australia without Hunger”. In 2013 Simplot proudly donated 353,609 kilograms of food and groceries to Foodbank which assisted in the preparation of 471,480 meals for people in need.

We are also a partner in Foodbank’s collaborative supply program. As part of this program our Echuca site coordinates an annual Leggo’s pasta sauce project. This event brings together our suppliers and service providers who donate the ingredients and packaging that make up the Leggo’s tomato sauce product and we donate labour and manufacturing time. This year we manufactured 250,000 jars of pasta sauce for distribution to charities across Australia.

In 2012 we extended our Simplot Food Donation Program by partnering with SecondBite, a not-for-profit organisation that rescues and redistributes fresh, nutritious food to over 1,000 community agencies across Australia.

In partnership with SecondBite food is redistributed to community agencies that support Australians in need, including people experiencing homelessness, women and families in crisis, youth at risk, indigenous communities, asylum seekers and new arrivals. In 2013 Simplot Australia donated more than 62,000 kilograms of ingredients to SecondBite including fish, beans, corn, soups, pasta, pasta sauces and frozen foods; the equivalent of 124,000 meals for people in need.

The Smith Family – helping break the cycle of poverty

The Smith Family works with families in high-need communities to help children break the cycle of disadvantage. The Smith Family’s Learning for Life program aims to keep young children in school for the long term. Linking children to Learning for Life programs helps them offset the pressures experienced by growing up in disadvantaged households. It also connects parents to services and programs for educational support which in turn helps them support their children.

As a family-owned company the work of the Smith Family has special significance to us. We believe that empowering disadvantaged children and their families provides them with the opportunity to break the cycle of poverty. To assist the Smith Family make a difference we have joined their Tech Pack program and have committed to donate end of lease computers and hardware that would have otherwise gone to waste. This program provides affordable, refurbished, internet-ready computers as well as internet access to disadvantaged families around Australia. Participating families receive eight hours of skills training with an accredited trainer and 12 months of free internet access and technical support. In 2013 our employees raised more than $20,000 that we donated to the Smith Family in support of the Learning for Life program.
**John West Community Fishing Program**

As the owner of Australia’s leading seafood brand we recognise that our responsibilities extend to helping support the communities that are part of our supply chain. To achieve this we have committed to supporting several WWF conservation projects in the Solomon Islands and Papua New Guinea.

The Pacific Island communities of Ghizo in the Solomon Islands and Madang in Papua New Guinea rely on the ocean as their main source of protein and for their livelihood, but overfishing of reefs and a rapidly growing population is putting more and more pressure on precious marine resources.

WWF, together with AusAid, is working with these communities. The first stage of the conservation project involved the deployment of small floating rafts anchored to the seafloor, in deep water close to shore and easily accessible by small boats. The rafts focus fishing activity away from areas where vulnerable reef fish live and make it easier for local people to catch valuable, more sustainable nearshore fish species, such as jacks, wahoo and tuna. The result will be that people can catch enough fish to feed their families, plus extra to sell in local markets. The project will also reduce human impacts on the environmental sustainability of reef fish.

The John West Conservation Program supports these projects by providing funding for a micro-savings and small loans scheme. This will help local people, particularly women, to set up small business ventures to take advantage of the increased catch by trading the surplus. We hope that our involvement will help to protect these reefs and ensure that coastal communities continue to enjoy a secure source of food and income.

**Maldives Indian Ocean Skipjack Management Strategy Evaluation**

Together with WWF we are actively supporting fisheries that supply responsibly sourced pole-and-line tuna. In pole-and-line tuna fishing, tuna are caught one at a time by hand, using a pole, line and hook. This method of fishing greatly reduces the risk of catching other marine life. Although pole-and-line fishing is becoming increasingly popular, transitioning to this method takes time and effort.

One of the biggest pole-and-line fisheries in the Maldives is supplying responsibly sourced tuna and is also a supplier to our John West brand.

WWF, with support from John West, is working with this fishery to increase the availability of responsibly sourced tuna and renew the fishery’s Marine Stewardship Council certification—the highest standard available for responsibly sourced seafood.

Over 18 months, this project will improve management of this tuna fishery by enhancing the assessment of tuna stocks.
Our brands have years of history & tradition

Whatever the occasion our brands have been an integral part of Australian lives for generations.


**Leggo's**
- Thirteen year old Henry Leggo began selling his mother’s freshly bottled tomato sauce to hungry miners on the goldfields.

**John West**
- John West was an ambitious migrant from Scotland who pioneered the canning of fish by building his own automated can-filling machine.

**Ally**
- Ally is most fondly remembered for its 60s advertising campaign “Quick as a wink, Ally Pink.”

**Seakist**
- Founded by George Irvin and Charles Johnson – two fishermen who operated trawlers out of Cape Town in the early 1900s.

**Harvest**
- In the heartland of rich river country at Echuca, Harvest has been making hearty Australian meals for over 40 years.

1926

**Edgell**
- With the launch of Edgell Asparagus out of a small cannery in Bathurst in 1926 Gordon Edgell & Sons became the first company to can vegetables in Australia.

1911

**CHIKO**
- Inspired by the Chinese spring roll, Frank McEncroe first introduced the Chiko Roll at the Wagga Wagga Agricultural show in 1951.

1951

**Lean Cuisine**
- The Lean Cuisine frozen meals range was created in the US to meet a growing demand for low fat, convenient meal options.

Our brands have had a new lease of life with us

The Simplot Australia story began when J.R. Simplot expanded into Australia in 1995
Global Reporting Initiative (GRI) Index

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An online version of this report is available on our website at [www.simplot.com.au](http://www.simplot.com.au)

To provide feedback or if you are seeking more information on our approach to sustainability please contact Kaelene McLennan our Sustainability Manager and Corporate Affairs Adviser at simplot.sustainability@simplot.com.au
Gary Dazeley - Awarded J.R. Simplot CEO Energy Champion of the Year 2013