Award-winning performance

Since January 2009, Koch companies have earned a total of 459 local, state and national awards for safety, environmental excellence, community stewardship, innovation and customer service.

Given the broad diversity of Koch enterprises – ranging from toilet tissue production and wine filtration to ranching and refining – the array of operational challenges facing Koch is substantial. Even so, Koch company employees have done an exemplary job of operating safely, remaining compliant, improving environmental performance and meeting customer needs.

As Jim Mahoney, KII’s executive vice president for operations excellence and compliance has noted: “It’s easy to say that you are committed to excellence.

“...but the facts demonstrate that our employees have many, many accomplishments they can be very proud of when it comes to actual performance.

“We’re not just talking about operational excellence. We’re demonstrating it.”

Here are the stories behind just a few of those 459 awards.

**Land stewardship**

Last fall, the Matador Ranch in West Texas was honored with a prestigious regional Environmental Stewardship Award.

That award was sponsored by the U.S. Department of Agriculture’s Natural Resources Conservation Service, U.S. Fish and Wildlife, Dow AgroSciences and the National Cattlemen’s Beef Association.

The Matador was also one of five finalists for the national version of that award.

Matador Ranch has become a model for sustainable ranching techniques that actually improve the environmental quality of the land while supporting an average of 2,500 cattle.

Koch’s Beaverhead Ranch in Montana is also an environmental award-winner. It has earned Wildlife Habitat Certification for natural resources stewardship.

The Beaverhead, which covers more than 300,000 acres in southwestern Montana, was the first ranch in the nation to be honored with that certification. It was recertified in 2010.

The Beaverhead Ranch has also been honored by the Montana Preservation Alliance for maintaining the historical integrity of its many ranch buildings, including a log barn dating back to the 1860s.

Together with Spring Creek Ranch, the original Koch ranch located in the Flint Hills of Kansas, all three Koch ranches have achieved one of the best safety records in the industry.

For the second year in a row, KPL has won API’s highest safety and environmental awards.

**Safety first**

According to the Association of American Railroads there are nearly half a million freight cars transporting billions of pounds of products along more than 160,000 miles of U.S. track every year.

Many of those products are hazardous materials, such as industrial chemicals, that require special handling and a particular attention to safety.

Last year, INVISTA was one of only three companies in North America to earn the highest award for safe shipping practices from the Association of American railroads.
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MBM® Guiding Principle #2: Compliance

Strive for 10,000 percent compliance, with 100 percent of employees fully complying 100 percent of the time. Ensure excellence in environmental, safety and all other areas of compliance. Stop, think and ask.

Combined, they total about 440,000 managed acres and support more than 15,000 head of cattle.

Similarly, Georgia-Pacific has received the Two Chiefs’ Award from the Siuslaw Stewardship Group for innovative forest and watershed restoration along the Oregon coast.

That award was presented to GP last year by the U.S. Forest Service and the Natural Resources Conservation Service.

The Siuslaw National Forest, southwest of Portland, has benefited from an active cooperation between local organizations and individuals concerned about environmental management.

Corporate winners of this award are rare. Of the 23 organizations given the Two Chiefs’ Award last year, Georgia-Pacific’s Westwood and fiber operations group, based in Philomath, Ore., was one of only two corporate winners.

For the second year in a row, KPL has won API’s highest safety and environmental awards.
The Grand Slam Award, given to INVISTA last summer, was presented on behalf of the association's Hazardous Materials Committee and its Non-Accident Release Reduction Task Force. The incident-free rail transport of hazardous materials throughout all of 2010 reflects well on hundreds of INVISTA employees at locations in the U.S and Canada.

INVISTA employees in Wilmington, N.C.; Maitland, Ontario; and Victoria, LaPorte and Orange, Texas, gained the attention of four major railroads, all of whom honored the company for transportation safety.

The Canadian National Railroad recognized INVISTA for handling dangerous goods carefully and judiciously, and for respecting high safety standards.

Norfolk Southern Corporation recognized INVISTA for shipping more than 1,000 carloads of hazardous material over the railroad's 22-state network without incident for the year.

CSX Transportation recognized INVISTA for shipping 600 or more railcars safely with no releases attributed to loading or unloading processes.

And Union Pacific recognized INVISTA for implementing successful prevention and corrective plans, and achieving a rate of zero non-accident releases for shipments of regulated hazardous materials.

On April 12 this year, Union Pacific honored Flint Hills Resources, Georgia-Pacific Chemicals and Koch Sulfur Products Company with Pinnacle Awards for chemical transportation safety.

To receive the award, these companies had to successfully implement prevention and corrective plans, and achieve a rate of zero non-accident releases for regulated hazardous materials shipments.

“Chemical transportation safety is critical,” said Diane Duren, Union Pacific’s vice president and general manager for chemicals.

“This is Union Pacific’s opportunity to acknowledge and thank our customers for their continuing efforts to eliminate chemical releases from rail cars.”

The safe transportation of products via pipelines has also resulted in prestigious awards for Koch Pipeline Company, L.P.

Last year, the American Petroleum Institute’s highest safety awards, the Distinguished Award for Outstanding Safety and Environmental Performance, were presented to Koch Pipeline.

Koch Pipeline, which operates more than 4,000 miles of pipeline, has an enviable safety performance record. Its employees recently celebrated 10 consecutive years without any safety incidents that resulted in time away from work.

But the good news doesn’t stop there. On April 9, API announced that it was once again honoring Koch Pipeline for outstanding performance.

For the second year in a row, KPL earned the Large Operator API Distinguished Safety and Environmental Awards. KPL was the only award-winner in the large operator category.

**Far and wide**

Awards like these have become the norm across all of Koch Industries.

Last year alone, Koch companies won a record 121 awards, ranging from Energy Star certification from the U.S. Environmental Protection Agency to the Corporate Excellence Award from the American Red Cross.

The number of VPP Star certifications earned by Koch company sites from the U.S. Occupational Safety and Health Administration now totals almost 100, making Koch the second-most awarded corporation in the U.S.

“We have so many employees doing such a great job at so many sites,” Jim Mahoney said. “That's a real testament to the ability of our employees.

“The fact that we are absolutely committed to compliance excellence is a big factor in these great results. I credit our MBM® Guiding Principles with helping us get to this point.

“Charles Koch often reminds us we should always be driving creative destruction. “We do that by replacing old and inferior ways of doing things with new and better ways of doing things.”

Mahoney adds: “No matter how good we are we cannot sit on our laurels.

“For us, operational excellence is a journey, not a destination.”

**Wichita** – The U.S. EPA has recognized Koch's headquarters building as one of the most energy-efficient in the nation.
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