Domtar’s Journey of Cultivating a Safety Culture

Jack Bray,
Vice President, Manufacturing Region 2

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“The best time to plant a tree is 20 years ago”

“African Proverb

“The second best time to plant a tree is today” .....
Cultural Transformation is about planting the seeds and creating the right environment for them to take root and grow.
Who is Domtar?

A leading innovative fiber-based technology company

We design, manufacture, market and distribute a wide variety of fiber-based products

World class wood fiber converting assets
Manufacturer of paper grade, fluff and specialty pulp
Largest integrated marketer of UFS paper in North America
Sell and market a complete line of high quality and innovative AI products
### Domtar at a glance

<table>
<thead>
<tr>
<th>Corporate Name:</th>
<th>Domtar Corporation</th>
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<tbody>
<tr>
<td>Incorporation:</td>
<td>Delaware</td>
</tr>
<tr>
<td>Head Office:</td>
<td>Montreal, Quebec, Canada</td>
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<td>2011 Sales:</td>
<td>US $5.6 billion</td>
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<td>Financial Results:</td>
<td>US dollars, US GAAP</td>
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<td>Market Capitalization:</td>
<td>US $3.4 billion (as at February 21, 2012)</td>
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<td>Stock Listing:</td>
<td>NYSE, TSX</td>
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<td>Index Listing:</td>
<td>S&amp;P 400 MidCap, Russell 1000, NYSE Composite</td>
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<td>Ownership:</td>
<td>85% + in the U.S.</td>
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<tr>
<td>Employees:</td>
<td>Approximately 8,700</td>
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DOMTAR INC
Windsor, QC

E.B. EDDY PAPER
Espanola, ON
Port Huron, MI

GREAT NORTHERN NEKOOSA
Ashdown, AR
Nekoosa, WI

GEORGIA PACIFIC
Woodland, ME*

WEYERHAEUSER
Kamloops, BC
Plymouth, NC
Rothschild, WI
Columbus, MS*
Dryden, ON

WILLAMETTE
Johnsonburg, PA
Marlboro, SC
Hawesville, KY
Kingsport, TN

* No longer Domtar
## DOMTAR’S NEW VISION, MISSION AND VALUES

**“THE FIBER OF DOMTAR”**

### Vision

**To be the leader in innovating fiber-based products, technologies, and services; committed to a sustainable and better future.**

### Mission

**As a world-class industry leader we deliver the highest value to our customers, empower our employees to excel and positively impact our communities.**

### Core Values

<table>
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<tr>
<th>Core Values</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Agile</strong></td>
<td>We strive for flexibility and simplicity so we can focus on attaining results.</td>
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<tr>
<td><strong>Caring</strong></td>
<td>We care about our customers, communities, and each others’ well-being, safety, quality, and the environment.</td>
</tr>
<tr>
<td><strong>Innovative</strong></td>
<td>We are resourceful, creative, and collaborative to ensure ongoing improvement and our long-term success.</td>
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THE FIBER OF DOMTAR – VIDEO
THE THREE STEPS OF ENGAGEMENT

Understand

• What the Vision, Mission, Values are
• The role they all play in the company’s success
• How these impact the life of a Domtar employee

Believe

• These will help drive Domtar’s success
• The company is committed to attainment
• They have seen leaders leverage these to guide their actions and behaviors

Internalize

• Woven into the fabric of our culture
• Drives Domtar’s identity internally and externally
• Directs how we attract, develop and retain employees
Leadership and Employee Engagement are key to workplace safety and support Domtar’s Cultural Value of Caring ...

Leadership + Employee Engagement

Leadership:
- Standards & Expectations
- PMPs
- Training & development
- Operating Procedures
- Root Causes & Corrective Actions
- Benchmarking & Sharing
- Accountability
- Housekeeping Expectations

Employee Engagement:
- Risk assessments
- Safety committees
- Safety owners
- Behavior Based Safety
- Safety flashes
- Interventions
- Job Safety Analyses
- Reporting
- Housekeeping Owners
- Union Ownership
- Pride
“PEOPLE MAKE THE DIFFERENCE”

HOW DO WE ENGAGE OUR EMPLOYEES

• Identify system-wide issues, concerns, risks, problems...

• Develop teams, where appropriate, to study and propose solutions

• Share broadly across our system - it’s ok to beg, borrow, & steal!
  • manufacturing monthly teleconference

• Promote and recognize excellent work

• Encourage local thinking...get our employees with the knowledge ‘in the game’
  • acknowledge “tribal lore” and celebrate history - but drive new thinking and innovation

• Communicate, communicate, communicate

• If not successful at first, try again
Woodyard Safety Initiative

- Cross company team formed to review and develop woodyard minimum safety expectations
  - Seven employees knowledgeable of the operations
  - Given the liberty to review all aspects of our woodyard operations

- In response to a few woodyard safety issues

- Developed and implemented the minimum expectations

- Now company norm

- Result - common standards and safer work environments
Hand Safety Initiative

• Challenge to reduce/eliminate fixed blade utility knife usage across the company - source of many hand cuts & lacerations
  • Mills and locations locally identified alternative cutting tools
  • Mills and locations shared and benchmarked across the company - broad and active sharing...a catalog of sorts...

• Employee engagement in trialing and testing new cutting tools paramount to success
  • Our employees understood the issue, believed in the process, & internalized the results...across our system

• Result - 90% of fixed blade utility knives removed from our mills
Risk Assessments

• Recognition of the importance of rigid pre-task risk assessment process for planned and unplanned tasks
  • Have our employees though about all risks and hazards, in real time, associated with tasks?

• Employees at our mills and sites are engaged in developing local pre-task risk assessments
  • Formal, documented thought process

• System-wide sharing and collaboration

• Goal - make risk assessments part of how we do business → our culture!
“PEOPLE MAKE THE DIFFERENCE”

EXAMPLES OF OUR ENGAGED EMPLOYEES

Leading Safety Indicators

• Develop & focus on leading safety indicators - measure of engagement...a proactive metric

• Two components - locally defined & tracked safety actions, and corrective action completion rate (from audits and investigations)

• Safety Actions defined by local mills and sites - what matters most to measure engagement: risk assessments, audits, JSA’s, etc.
  • Safety actions reported monthly and reported as “safety actions per person per year” ... a unique measure of proactive actions

• Allows for focus and tracking from month to month
“A leader’s most powerful ally is his or her own example.”

John Wooden
ASPECTS THAT MATTER...

*Leadership* and *Employee Engagement* are key to workplace safety and support Domtar’s Cultural Value of *Caring* ...

**Leadership** + **Employee Engagement**

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“PEOPLE MAKE THE DIFFERENCE”

DOMTAR’S APPROACH TO SAFETY LEADERSHIP

• There is no “silver bullet”!

• To be an effective safety leader it requires a core set of beliefs/principles to be in place everyday!

• Effective Safety Leaders
  • are truly compassionate and care for people’s well-being
  • can articulate and subscribe others to a safe workplace vision
  • set the expectations for success, ensure a “safety first” attitude in the workplace
  • empower reports and others to fulfill the shared vision
  • take corrective actions as required to maintain the course
  • MOST IMPORTANTLY... demonstrate the level of safety commitment and performance you expect
SOME FINAL THOUGHTS ON CULTURE

• How do we know we are going where we desire?
  • Legacy - where are you? From the mill to the family to community!
  • What are your “customary beliefs”? What will be “tribal lore” twenty years from now?
  • Going beyond the workplace - promoting a healthy lifestyle.
THE FIBER OF OUR LEADERSHIP
THE FIBER OF OUR EMPLOYEES
“Perfection is not attainable, but if we chase perfection, we can catch excellence.”

Vince Lombardi