Transformation Toward Safety Excellence

PPSA Annual Meeting
Presented by Matt Peerboom
Western Regional Vice President

June 8, 2015
Topics

- Who is KapStone
- Personal experience
- The foundation for our success
- A focus on engagement
- Building the future—*taking safety to the next level*
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- Personal experience
- The foundation for our success
- A focus on engagement
- Building the future—*taking safety to the next level*

A performance-oriented approach rooted in

FOCUS and ENGAGEMENT
We specialize in kraft paper & packaging products
We’ve got the U.S. covered
We ship to over 30 countries

80% domestic
20% export
Our true assets are our people
Longview Incident Recordable Rate

Acquired in 2007 by Brookfield Asset Management

Toward Safety Excellence
Key steps in building a culture of safety

1. Established a vision and built alignment.

2. Set clear expectations and accountability.

3. Created key strategies, with an emphasis on behavior and employee engagement.

4. Undertook a safety department resource restructuring, putting the right people in the right places.

5. Got focused on what was most important—Our People.
## 3 Levels of Engagement

Each critical, but each different

<table>
<thead>
<tr>
<th>Leadership</th>
<th>Vision</th>
<th>Resources</th>
<th>Unwavering support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervision</td>
<td>First line of communication and opportunity</td>
<td>Relationship development</td>
<td>Ownership</td>
</tr>
<tr>
<td>Employee</td>
<td>Participation</td>
<td>Courage to care</td>
<td>Hazard identification</td>
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</tbody>
</table>
# Example: Hazard ID – The Courage to Care

**KapStone Paper and Packaging, Inc.**

Please find below the latest ‘Hazard ID’ submission, and be a part of a KapStone Commitment to Safety

<table>
<thead>
<tr>
<th>Form Type</th>
<th>Courage to Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>03/31/15</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Adr Book #</td>
<td>[Redacted]</td>
</tr>
<tr>
<td>Name</td>
<td>[Redacted]</td>
</tr>
<tr>
<td>Incident Department / Plant</td>
<td>34 - Twin Falls</td>
</tr>
<tr>
<td></td>
<td>Incident Location</td>
</tr>
<tr>
<td>Describe What Happened:</td>
<td>Observed new temp try to sneek in a tie sheet between layers last second as the stripper plate almost caught her hand.</td>
</tr>
<tr>
<td>Immediate Mitigation Action Taken:</td>
<td>I told her to not take a chance doing that and possibly risking an injury. Better to put in manual and put the tie sheet in at that point.</td>
</tr>
<tr>
<td>Recommendations For Prevention:</td>
<td>Don’t rush into actions like these because were in a hurry. Take an extra second to be safe about things</td>
</tr>
</tbody>
</table>
A top priority for KapStone

- Hired a new VP of safety, reporting directly to the COO
- Establishing a systemic approach
- Blending best practices from all levels of experience
- Implementing a safety steering structure
  - Executive oversight committee
  - Corporate Environment and Safety Steering Committee
Building the future

A systematic approach

The Critical Few

- Integrated management system
- Standardized policies and procedures
- Governance
- Data management
- Learning and communications
- Culture / Engagement