Domtar's Journey of Cultivating a Safety Culture

Jack Bray, Vice President, Manufacturing Region 2

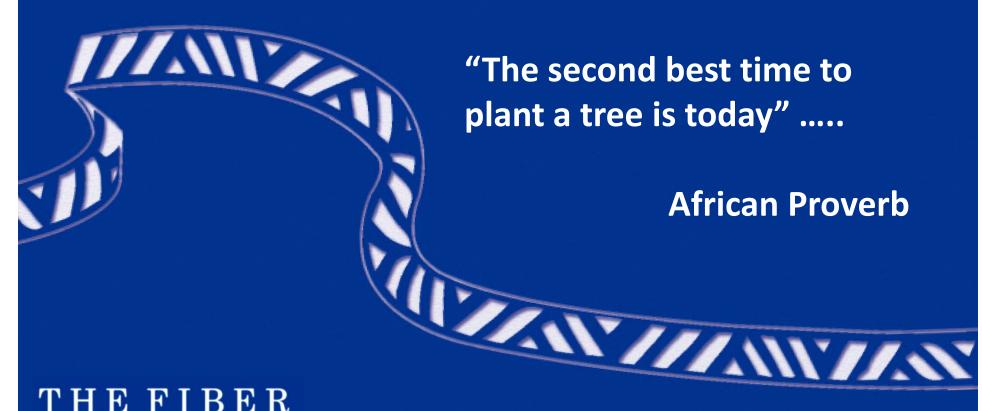
PPSA Safety & Health conference Orlando, FL, June 11, 2012

of Domtar

AGILE | CARING | INNOVATIVE



"The best time to plant a tree is 20 years ago"



"The second best time to plant a tree is today"

African Proverb

THE FIBER Domtar

Cultural Transformation



... is about planting the seeds and creating the right environment for them to take root and grow

THE FIBER Domtar

Who is Domtar?

A leading innovative fiber-based technology company



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 Al products







Domtar at a glance

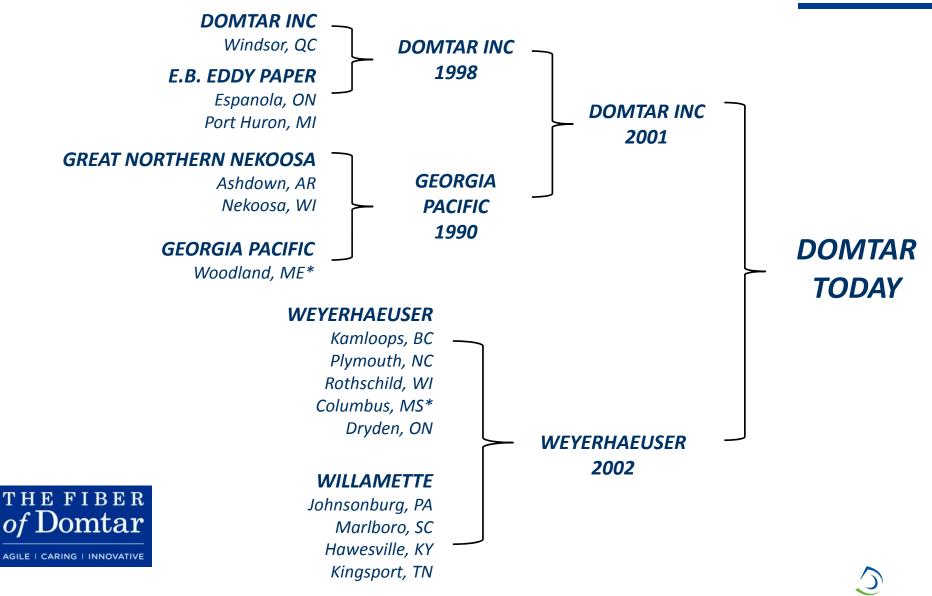
Corporate Name:	Domtar Corporation
Incorporation:	Delaware
Head Office:	Montreal, Quebec, Canada
2011 Sales:	US \$5.6 billion
Financial Results:	US dollars, US GAAP
Market Capitalization:	US \$3.4 billion (as at February 21, 2012)
Stock Listing:	NYSE, TSX
Index Listing:	S&P 400 MidCap, Russell 1000, NYSE Composite
Ownership:	85% + in the U.S.
Employees:	Approximately 8,700











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.

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We strive for flexibility and simplicity so we can focus on attaining results

Core Values

Caring

Agile

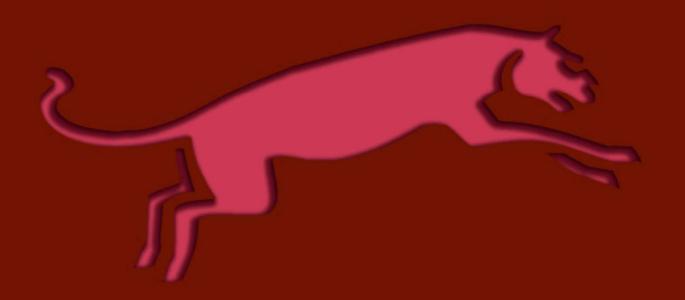
We care about our customers, communities, and each others' well-being, safety, quality, and the environment

Innovative

We are resourceful, creative, and collaborative to ensure ongoing improvement and our long-term success



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





ASPECTS THAT MATTER...

<u>Leadership</u> and <u>Employee Engagement</u> are key to workplace safety and support Domtar's Cultural Value of Caring ...

Leadership

- **Employee Engagement**
- Standards & Expectations
- **PMPs**
- Training & development
- **Operating Procedures**
- Root Causes & Corrective Actions
- Benchmarking & Sharing
- Accountability
- Housekeeping Expectations

- Risk assessments
- Safety committees
- Safety owners
- Behavior Based Safety
- Safety flashes
- Interventions
- Job Safety Analyses
- Reporting
- HousewayUnion Ownership Housekeeping Owners





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







EXAMPLES OF OUR ENGAGED EMPLOYEES

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





EXAMPLES OF OUR ENGAGED EMPLOYEES

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





EXAMPLES OF OUR ENGAGED EMPLOYEES

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!





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 <u>safety actions</u>, and <u>corrective action completion rate</u> (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





LEADERS

"A leader's most powerful ally is his or her own example."

John Wooden







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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.





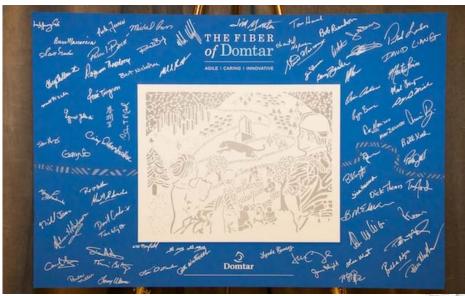


THE FIBER OF OUR LEADERSHIP



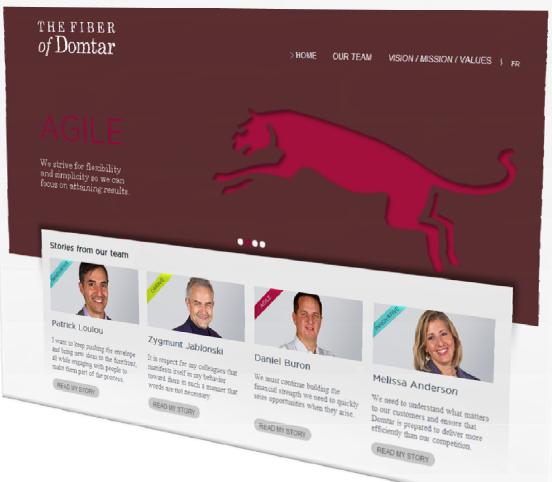








THE FIBER OF OUR EMPLOYEES









CULTIVATING A SAFEY CULTURE

"Perfection is not attainable, but if we chase perfection, we can catch excellence."

Vince Lombardi

THE FIBER of Domtar

AGILE | CARING | INNOVATIVE





