

Material matters: Being a responsible employer (continued)

Safety

Mpact is committed to providing a safe and healthy working environment for all employees, contractors and service providers. We subscribe to the principle of “Zero harm” and the CEO’s Safety, Health and Environmental (SHE) Philosophy emphasises that all injuries, occupational illnesses, safety and environmental incidents and fires are preventable and that the target for these incidents is zero.

The SHE Philosophy is based on three important principles:

- Individuals are responsible for their own safety.
- Adherence to the ‘Fire and Safety Rules to Live By’ is the minimum standard throughout Mpact.
- There is no differentiation in the treatment and expectations of employees, contractors and service providers.

Safety, health, environment and fire defence systems are the responsibility of senior management, assisted by line managers at each operation who are accountable for the well-being of employees. Safety committees are in place at each operation to implement Group safety policies at the facilities.

Mpact’s Safety Plan is reviewed at Group level at the start of each year and cascaded down into the operations. Each operation develops their own roll-out plan to satisfy the Safety Plan. The Mpact Risk Control Standards are standards and guidelines relating to a wide spectrum of safety, health, fire protection, security, emergency preparedness, vehicle control, and environmental management. Marsh Risk Consulting routinely audits an annually selected set of sites against these standards.

Safety, health and environmental training is provided at compulsory induction programmes for all new employees, contractors and visitors. This is supplemented by annual re-induction for all employees, permanent contractors and service providers. Additional safety training and awareness campaigns are also held during the year.

Mpact’s comprehensive contractor safety management programme ensures all contractors on our sites are afforded the same high standard of safety care as employees.



Situational Awareness.



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DID YOU SEE WHAT BONGA IS DOING?
 YES, BUT I AM NOT SAYING ANYTHING - HE WILL BE ANGRY!
 BONGA DOES NOT LIKE BEING CORRECTED.





AAAH! BONGA HAS FALLEN OFF THE FORKLIFT!
 I THOUGHT THAT LOOKED DANGEROUS.



BONGA! WHAT HAPPENED?
 HE WAS STANDING ON THE FORKLIFT INSTEAD OF A LADDER.
 WE SAW IT WAS WRONG BUT WE WERE SCARED TO SAY ANYTHING.
 WELL THEN IT IS OUR FAULT THAT HE GOT HURT!



WHEN YOU SEE A DANGEROUS SITUATION THAT CAN HURT YOU, OR ANYBODY ELSE, IT IS YOUR RESPONSIBILITY TO DO SOMETHING TO MAKE IT SAFE!
 BONGA GOT HURT BECAUSE WE WERE SCARED TO TALK.
 I WILL NOT LET MY PRIDE GET IN THE WAY OF SAFETY AGAIN!

Reports are prepared in the event of serious injuries (restricted work cases, lost-time injuries and fatalities) to identify the root cause of the incident and to distribute learnings throughout the Group.

Safety performance is included in the calculation of management performance bonuses against their roll-out of the Mpac safety programme at their site.

Safety systems

Mpac's safety systems rely on three levels of intervention:

Primary	Secondary	Tertiary
Physical interventions to provide a safe working environment	Safety systems that control the way people interact with work hazards	Creating a safety culture
Includes:	Includes:	Includes:
<ul style="list-style-type: none"> • machine guarding • designated walkways • safety railings • equipment inspections • personal protective equipment • alcohol testing 	<ul style="list-style-type: none"> • CEO's SHE Philosophy • Mpac's Safety Plan • The Safety, Health and Environmental Policy • Mpac's Fire and Safety Rules to Live by • Hazard Identification Risk Assessments (HIRAs) and Safe Work Procedures (SWPs) to address risks • Mpac Risk Control Standards • Mobile device and smoking policies 	<ul style="list-style-type: none"> • the Behaviour-Based Safety programme • the Mpac Safety Culture cartoon series

Primary and secondary interventions are guided by, and comply with, the Occupational Health and Safety Act.

Developing a safety culture

Mpac's Behaviour-Based Safety programme identifies unsafe behaviours and eliminates barriers to safety by using three levels of behaviour observation – visible felt leadership (VFL), peer observation of barriers to safe working behaviour and

planned job observations against Safe Work Procedures (SWP or SOP) that identify the safest and most efficient procedure for the task.

The Mpac Safety Culture cartoon series aims to make safety awareness accessible to the entire workforce. "Sam" the safety mascot champions all communications on safety and personifies the Mongoose safety award. Operations compete annually for the Excellence in Health and Safety Awards, an internal award for excellent performance in these areas.

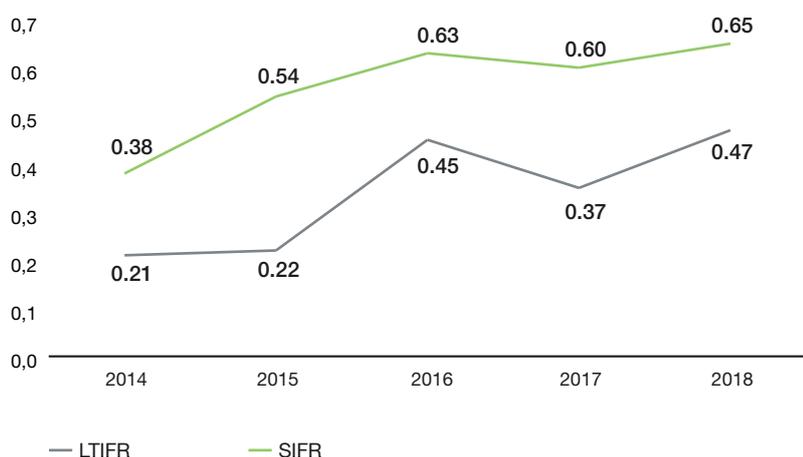
Safety performance

2018 was a challenging year for Mpac with respect to safety. It is with heartfelt regret that we report the death of Mr Maans Swart, an electrical engineer at Springs Paper Mill, who was electrocuted while working on 6.6kV switchgear.

Mpac employees and contractors sustained 32 lost time injuries (LTIs) in 2018, up from 26 in 2017, and 13 restricted work cases (RWCs) (2017: 16). Our primary safety measure is the serious injury frequency rate (SIFR), which includes RWCs, LTIs and fatalities, as we believe this index more accurately reflects the impact of safety incidents on the lives of our people. The lost time injury frequency rate (LTIFR) per 200 000 man hours rose to 0.47 from 0.37 in 2017, and the serious injury frequency rate increased to 0.65 from 0.60 in 2017.

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Safety performance



It has also been noted that there has been an increase in the number of hand injuries which account for 47% of all serious injuries for the year.

Consultation with the operational sites indicate that the levels of stress among employees and contractors is high, linked to social, political and economic instability in South Africa. Clinic data supports this view as the recorded number of employees diagnosed with hypertension is increasing. Stress leads to “presenteeism”, a problem where employees are at work but not fully functional as they are distracted by their stress factors. The resultant absentmindedness increases the likelihood of accidents and also affects productivity. The increasing proportion of hand injuries supports this assessment as most hand injuries occurring are as a result of a lack of focus. Feedback from the Life EHS wellness programme call centre indicates that 66% of callers from Mpact report stress related “presenteeism” issues.

Specific issues that have come to light through safety incident investigations include the difficulty some workers have travelling to and from work due to unreliable or failed public transport, travel times and their personal safety especially at night. Extended periods of 12 hour shifts required at times to meet production demands at some sites and at certain times of the year also increase stress.

The increased number of injuries reported may also be linked to improved reporting as safety systems and reporting standards have become more rigorous and transparent.

The increase in the number of safety incidents is of great concern to Mpact’s management and Board, and during 2018 a number of steps were taken to improve our safety performance:

- The new employee wellness programme call centre with Life EHS was launched in May 2018 (see page 29), which is available to employees and their immediate dependent family members.
- A more comprehensive clinic service was also launched with Life OHS who have a mandate to develop comprehensive health and wellness statistics so that appropriate action can be taken by management.
- Focussed campaigns on hand safety and wellness awareness have been rolled out at Mpact sites in the form of “Safety Days with Sam”, through posters and hand safety awareness cartoons. Sam is the safety mascot mongoose who visits the sites in the form of a life size costume. Cartoon renditions of Sam are used in all safety communication.

- The Group Risk and Sustainability Manager and Safety Consultant are working closely with safety officers at our sites to improve skill levels and help them inculcate Mpact’s safety culture.
- The Mpact Safety Manual was launched to give safety officers and site managers a systematic guide to Mpact’s approach to safety.
- A Leading Indicators scoring system was developed and built into the performance bonus scheme for all managers that measures each site’s conformance to the key Mpact safety systems. This metric is aimed at ensuring site management gives due attention and drive to Mpact’s safety programmes.
- An incident investigation guide has been developed and given to sites to assist management when conducting safety incident investigations.
- The incident investigation guide specifically requires the investigation team to consider lifestyle issues, and any other factors involved, to identify pertinent stress factors that could have contributed to the accident. It is a requirement that the general manager of the site chairs all fatality, LTI and RWC investigations.
- A team of big data analysts are working on algorithms to identify possible causal factors relating to safety incidents. Factors included in the research are travel time to and from work, prevalence of chronic disease at the site, demographics, absenteeism, overtime, shift patterns, sick leave and annual leave patterns. It is hoped that this data will assist Mpact in identifying management interventions that will be effective in reducing the chances of accidents happening.

Safety awards

All sites are audited annually by Legal Consulting Services who specialise in safety legal compliance. Based on the outcome of the audits and site safety performance, the best performing operation is awarded the prestigious Mongoose Safety Award. Safety performance over a five-year period is also reviewed and sites are awarded Excellence in Safety Awards in Platinum, Gold, Silver and Bronze based on their performance.

Health

Mpact is committed to supporting the health and wellbeing of employees to improve quality of life, morale and productivity. Occupational health and safety compliance is a key indicator of business performance and is the responsibility of line management.

Primary healthcare services and free annual medical assessments are provided to employees through site clinics or mobile medical facilities. Occupational health examinations are conducted when an employee joins the Company, at periodic intervals during employment (based on the risk and local regulatory requirements), on transfer from one operation to another and on retirement or resignation.

In May 2018, Mpact appointed Life Employee Health Solutions (Life EHS) to provide a wellness programme at our sites. The services include a 24-hour call centre giving employees and their dependents access to support for health, social, psychological, financial and legal advice. Face-to-face counselling and group trauma counselling is also offered as needed. The service also offers on-line support and a wealth of information on wellness. Response to the programme has been encouraging with 232 consultations in the first 8 months of the programme. This is an annualised utilisation rate of 7%, which is pleasing for the first year of implementation. To increase utilisation Mpact and Life EHS will conduct a second round of on-site launches of the programme in 2019.

Clinics

Mpact negotiated a more comprehensive clinic service provided by Life Occupational Health (Life OHS) through on-site clinics and mobile clinic services. The programme will improve uniformity of medical surveillance and enhance diagnosis and reporting of chronic and primary diseases. Life OHS has been tasked with developing more comprehensive statistics and analysis on health and wellness issues across Mpact, and the new programme will help to address the impacts and improve the management of the key chronic diseases affecting our employees, which include HIV/Aids, hypertension and diabetes.

Safety and Wellness days, referred to as "Safety Days With Sam", are held at operations and may include counselling, various voluntary health tests, cancer awareness, assistance with financial advice, eye tests, situational safety awareness role plays and awareness drives for relevant health challenges such as hearing loss. Safety issues such as hand safety are specifically addressed.

HIV/Aids

Mpact provides comprehensive support and treatment for employees living with HIV/Aids, including voluntary counselling and testing (VCT) for all employees and contractors, ongoing HIV awareness campaigns including events commemorating World Aids Day, and free antiretroviral treatment.

During 2018, 4,522 employees (2017: 3,874 employees) undertook workplace medicals with 2,020 employees (2017: 2,402 employees) opting for VCT.