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From: Mike Bush
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Subject: Independent and External Assessment of Allegations levelled by One News; and Health, Safety (and Well-being) systems at Ashburton Site.

Introduction

My findings in relation to the allegations levelled by One News have been addressed in a separate report.

The following report outlines my findings as part of the independent and external assessment of Health, Safety (and well-being) systems at the Ashburton site. I have used Part B of your email of 7 July 2021 as the Terms of Reference (TOR).

To complete this report, I have focused on: a review of Talley's Health and Safety literature and documentation from the past (5) years; two site visits to Ashburton and one each to Nelson and Motueka; and interviews of Talley's personnel. I have taken note of the early observations provided by WorkSafe.

Executive Summary

We were engaged to provide independent advice to the Talley's Limited board on the success and/or failure of the Health and Safety initiatives adopted at the Ashburton plant, including a review of the plants overall approach to health and safety, its performance and the level of system effectiveness on that site.

We found that management's commitment to health and safety at Ashburton and other Talley's sites visited was of a high standard. The systems, processes, and initiatives the company maintains to keep people safe were extensive, sound and continually improving.

We did not find evidence to substantiate claims that the site (or company) didn't take health and safety seriously or had adopted any approach other than a drive for on-going improvement in pursuit of safer workplaces. It was apparent that the Board provides strong financial resource to management for safety initiatives, and management have a clear direction of what is expected in that regard. The sites workforce was engaged and proud of

what they were achieving in respect of the safety initiatives and the level of improvement made. The change in emphasis staff had witnessed from the company and management on safety matters in the last 2 years was a consistent and encouraging theme that we heard from the workforce.

There were matters we found where the site could do better. These related to training, feedback/engagement, building greater skill/capacity and a more structured approach on some health and safety initiatives. Largely, these were things already identified by the company or matters now under way as a result of our review.

The recommendations are set out at the end of this report.

Findings

1. "How effective are the companies' systems and processes in keeping workers safe and healthy at work in Ashburton?"

Finding:

There have been four notifiable incidents at the Ashburton site since 13 August 2019.

Health and Safety systems and processes at the Ashburton site have improved significantly under the leadership of General Manager, Vegetables (GMV) [REDACTED] [REDACTED] who commenced in October 2020 and the appointment of the full time Health and Safety coordinator, [REDACTED] in January 2021. Other new initiatives have been introduced by Talley's Ltd Health and Safety Manager [REDACTED]. Governance and leadership are enhanced, staff are more engaged and contribute well to processes and systems that keep staff safe and healthy. There is consistent awareness and management of the top Health and Safety risks. The introduction of "Care Cards" enables staff to alert management to Health and Safety issues and a process is in place to ensure those issues are addressed. Our observations are that despite best intentions, the site could improve on the use of the Care Card system even further in relation to Health and Safety matters, by ensuring a more formal feedback loop is maintained for the Care Card suggestions.

The current trajectory will need to be maintained in order to ensure complete effectiveness.

2. "Does the company have a clear view of its current performance and has it identified and prioritised opportunities for improvement.

Finding:

Management at the Ashburton site were able to provide records of meetings, incident reports and actions taken. It is evident that Health and Safety at the site is a priority and focus for management. They are cognizant of issues and risks and have a continuous

improvement mindset and approach. Senior staff were consistent when articulating the top health and safety risks. The senior leadership team hold monthly meetings with Health and Safety as a key agenda item for discussion and action. The Plant Health and Safety coordinator attends these meetings. Further, a monthly Health and Safety committee meeting is held and provides a forum for delivering health and safety messages, receive feedback and prioritise actions to be taken. “Staff facing” Health and Safety literature is very visible at the plant.

3. “Are the workers fully engaged around health and safety? How are workers involved in health and safety discussions and their views represented in decision making?”

Finding:

Worker’s engagement has improved substantially but needs to remain a work in progress for the site’s leadership. Our observations are that staff are generally and positively engaged in Health and Safety matters. General Manager [REDACTED] articulates his Health and Safety vision as “full engagement”, building a health and safety culture where staff believe health and safety is everyone’s job and everyone contributes. He understands that he needs to get amongst the people, to the shop floor, to drive this culture. There are a number of initiatives now in place to drive this including regular staff meetings, hosted or attended by the GM and H&S Coordinator, where H&S are either the sole or top priority. Process including registers are in place to record risks and issues, action taken to remedy or mitigate those risks and issues. Staff at the plant are made aware of Talley’s Ltd Health and Safety values; “REAL”. They have “Talley’s care cards” that enable them to provide written feedback on health and safety concerns or suggestions. This can be done anonymously. Regular “toolbox” meetings are held where health and safety matters can also be raised, discussed and addressed.

4. “How can the health and safety culture be described?”

Finding:

Feedback from staff reveal they believe they can trust the decisions made by managers and can see commitment from all levels towards good health and safety practices. Staff have confidence in the Plant Health and Safety coordinator and team. A true desire from staff to achieve a good health and safety culture exists. The culture is building towards one of real engagement and openness.

5. “Is the training, induction, and supervision effective and to the required standard?”

Finding:

Training is delivered by a select group of staff with relevant subject matter knowledge. However, improvements have been identified and recommended, particularly in relation to Health and Safety representatives and Health and Safety committee members. The

induction process is executed and delivered well. Content is relevant and applicable. Supervision is of an acceptable standard with a high frequency of monitoring and support given to staff on shift.

6. “How is performance around critical risks managed? (We propose that the assessment covers a range of Talley’s operational sites and key risk areas including workplace traffic management; working at heights; guarding; storage; hazardous substance exposure (ammonia, fumigants, diesel etc.); Contractor management; the condition of safety critical assets (building, machinery, vehicles), competence and capability (technical and safety leadership), and access to competent advice to support decision making.”

Finding:

Sites visits were made at Ashburton, Nelson and Motueka.

Guidelines, support programmes, standard operating procedures and training are all in place at the Ashburton plant to manage key risks areas. Staff are made aware of these through various means of communication.

Interviews of key leaders including the Chief Executive, Group Manager Vegetables (GMV) and the Health and Safety Manager Talley’s Ltd revealed a very consistent understanding of key risks and a proactive approach to addressing them.

With regards to “workplace traffic”, our inspection noted that management and procedures were satisfactory and managed under a “Traffic Management Plan”. The site has an extremely high traffic loading and traffic management remains a key site risk. This is well understood by the site management staff, as is the need for continuous review in this area. In that light, I understand improvements are already underway as a result of our inspection and feedback from the WorkSafe site visit to Ashburton. Forklift management is referenced below in relation to “storage”.

With regards to “working at heights”, the associated risks are well managed. The guidelines set and communicated are well within industry best practice. This is reflected in the Induction, Safe Work Procedures and Standard Operating Procedures documentation. It is noted that further engagement with and monitoring of sub-contractors is suggested.

With regards to the “guarding” of machinery, our inspection revealed an adequate or satisfactory approach. This matter has been the subject of various reviews and independent audits. Subsequent maintenance and repair continue to be a focus for staff and management. Further enhancements have been recommended and are currently under action.

Due to the nature of the process, and site equipment, machine guarding must remain a key and on-going focus for the site.

The injury I referenced in my earlier report, in relation to corn machinery, incurred by a worker due to a “guarding failure” at Ashburton resulted in “significant trauma” highlighting the real risk to personnel and the need for heightened vigilance around guarding.

With regard to “storage”, our inspection at Ashburton, supported by site visits to Nelson and Motueka found the storage areas in good condition, orderly, under strict supervision and with guidelines strictly adhered to. We were especially impressed with the fully automated cool store at Ashburton. The stacking of pallets outside of the fully automated cool store is limited to a satisfactory height with quality control processes in place to identify crates requiring attention, repair or replacement. Forklift movement is controlled, orderly, well supervised with very competent operators. The forklifts are governed to meet safe speed requirements within the packhouses and storage facilities. As referenced above in the paragraph relating to “Traffic management”, further enhancements are being inside the storage areas.

With regards to “hazardous substances exposure (ammonia, fumigants, diesels etc.)”, management and controls of hazardous substances is in place. Safe areas are provided for storage and delivery. SWP’s, SOP’s, site inductions, PPE reference data sheets and industry best practice material provides for good understanding. Compliance is measured against these standards. Scheduled maintenance and safety reviews are carried out regularly. Signage is satisfactory and the recommendation by WorkSafe to provide extra wind direction instruments (wind vanes) in more locations is under action.

With regards to “contractor management”, a number of requirements are in place. Before contractors are permitted on site, they must qualify in a number of areas including: the safety management plan; relevant certifications and competencies; liability cover; site induction, SWP’s and SOP’s. These requirements are monitored and checked.

7. Is there evidence of a process of continuous improvement within the Health and Safety framework?

Finding:

There is considerable evidence of a process of continuous improvement within the Health and Safety framework. Plant General Manager [REDACTED] and Health and Safety coordinator [REDACTED] have made significant improvements to date and are very focused on evolving and improving systems and processes into the future.

8. “Does the site and management have the necessary resources, including the competency, to support the delivery of a robust and effective H & S framework?”

Finding:

General Manager [REDACTED] is confident he has the financial resources available to deliver a robust and effective H&S framework. Evidence provided included recent expenditure on H&S operating and capital expenditure. There is no budget cap placed on Health and Safety spending within the Talley's Limited business. Financial data provided in respect of Talley's Limited shows the following Health and Safety spending for operational expenses only: 2019 - \$2.24 M; 2020 - \$3.86M; and 2021 YTD - \$2.92M. It appears to be soundly and well-resourced and we found no evidence of a lack of appetite or willingness from the company to commit immediate and sizeable levels of expenditure to improve employee safety.

GMV has an effective and capable H&S coordinator in [REDACTED] who is supported by Talley's Ltd Health and Safety Manager, [REDACTED]. Ensuring adequate capability and capacity through appropriate training is an on-going requirement and something the site must work on continually.

9. "Are senior officers receiving the information from the site that is important to drive continuous improvement and ensure a safe work environment? Is that information reliable?"

Finding:

There are a number of different avenues used to provide information to senior officers, via shift team leaders, feedback from toolbox meetings, reporting through inhouse intranet systems, from the Health and Safety committee members and meeting minutes. Matters and issues received are noted and scheduled to be entered into the agenda for discussion and review in the monthly Senior Team Leaders Meeting, H&S committee meetings or, subject to priority, without delay. Earlier reference has been made to improving the feedback loop for the Care Card system.

10. Are the auditing, verification, and reporting frameworks to a high standard?

Finding:

The auditing and reporting framework appear to be robust. With regards to H&S, the auditing includes: an annual independent QMS external audit that provides an intense overview of H&S practices; "IREAL" internal management incident or injury reporting; monthly hazard hunts; internal risk assessments and program audits; externally conducted MEL guarding audits; TUV risks assessments for isolation procedures, machine guarding and E-stop mapping; Internally conducted ACC audit; Contractor audits; Boiler QMS, ISO-9001; Building Warrant of Fitness conducted externally; SDS audit bi-annually; monthly racking audits conducted internally.

The ACC – accredited Employer Programme Audit, completed in September 2020 showed that overall, the companies processes, reporting, auditing, and verification to be commendable.

As expected, food safety audits are completed.

11. “Related matters? Strengths and weaknesses?”

Finding:

Our general observations are that the Ashburton site has come a long way in a short space of time. This is directly attributed to the intent communicated by Talley’s Group Directors (BoD), and the appointment of key persons into strategic roles. As stated, this includes the appointment in 2018 of Manager: Health and Safety (Talley’s Ltd), [REDACTED] reporting directly into the Chief Executive [REDACTED], appointment in late 2020 of Group Manager, Vegetables, [REDACTED] who oversees the Ashburton site, and appointment of [REDACTED], Health and Safety Coordinator, Ashburton site in February 2021. As a result, Health and Safety, practices, systems and culture have improved considerably. No one is in any doubt that they need to continue to improve to ensure they meet the standard of excellence set by the BoD’s. Health and Safety Governance has improved significantly and continues to be a focus across Talley’s Limited.

A relevant related matter is the inability to fully resource all positions within the plant. Shortages mean that existing staff have increased responsibility. This issue is wide ranging, not only across Talley’s Ltd, Talley’s Group Ltd but across the entire industry. Every effort is made to attract recruit and retain capable staff, but a national shortage has impacts on staff health and safety.

Recommendations:

Recommendations are grouped under headings.

It is acknowledged that many of the recommendations made hereunder are already under action.

1. Culture:

We found a strong health and safety culture on the Ashburton site. However, to ensure the appropriate culture is set, repeated and enhanced across the company and at all sites, Talley’s Limited should conduct a strategy session to confirm direction and operating principles, including a value set, that can be a foundation layer for improved health and safety performance. This should be at least an annual process by the board and key executive personnel. The “REAL” Health and Safety values already established are an excellent example of appropriate values and are essential in setting the right culture and this can be built on and should never be static. The outcome sought would

be a short document articulating Talley's aspirations, objectives, method of operation and value set, forming a key communication plank for staff across the business in relation to keeping one another safe. A more formal and structured approach to setting and communicating those key values, from the board outwards, should be adopted.

An indicator of an improved culture is an increased use of Care Cards for Health and Safety matters, driven by efforts to ensure the feedback loop is completed.

2. Resourcing:

The adequate level of resourcing is dependent upon the structure determined by the board and their Health and Safety Governance approach. Many of the key positions are already in place (e.g., Health and Safety coordinators at site and corporate level within Talley's) and there does not appear to be any obvious gaps on the level of personnel resource dedicated to health and safety. Notwithstanding, a comprehensive and consistent approach is recommended whereby the company settles on a formal health and safety organizational structure for each site, consistent with size and complexity of that site. At present, there is some level of inconsistency amongst some of the larger sites. No extra resource is required to establish sufficient Health and Safety representatives.

3. Capability:

We recommend that Talley's conduct a companywide stock take of H&S skill and capability. This should be end-to-end, inclusive of Board members, Chief Executives, Senior management, personnel with Health and Safety responsibilities and Health and Safety Reps. A range of H&S capability building, and certification is available. It was clear that a range of skills and formal health and safety qualifications exist within the Talley's business but that it is not formally recorded, or critically assessed for shortfalls. It should be reviewed at a senior level at least annually.

Once the stock take is complete, options should be presented to Board and senior management for building on that capability. For example, leadership development options should be presented to senior management to equip them with the tools to drive H&S culture throughout the company and lead better health and safety performance continuously. An early priority would be additional and formal training of Workplace Health and Safety representatives and members of Health and Safety committees.

4. Capacity:

The Ashburton site in particular, but also the wider Talley's Limited business needs to make every effort to retain current staff and continue with the current initiatives to attract and recruit. We recognized from our discussions with senior and site recruitment personnel that the current labour constraints confronting business in the Covid-19 environment is extremely difficult. A major staff attractor for business is

reputation. Every effort must be made to maintain and enhance the reputation of the Group as an “employer of choice” and the recruitment initiatives should be revised in light of the current labour environment. What worked before may no longer be fit for purpose in the current labour market. Skilled, capable and engaged staff are a central component in safer workplaces.

5. Systems and Practices:

The company will need to implement the recommendations from the WorkSafe site audits and the Safe Plus site audits consistently across all of Talley’s locations and be able to verify that to stakeholders. The Group Health and Safety Advisory Board should be utilized for this purpose to ensure the actual and effective implementation of those recommendations. An action log has been commenced to record all recommendations and track the progress of implementation.

Whilst the company has various channels for staff feedback, good or bad, the introduction of a formal “Whistleblower” Policy would provide an additional avenue for staff to raise Health and Safety concerns, therefore enabling management to respond effectively.



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