

CLIENT
Stewardship Report
December 2020

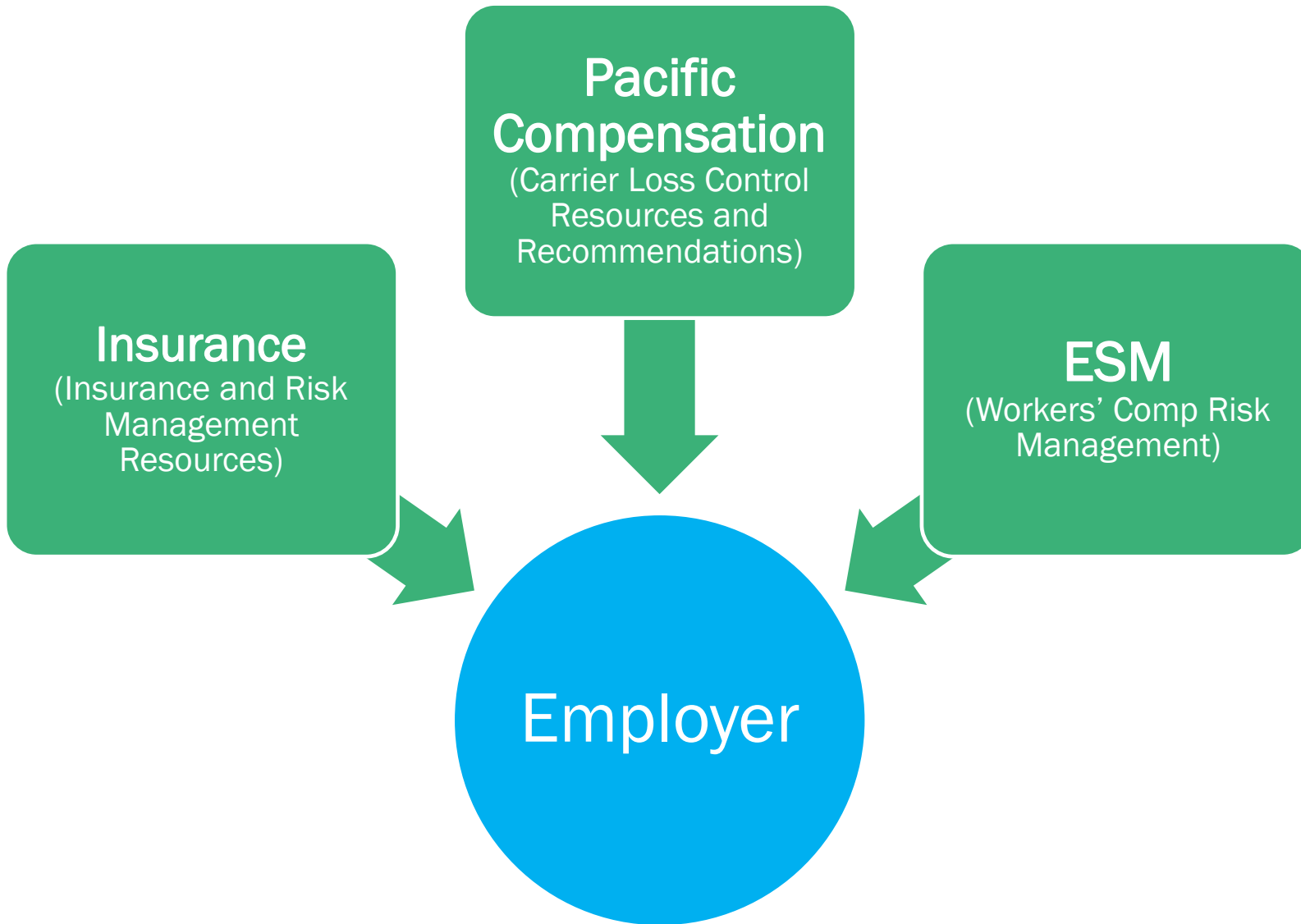


OVERVIEW

- Safety Committee:
 - Employer initiated a Safety Committee in January 2015
 - Committee comprised of Senior Management and Department Managers
 - Also included: Insurance Agency, ESM and Pacific Comp
 - High level goals:
 - Reduce injury frequency by implementing safety policies, procedures and best practices
 - Reduce injury severity by implementing reporting procedures, return to work initiatives and claims management procedures with the carrier
 - Reduce X-Mod
 - Improve the company culture by implementing behavior-based mechanisms designed to improve moral from a positive reinforcement perspective
 - Achieve a “participatory culture” where all employees embrace the safety program

WORKERS' COMPENSATION SNAPSHOT

Year	Premium	Incurred	Payroll	Loss Ratio	EMR
2015-16	\$ 626,127	\$ 385,512	\$ 4,551,776	62%	204%
2016-17	\$ 910,760	\$ 293,305	\$ 5,114,434	32%	272%
2017-18	\$ 941,436	\$ 266,690	\$ 5,061,000	28%	234%
2018-19	\$ 629,795	\$ 333,587	\$ 6,344,021	53%	172%
2019-20	\$ 505,000	\$ 198,132	\$ 6,534,341	51%	163%
Averages	\$ 746,748	\$ 272,929	\$ 5,763,449	41%	209%



Safety Committee initiated in 2015

Aligned strategic partners to Risk Management goals and objectives

Ongoing Support and resources from partners has provided the foundation to build a long-term, sustainable risk management program.

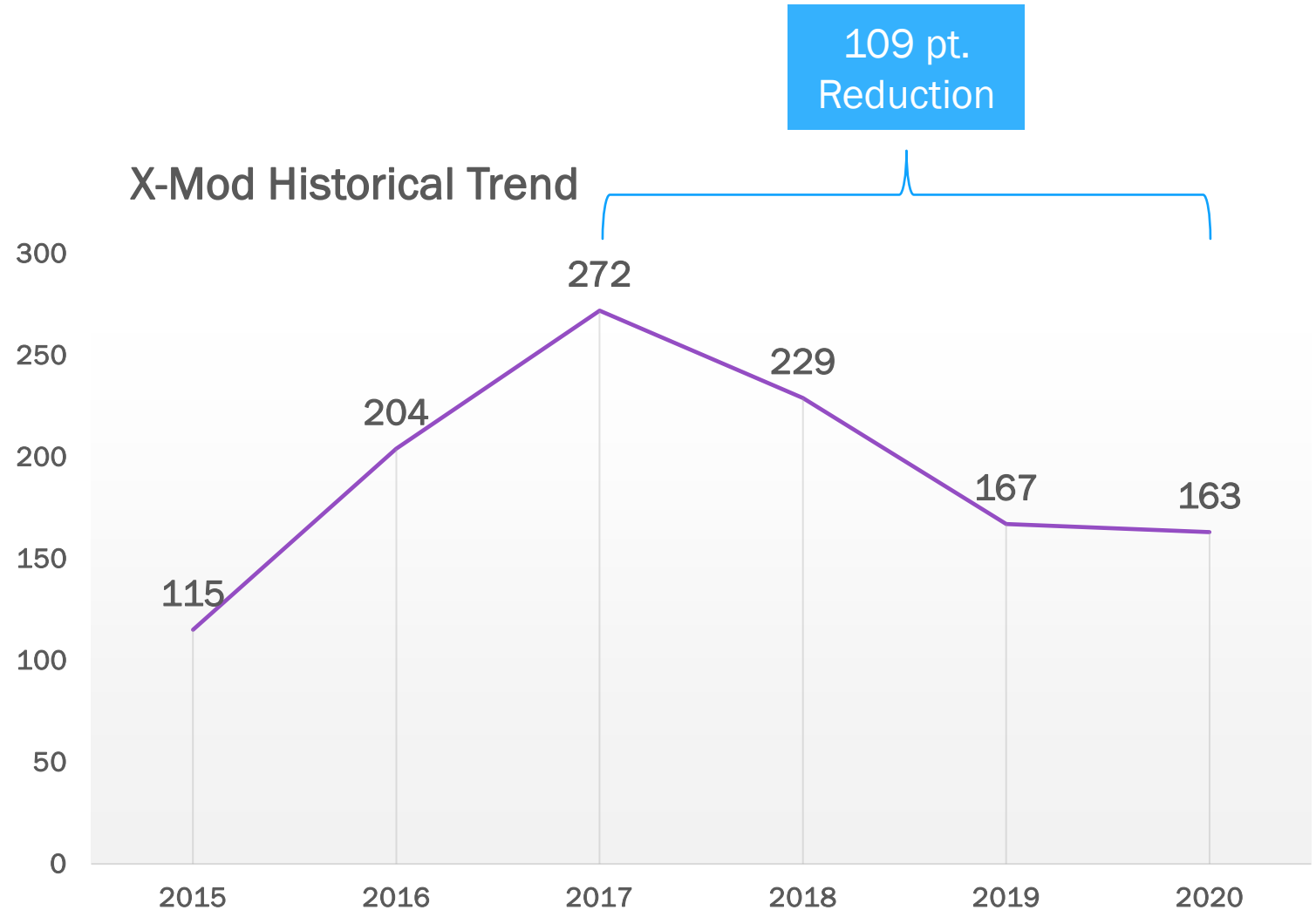
X-MOD HISTORY

Analysis:

- 2019 X-Mod – 169%
- 67-point reduction from 2018
- 110-point reduction from 2017

- 2019 X-Mod includes policy years: 2017, 2016, 2015
- 2019 Primary Threshold = \$41,000
- Loss free / base rating = 42%

- Payroll increase of \$1.2M from 2017-2019

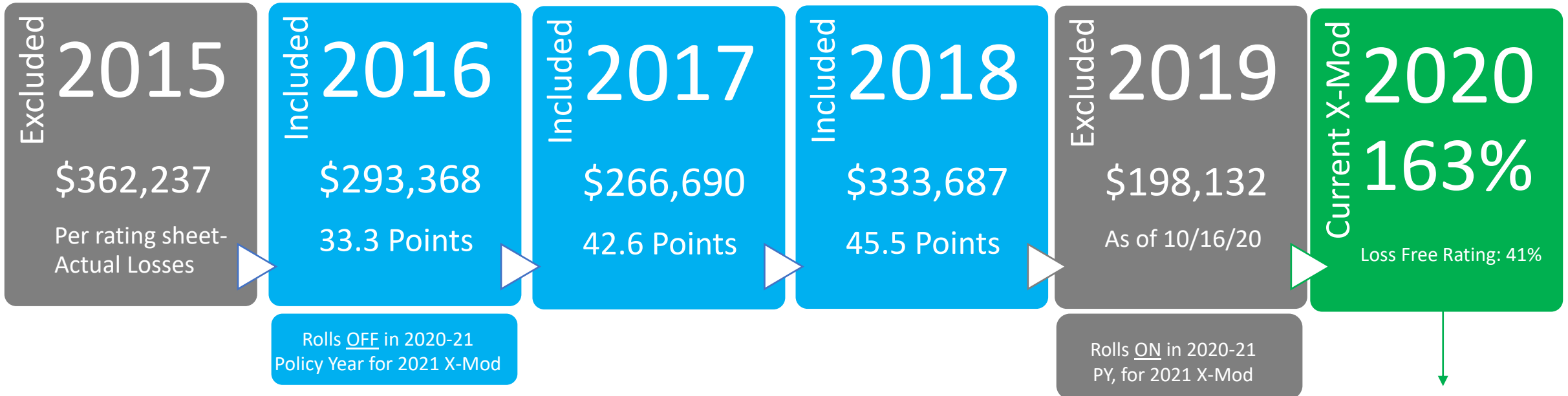


EXPERIENCE PERIODS

2020 X-Mod Effective Date: December 31, 2020

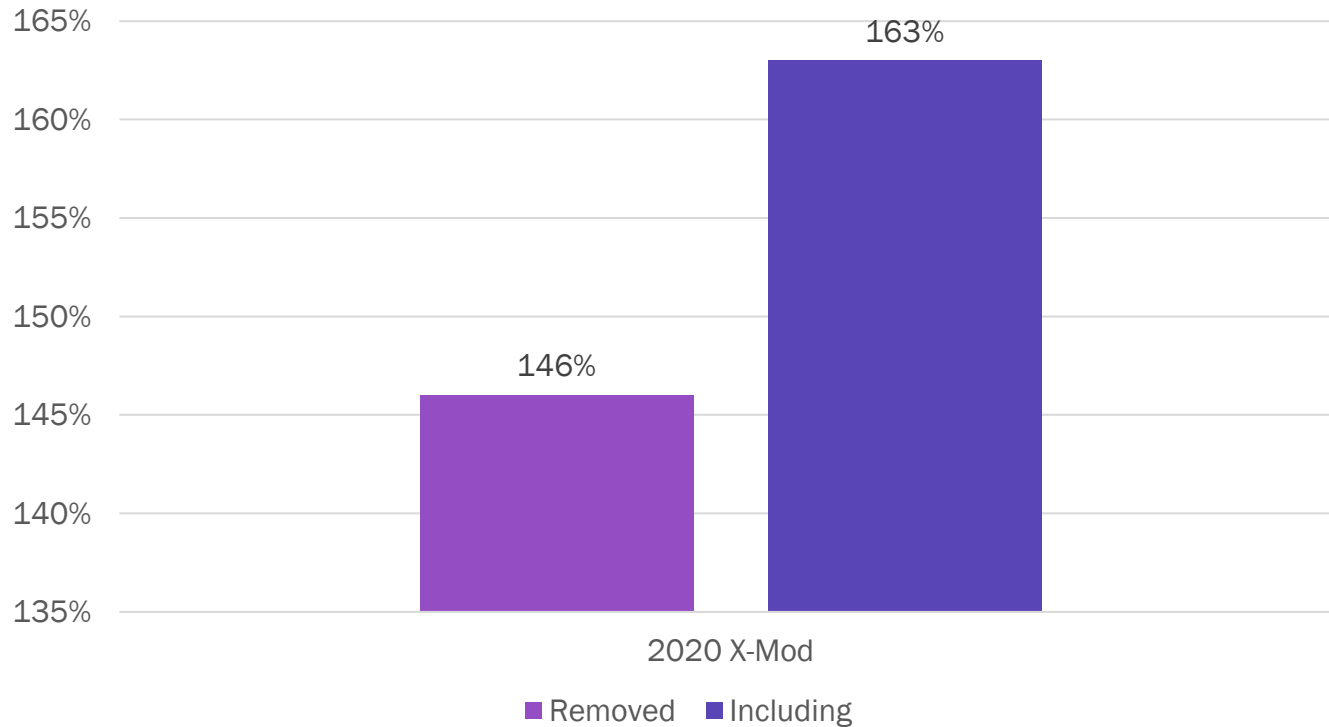
Losses valued on 10/16/20, including ALAE

Experience Period for 2020 X-Mod



Unit Stat deadline for 2020 X-Mod (already published) taken 6/30/20
2020 Primary Threshold = \$36,000
Rolling 3 years for 2021 X-Mod: 2017-2019 policies
Points total shown is for 2020 X-Mod Only

2020 X-MOD: EFFECT OF REMOVING 1 LITIGATED CLAIMANT



- 1 claimant with 4 total claims
- Only 3 claims count toward projection within the 2016-2018 policy periods
- **\$185,417 in total incurred** for those 3 claims.
- Accounts for **19.5%** of all incurred for the 2016-2018 policy periods
- Resulted in **17 additional points** onto the projection (146%)

RISK MANAGEMENT FRAMEWORK

Monthly Safety Committee

Members consist of Department Managers and Leads (Decision Makers)

Attendance also includes: PacComp Loss Control, ESM Risk Management, Insurance Account Executives

Establishes and reviews: goals, policies, IIPP initiatives, Key Performance Indicators

Monitors progress of program via Safety Matrix

Moved to Zoom during COVID

Risk Management Initiatives

Implemented a comprehensive COVID-19 Exposure Control Plan, including safety and case management

Focus on reducing slips and falls throughout bakery

Conduct bi-monthly safety training focused on loss leaders and trends (average 97.5% completion)

Monthly facility inspections

Safety Recognition Program (2021 Initiative)

New Hire Safety Orientation (onboarding)

Quarterly claims reviews with stakeholders

Active return to work management

Continued implementation of all aspects of our IIPP and other Cal-OSHA requirements

Initiated a safety audit of Compliance requirements

Passed BRC audit (more stringent than OSHA)

COVID-19 Initiatives

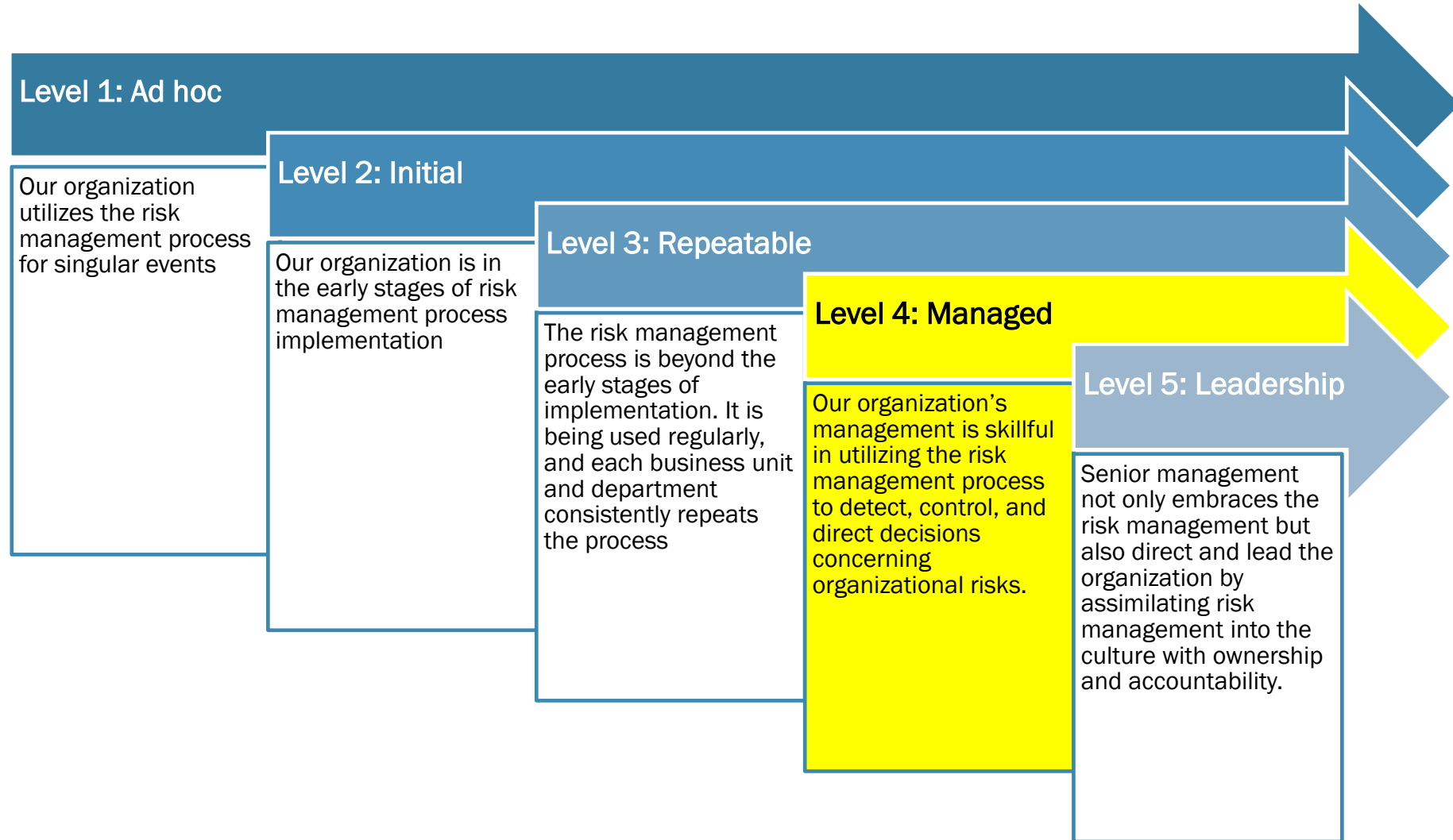
Implemented a comprehensive COVID-19 Exposure Control Plan, including:

- Increased disinfection procedures
- Sanitizing stations
- Health and hygiene training
- Signage/posters across the bakery
- Notices to employees about sick leave (FFCRA)
- Requirement for employees to self assess daily using custom form
- Face covering initiatives (PPE provided by employer)
- COVID case management utilizing the Sonoma & Napa County Health Department's
- Ongoing refresher training and oversight
- Daily temperature checks/monitoring log

SAFETY MEMBER ROLES & RESPONSIBILITIES

Member	Department	Member/Department Goals
	Quality/Compliance	Maintain Safety Training for 95% Compliance. Schedule and complete JSA individual equipment training. Focus on New Hire Training to be completed within 15 days of hire. Assist and train for BRC document requirements. Improve Daily Sanitation of all Equipment and work areas to prevent injuries and provide safe and uncontaminated food for our consumers.
	HR	Better training for managers/team leads
	Plant	Improve awareness by encouraging employees to participate in safety suggestions/comments program. Goal of at least 1 comment/suggestions a month
	Production Supervisor	Focus more on training packets, attend all safety meetings, training of new employees on safety
	Distribution	Cross Training for drivers, Hold driver meetings monthly or quarterly, continue with check rides
	Executive	Provide leadership accountability and resourced required to complete Company safety goals
	Operations	Pass down the highlights from safety committee to employees, evaluate closely the reasons for accidents and improve, employee training 100%. Forklift inspections (battery, equipment safety, pre inspections)
	Safety Coordinator	Keep training matrix updated, hold and lead pre safety meeting check ins
ESM, Insurance Agency, PacComp	Support Team	Provide resources, coaching and advice on best practices to mitigate risk and cost associated with Workers' Compensation. Be empathetic to Company's needs. Respond timely and provide clear direction on processes and areas for improvement. Ensure the organizations needs are being met.

RISK MATURITY LEVELS – LEVEL 4



RISK MATURITY → LEVEL 5 GOAL

Status

2019-20 Initiatives focused on moving to the next level

1.
 - Focus treatment initiatives during previously trending months (Jan, Sept - Nov)
2.
 - Monthly department meeting post safety committee
3.
 - Mid-month/weekly safety leadership meetings to discuss status of monthly initiatives
4.
 - 10 Safety Committee meetings next year
5.
 - Bi- Payroll Stuffers
 - Include monthly safety report
 - Include monthly safety tip/training



CAPEX, ENGINEERING CONTROLS AND SAFETY IMPROVEMENTS \$200K+

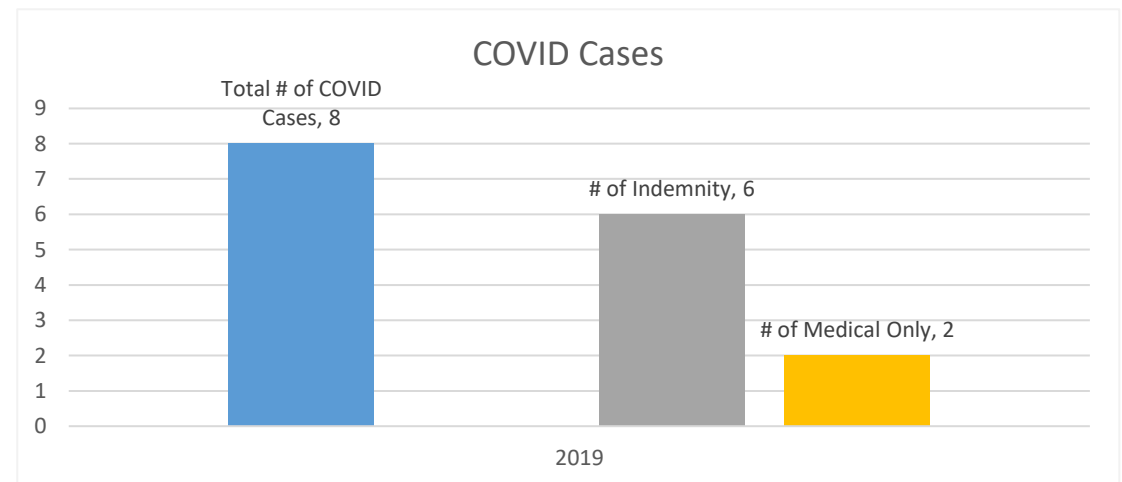
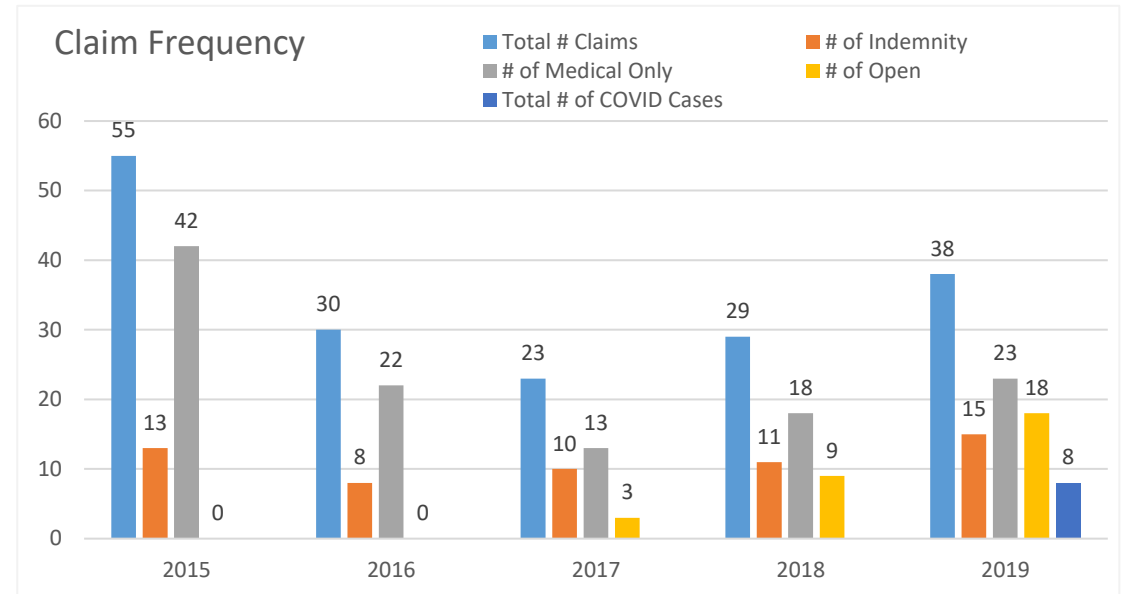
Equipment		Cost	Efficiencies + Safety Improvements
1 New Electric Forklifts	\$	20,000	Minimizes backflow of work. Keeps processes moving and facility clear. Less risk of housekeeping exposures, including bump, hit, trip and fall, etc.
4 New Pallet Jacks	\$	20,000	Less reliance on manual Jacks. This relieves back strains and slip and falls from pulling heavy weight.
Re-Paved Parking Lot	\$	6,000	Eliminated “toppled” loads. Significant safety measure with minimal risk of being hit by weighted items (pans) when moving through the parking lot.
Covid Supplies (Entry Kiosk, Masks, Gloves, Shields)	\$	25,000+	Ongoing expense providing a significant help in mitigating the spread of COVID-19 to our bakery.
Automated Bread Slicing Line	\$	85,000	Less people, less repetitive motion, less back strain. Increased efficiencies of process.
800 New Bake Pans	\$	40,000	Easy release of bread creates less physical strain and repetitive motion exposures. Also, eliminates need for “rush” washing of our previous smaller quantity.

2019-20 Goals & Key Performance Indicators (KPIs)

KPI	Annual Goal	Monthly Goal	Current Result	Comments
Injury Frequency	< 25	< 1.83	3.00	Goal: Indem: < 8 Curr: Indem: 15 (COV: 6) Goal: MO: < 7 Curr: MO: 23 (COV: 2)
Injury Severity	< \$215,000	< \$17,917	\$172,235 (\$17,223.5 Avg. per month)	Current: \$172,235 Vs. Goal: \$179,166 \$6,931 ahead of goal
Reporting (Lag Time)	< 75%	75%	79%	Of claims have been reported on time (8:38)
Safety Training	90%	90%	97.5%	Hands-on training JSAs
Lost Days	< 50	4.2	44	

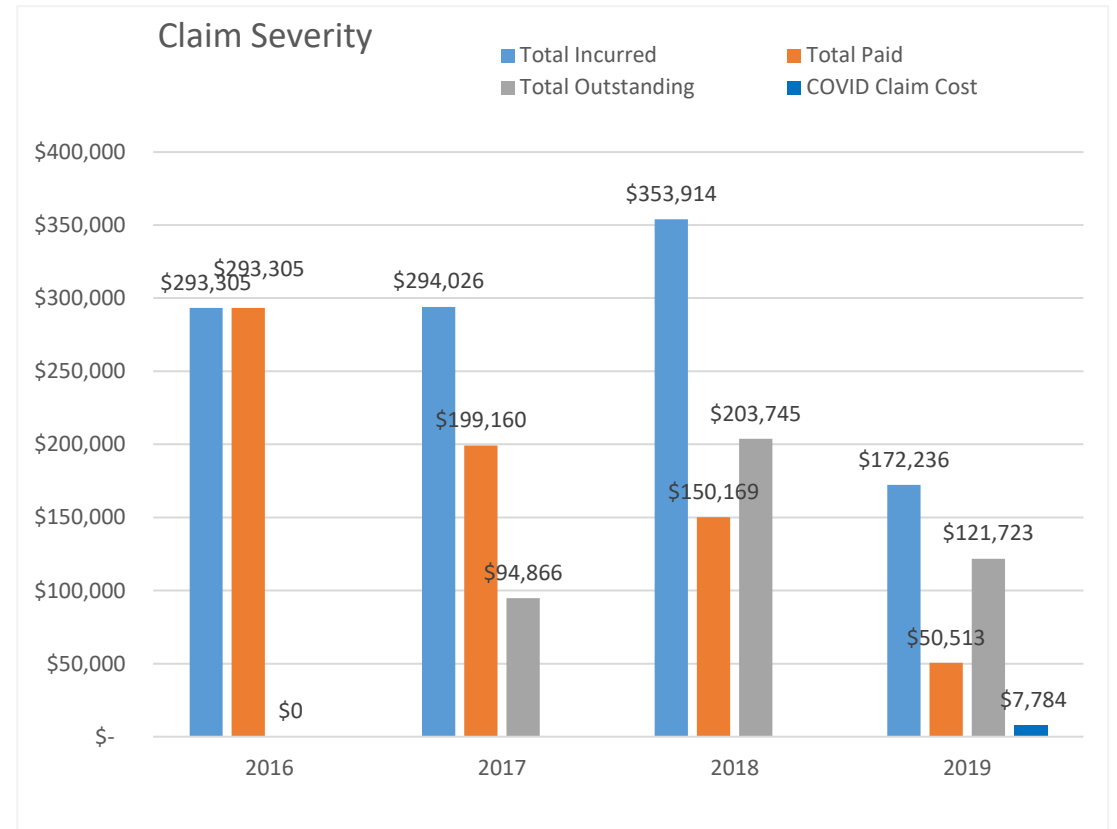
TOTAL CLAIM FREQUENCY

- **Stable Frequency of injuries the past 4 years:**
 - We believe this year there was an increase in # of small cases directly and in-directly related to COVID-19 or the stress of it.
 - Averages:
 - 30 injuries per year
 - 11 indemnity (25%)
 - 19 medical only (75%)
- **COVID cases in 2019-20:**
 - Total: 8 cases
 - Indemnity: 6
 - Medical Only: 2
- **First Aid Injuries (non-COVID): 19**
 - 17 of the 19 cases we believe are indirectly due to the stress of COVID-19
 - Total cases at \$0.00: 8
 - Total cases under \$500: 7
 - Total cases under \$1,000: 5

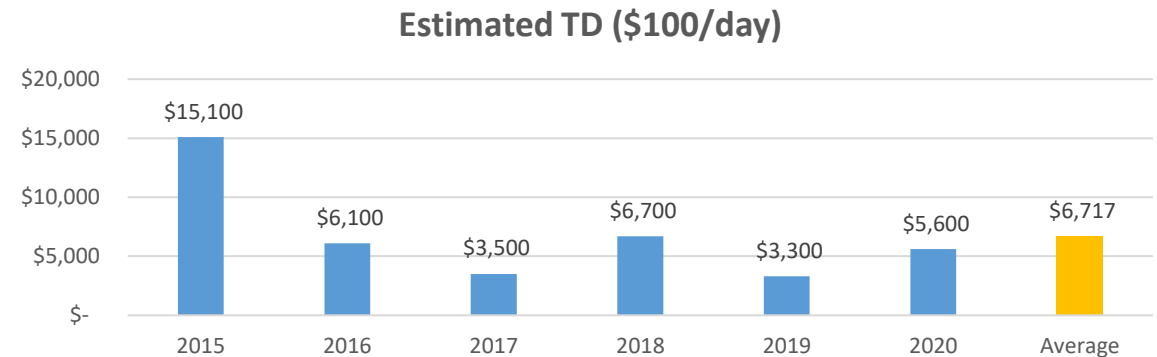
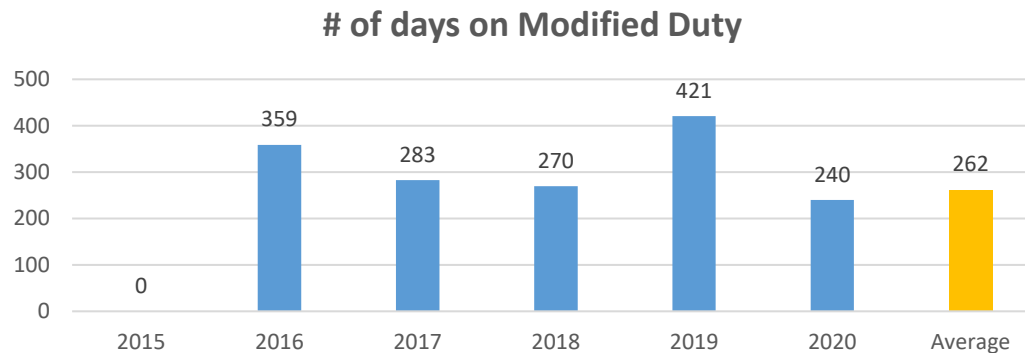
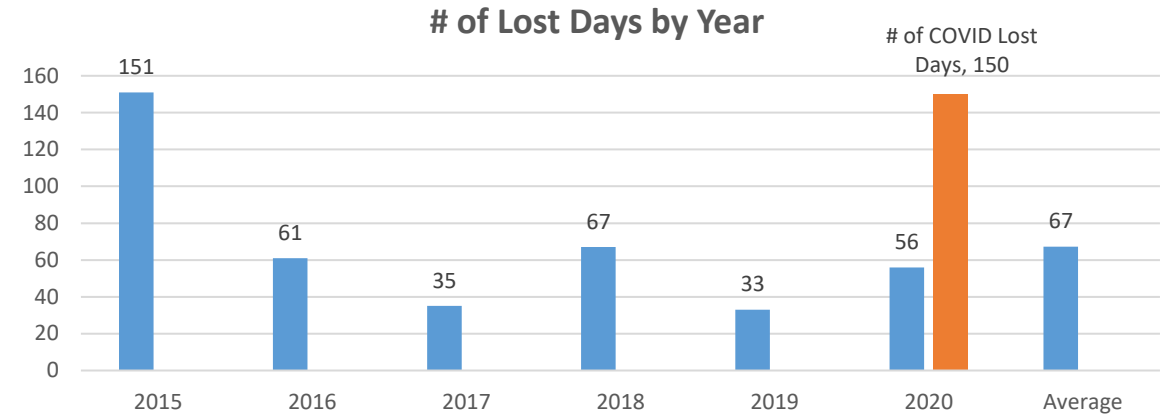
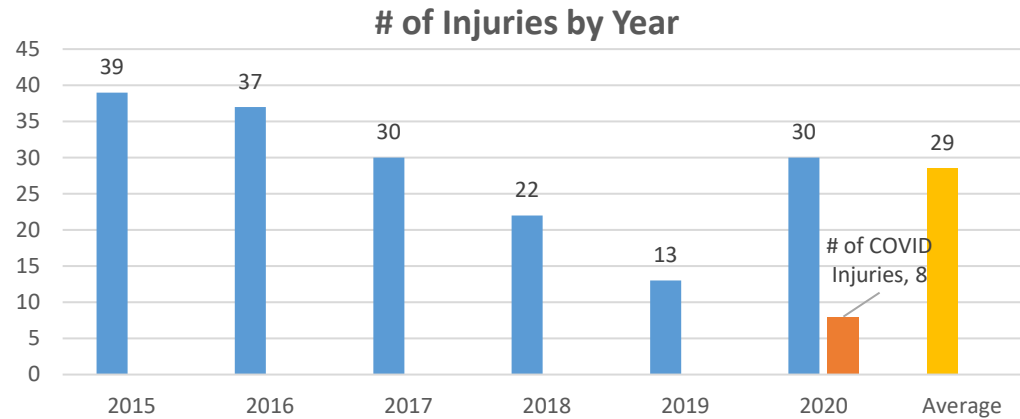


TOTAL INCURRED

- Average Claim cost over 4 years: \$284,844
 - CLAIMANT ONE: Litigated but resolved in 2020 with C&R and Voluntary Resignation
 - 2019: Accounted for 5% of total claim cost
 - 2018: Accounted for 24% of total claim cost
 - 2017: Accounted for 15% of total claim cost
 - CLAIMANT TWO: Litigated but resolved with C&R and VR
 - 2016: Accounted for 42% of claim cost
 - The cost of the claims above has had the greatest impact on the X-Mod.
 - 8 COVID cases account for \$7,784 of total claim cost (4%)
 - COVID cases have been managed extensively reducing both the cost of the case and the impact on the bakery
 - 19 First Aid claims (Under \$1,000): \$5,780 (3%)



OSHA 300 Analysis



Comments: The Safety Committee established in 2015. One of the initiatives was implementing a Return To Work program, which included established Temporary Alternative Duties (TADs) across the organization, revising the job description to outline the physical requirements of the job, improving communications between the medical provider and providing ongoing follow up with employees consistently to minimize the potential for litigation.

Analysis: From 2015 to 2020 policies, lost days and estimated temporary disability costs have decreased sharply. While during the same period, the # of modified duty days has increased. Both of which support the effectiveness of our Return To Work Program. In 2020, COVID lost days caused an increase in total number of lost days, but is not reflective of the Return To Work program that is actively managed.

Department Safety Committee Briefing Report

ARTISAN
BAKERS

GRADING INFORMATION

Date of Safety Committee Meeting:	August 28/19
Safety Committee Members:	Ken Strunk, Bianca Threadgould, Darryl Richards, Marlene Baker, Luis W Manuel Giron, Tim Huddings, George W

SAFETY COMMITTEE TOPICS

1. Reviewed 2018-19 safety results
2. Discussed First Aid
3. Reviewed injury history and return to work program
4. Prepared Workers' Compensation trending report
5. Reviewed manager's monthly safety briefing reports
6. Reviewed Job Safety Analysis
7. Reviewed Safety Recognition Program

ACTION ITEMS & GOALS FOR NEXT MONTH

1. Update a
2. Create J
3. Review f
4. Update a
5. Complet
6. Prepar

Safety Update: All injuries, no matter how small MUST BE REPORTED

Safety Recognition Winner: NW this month

Recognized for: NW

WORKERS' COMPENSATION INJURIES (AS OF AUGUST 2019)

	Frequency YTD	Frequency Goals	
Total:	15	22	
Medical Only:	5	15 (or less)	
Indemnity:	8	9 (or less)	

SAFETY TRAINING (2019 RESULTS)

Month Training Topic	Topic	Total % CCA Trn
January - February:	Annual Safety Orientation	93.70%
March - April:	Manual Handling / Back Safety	91.43%
May - June:	Forklift Safety	98.91%
July - August:	Heat Illness Prevention	94.10%
September - October:		
November - December:		
	2019 Average	94.50%

SAFETY

TIP OF THE MONTH

INJURY & ILLNESS PREVENTION PROGRAM

The IIPP became a Cal-OSHA requirement in 1991 and contains & addresses 8 Key Safety Elements. The IIPP is applicable to California employers that have ten or more employees. The safety and health of each employee is of primary importance to our organization. Maintaining a commitment to a safe and healthful working environment will enhance employee behaviors and improve the overall culture of the company.

- Element #1 is **Responsibility**
- Element #2 is **Ensuring Compliance**
- Element #3 is **Communication**
- Element #4 is **Hazard Assessments**
- Element #5 is **Accident Investigations**
- Element #6 is **Hazard Correction**
- Element #7 is **Safety Training**
- Element #8 is **Recordkeeping**

Failure to promptly report any on-the-job accident or injury, on the same day as occurrence, is considered a serious violation of the company's Safety IIPP.



RESPONSIBILITIES

All employees are directly responsible for the observance of all safe operations and processes. Each person working for the organization is expected to follow established safety rules as part of their expected job performance.

Awareness of potential hazards, as well as knowledge of how to control them, is critical to maintaining a safe and healthful work environment as well as preventing injuries.

Violations of the IIPP will not be tolerated and may be subject to disciplinary action.

Monthly Safety Briefing Reports + Monthly Safety Tip

Distributed to all employees bi-monthly (English & Spanish)

97.5%
completion rate for the company

Workers' Compensation Risk Management Training



Risk Management Administrators:

- HR Manager
- Office Manager, Safety Coordinator

Trainings completed:

- Complying with Cal-OSHA's IIPP
- Understanding My CA X-Mod, Part 1 & 2
- Managing the first five days after an injury
- Completing My OSHA 300
- OSHA's Here, Now What?
- Managing Seasonal & Temporary Employees for Safety & Workers' Comp

RISK MANAGEMENT SUMMARY

- Payroll increase of **\$1.92MM** from 2015 to 2020 (30%)
 - Increased number of employees
 - Reduced exposures via safety program and engineering controls
 - \$200K+ in CapEx to reduce injury exposures and create bakery efficiencies
- X-Mod **reduction of 109** points from 2015-16 (272%) to 2019-20 (163%)
 - Estimated at 146% if not for one claimant
- Injury frequency **reduction of 45%** from 2015-16 (55) to 2019-20 (30) (as of 10/15/20)
 - 2020 COVID cases: 8
 - 2020 First Aid cases: 19
 - Assume a larger decrease in frequency in 2020 if not for COVID
- Anticipate X-Mod to continue to decrease in 2020-21 policy year and beyond



We are committed to establishing a world-class, participatory safety program.
- CEO