



Safripol (Pty) Ltd

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Introduction

Safripol is a high technology producer of environmentally friendly polymers used by the plastics industry to produce a vast array of industrial and consumer products indispensable in everyday life.

The biggest plus

Safripol has a strong team of committed, skilled employees who have been empowered to take accountability for their roles. As a result, their contribution to the performance of the company is significant.

The biggest challenge

Challenges include the rate of growth and the procurement of raw materials from both traditional and innovative new sources. BEE is a further challenge for the company.

Facts and figures

Total number of staff employed (full-time): **263**

Annual turnover in rands for 200 (RSA only): **R2,684 billion**

Industry sector: **Chemical**

Black employees: **41%**

Previously disadvantaged individuals in management: **0%**

Women employees: **12%**

Women executive (senior) management: **0%**

Employee Assistance Programmes: **The company has six EAPs offering stress management, face-to-face counselling, a personal support line, life management, health and well-being management, education and prevention programmes.**



The business

Safripol is a privately owned manufacturer of polypropylene (PP) and high-density polyethylene (HDPE). These polymers are utilised by its customers in the plastics conversion industry to produce the thousands of components and products used by all South Africans in just about every facet of their lives.

The company was established almost 40 years ago as a joint venture between Hoechst SA and Sentrachem Ltd. In 2006 the company was sold to a consortium made up of ABSA Capital and a management team under Joaquin Schoch. Thebe Investment Corporation subsequently purchased a 21% share.

The company manufactures some two-thirds (160 000 tons a year) of the HDPE and more than one-third (110 000 tons a year) of the PP utilised by the plastics converting industry to produce a vast range of durable, versatile and cost-efficient products: packaging and building materials, automotive components and finished consumer items. Safripol's inputs are oil refining by-products and the coal-to-liquid process. Using licensed state-of-the-art technology from Basell and Dow – the world's two largest plastics manufacturers – it produces a wide variety of grades of PP and

HDPE, each with specific qualities required for different applications. Continuous research and development, by Safripol's technology partners as well as its own teams, ensure that its processes and products continue to evolve, providing customers with improved quality, variety and value.

An industry leader, Safripol has weathered the economic crisis without retrenching any employees, reducing its investment in training and development, or registering a financial loss.

Cost cutting, however, was unavoidable. A target of five percent was agreed, and all employees were asked to suggest measures to help achieve this reduction. The reaction was unanimously positive and within two months the management team was confident that they had the employees' buy in to remove 10% of fixed costs.

Talent management and development

In addition to sustaining all its training and development programmes, a number of additional initiatives have been introduced to assist employees cope with economic and personal stresses.

'We run a course called Breakthrough >>

Strategies for Success, which helps people master the challenges that life throws at them,' explains Sakkie du Plessis, HR director. 'We also offer skills-for-life training that includes things like personal finance and budgeting.'

Eagles II is a programme developed with input of the participants to give current and future leaders a better understanding of the context in which the company operates and to equip them to be strong leaders.

The company's Game Plan for Success (GPS) programme entails the development of company maps by a representative team of employees. These maps graphically represent the context in which Safripol operates and the key functions that make up its value

chain. The aim is to improve each employee's understanding of the business. The results of the project will be rolled out to all employees during 2010. According to Du Plessis, GPS has been a resounding success.

Training ranges from on-the-job coaching, to formal courses (including mentor training) and sending delegations to technology partners abroad, to programmes such as Eagles II for current and future managers.

Safripol is a relatively small organisation with a remarkably stable workforce – the average employee has been with the company for more than 17 years. Although this tends to limit the creation of promotion opportunities found in larger, more hierarchical companies, Safripol's



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Sakkie du Plessis, HR director

staff turnover is as low as 5%. 'We believe the reason for this is the long-term view we take of human development,' says Du Plessis.

Salaries, rewards and benefits

Safripol has always paid employees above the industry average and benchmarks salaries on an annual basis. In addition a bonus scheme rewards all employees for meeting their personal performance targets and for the performance of the company as a whole. As Safripol broke even in 2009 there was no bonus for the company's performance. However, management did acknowledge its employees' significant contribution resulting in a bonus payment for achievement of personal and team goals.

A package of supplementary financial benefits is offered, including health and lifestyle assistance, sport leave and recognition, child education assistance as well as funeral assistance. All permanent employees participate in the company retirement fund.

Black economic empowerment

Thebe Investment Corporation owns 21% of Safripol. This, together with the BEE status of

ABSA Capital (through the shareholding of the Batho Bonke Trust), provides the company with an effective 25.9% BEE equity. The company was rated a Level 7 BEE contributor rating by Empowerdex in 2009 and a level 6 BEE contributor in 2010.

Where Safripol has made less progress is in the areas of employment equity. The company works with a number of leading universities to identify and sponsor promising black chemical engineering students. Potential candidates are scarce, however, and in 2009 only two students formed part of the programme – one of whom was employed on graduation, the other failing to pass. The programme is continuing in 2010, although as before there is a countrywide shortage of suitable students seeking a career in chemical engineering.

'This is the greatest obstacle to meeting our employment equity targets,' admits CEO Joaquin Schoch. 'Our size obviously doesn't help as there are no new positions being created as a result of expansion and our staff turnover is very low.'

Schoch is adamant, however, that employment equity remains a key priority, 'even if it does take longer to achieve than with »



'Why would anyone want to work at Safripol? Firstly, they would be using world-class technology to produce first-rate products that make a big difference in people's lives – so their jobs would be stimulating and important. And secondly, they would enjoy a rare working environment where they have accountability, where they enjoy the respect and support of their fellow workers and management alike, and where the company continually invests in their development. I think that all adds up to a terrific opportunity!'

Joaquin Schoch, CEO



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other companies. We recognise the value of diversity and the exchange of ideas, viewpoints and cultures that it affords and we remain committed to meeting this goal.'

Responsible citizenship

Safripol has not had a single reportable accident in the past financial year – a record that is not only a first in South Africa, but one which is virtually unprecedented in the industry as a whole.

Safripol's commitment to responsible citizenship is impressive. It is a member of the Sasolburg Community Working Group, which exposes members to other companies' environmental programmes, a member of the National Association for Clean Air and a member of the Chemical and Allied Industries' Association's Responsible Care programme. The company has a waste minimisation programme in place, and an environmental steward who is a contributing member of two water forums.

Responsible citizenship is promoted through Safripol's Business Code of Conduct and the maintenance of the Safripol Ethics Line, a service maintained by Deloitte that allows employees anonymously to report any breaches of the Code of Conduct.

Site & Services Director Ian Kennon is president of the Vaal Region Community Chest and chairman of the Rejuvenation of Metsimaholo

Project. His involvement with numerous local organisations allows him to determine where funds and skills can best be utilised to help the community. Among the beneficiaries of Safripol's assistance are a local feeding scheme; the Kamahelo Day Care Centre; the Sasolburg Youth Care Centre; Ikateleng programme; the Vaal University of Technology empowerment of teachers initiative; the Wish Upon a Star project; the Vaal region Community Chest; and the Winter Warm Campaign.

International stance

Safripol works closely with its international technology partners, importing global best practices and standards of performance and quality.

The future

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'Stay close to your customer,' says Schoch. 'Safeguard the quality of your products, maintain a solid value proposition, invest in your people and run a safe operation, and the rest will pretty much take care of itself.'

Continuous improvement remains a mantra for the organisation. This is embodied in its untiring pursuit of more efficient and higher

quality technology, and its commitment to identifying and mitigating all risk. Says Schoch: 'We hope that 2010 will see a recovery of the markets, as this will allow us to become more courageous and outgoing.'

The people

Safripol has a policy, wherever possible, of filling vacant positions internally, or by appointing the relatives or friends of current employees. All new recruits meet Schoch and Du Plessis for an informal cup of coffee and an introduction to the company.

The type of people who do well at Safripol are highly skilled and committed team players.

In addition they need to be accountable and responsible and are happy to live the company's value system.

Company culture and style

Safripol's culture is epitomised by the way it handled the recent economic downturn. 'We're a family,' explains Schoch. 'Most of our employees have worked together with each other for well over 10 years or more. When a family experiences hard times it doesn't eject its weaker members – it draws together and tries to find the best way of getting through it.' In fact, retrenchments would have contradicted Safripol's corporate culture.



'I have been with Safripol for a year and four months. It is a welcoming company and treats its employees as their family. It has a flat structure which allows you to interact with senior management which is impossible in other sectors. The relationship with my manager is overwhelming due to his support and encouragement; he believes and keeps on assuring me that I made a difference in the company.'

Kayaletu Ntanta
Manager: Emergency & Security Services

