

ICMM Health and Safety Conference

Santiago, Chile

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Cynthia Carroll

Thank you, Michael.

Thank you also to the ICMM for bringing the industry together for this important event.

Thank you, Richard for your insights into Newmont's approach.

And thank you Chuck for sharing with us Goldcorp's position.

Introduction

It is fitting that this conference is being held in Chile where – as you are all aware – on 5 August, 2010 a collapse at the San José copper mine in the northern part of the country trapped 33 miners.

The world watched transfixed as days and weeks passed without a sign of life.

Our industry mobilised, deploying the best people, technology and know how to save the 33 miners.

The survival of these men who spent 69 days trapped 700 meters underground has been described by many as miraculous – and it was.

Their survival can also be attributed to two facts – first, these men were miners, they knew their environment, they looked out for each other in the knowledge that their own safety and that of their trapped colleagues was paramount.

Second, their rescue was made possible by the unprecedented collaboration between drilling teams from Chile and around the world.

Our Mantoverde drilling team used its latest technology to estimate the miners' location and drill the pilot hole through which the first sign was received that the men were alive.

A few days after the Chilean miners were rescued – on the other side of the world, in New Zealand – a series of explosions at the Pike River mine claimed the lives of 29 miners.

Once again, the global mining industry mobilised to try and rescue these men – but it was not to be.

These are just two of many such examples of the mining industry coming together when our people and their communities are in harm's way.

These incidents are also a reminder that we, as an industry, must re-commit ourselves to ensuring that every person who works in mining – whether they are an employee or contractor – has a right to return home safe and healthy at the end of each working day.

This means more collaboration and more sharing of knowledge and best practice.

As leaders, we set the tone for our industry, we shape the way we work and we are ultimately accountable for the safety and health of our employees.

It is our responsibility to drive safety and health improvement by transforming workplace culture.

The safety and well being of our people and our host communities, is the moral challenge for 21st century mining.

We have come a long way, but there is much more to be done.

I urge mining houses, old and new, to be relentless in our collective journey towards zero harm – and being open to sharing and learning from each other.

The ICMM and industry leaders in this room are duty bound to work together to ensure all members achieve the highest possible safety standards.

Our experience

Let me share with you some of our experiences on safety.

Anglo American has a presence in more than 40 countries, employing 150,000 people including contractors, and around 90 per cent of our operations are in developing countries.

Over the past six years we have been on a journey towards zero harm.

In 2006, we lost 44 people in workplace incidents.

Since then we have achieved close to a 60 per cent reduction in fatalities through 2011.

So far this year, we have lost nine people – and it is nine people too many.

When asked to identify the key elements for strong safety performance, I place leadership and accountability at the very top.

Every employee – from the CEO down – must be held to account for their safety behaviour.

When I joined Anglo American in 2007, I knew that improving safety performance was going to be tough.

The attitude then was that fatalities were inevitable within Anglo American – I realised that it would require relentless focus and a team approach.

My fundamental belief is that safety performance is an indicator of business performance.

Outstanding safety reflects discipline, rigour, drive and collaboration

I wasn't going to lead a corporation that continuously killed people.

In 2007, we shut down the largest platinum in the world in South Africa following a series of fatalities – and brought 28,000 people to the surface.

Last November – following an increase in fatalities – we once again stopped production at all platinum operations to hold a safety day and intervention.

I, along with our Platinum leadership team, trade union representatives and the Chief Inspector of Mines addressed more than 30,000 people on the day.

We wanted to demonstrate to our employees that the leadership of Anglo American regard safety as the priority and that we were there to support them.

Our presence sent out a powerful message that resonated throughout the workforce.

This year, again at Platinum, when violence from striking workers at nearby mines threatened to spill over to our operations, we stopped mines to protect around 26,000 of our people from life threatening intimidation.

Historically production has been the prime objective for employees and management.

At the same time, employees didn't believe mining could be fatality-free because Zero Harm was such a distant goal.

We have placed safety as our number one priority and that mentality has changed.

We are seeing results throughout our organisation that prove that Zero Harm is possible.

One example is our iron ore project Minas Rio is the largest mining project in Brazil.

It spreads across two states and 32 municipalities along a 525 kilometre work front which impacts more than 150,000 people.

The project includes a beneficiation plan, the longest slurry pipe in the world and a port.

We employ 12,000 people – reaching 15,000 at the peak of construction, this includes over 100 contractor groups.

In four years the project has achieved more than 40 million man-hours without an LTI – proving it is possible to work for extended periods without incidents.

We have a safety bus that travels up and down the 500 kilometre pipeline on a continuous basis to ensure quality safety messages get out to all contractors along the pipeline every day, and that Anglo American safety standards are understood.

Kolomela, an iron ore project we commissioned last year in South Africa and our Barro Alto nickel project in Brazil both achieved around 20 million man hours LTI free.

And this year our Mantoverde copper mine here in Chile received recognition – for the fifth year – for most outstanding safety performance in the mining industry.

One of the core elements of our approach is Visible Felt Leadership (VFL).

VFL is about every CEO, general manager, mine manager and supervisor being on the ground, engaging with people, recognising them for doing the right thing, encouraging them to do it all the time, and – most importantly – intervening where necessary and never walking past an unsafe act.

It is also about ensuring that everyone understands they matter and have a contribution to make, wherever they are in the organisation – and it is about personal contact and communication.

More than 32,000 VFL interactions have been undertaken at the Minas Rio project through October – the project's six member executive team has carried out 70 interactions – each person is playing their part.

Also, Luiz Humberto who heads our safety and sustainable development for us in Brazil has been a force behind all of the team with a relentless drive towards Zero Harm – and he makes us all so proud.

He is here and I encourage you to talk to him about how we have achieved this performance.

Our approach is founded on an integrated set of principles, rules and standards called the Anglo American Safety Way, which places people and systems at the centre of good safety performance.

We have a rolling audit programme where operations are audited every three years to establish their degree of development and maturity, and ensure continuous improvement no matter what the performance – more than 130 audits have been completed this year.

We have trained more than 3,000 leaders and 12,000 line managers, supervisors and front line employees in our risk management and safety programmes since 2008.

Health

The same rigorous and structured approach is applied to the health of our employees and their families as well as the communities in which we operate.

Many of our reported workplace illnesses result from noise and dust – and symptoms do not appear until many years after people have moved on or retired.

We also face the challenge of HIV/Aids in southern Africa and parts of Brazil – in 2009, 310,000 South Africans died from the disease.

Our response has been to put in place a voluntary HIV/Aids testing and treatment programme available to all our employees and their families – we have been doing this for the last five years.

The programme is the largest of its type anywhere in the world.

Last year alone, we tested more than 110,000 people for HIV.

Free anti-retroviral drugs are being provided to more than 4,730 employees.

Around 90 per cent of employees in southern Africa participate in our voluntary counselling and testing programmes.

And more than 61 per cent of HIV-positive employees participate in disease management programmes, to help them learn to live with disease and continue to have meaningful and productive lives.

The Northern Cape Province in South Africa faces the highest infant mortality and maternal death rate in the country and one of the highest rates of HIV/Aids infections.

To help address these challenges we set up a fleet of nine mobile health units to travel around the Province providing screening for infections, eye testing, dental care and surgery – all provided free of charge.

Almost 2,000 patients made use of the service in its first month of operation, and is now an integral part of the South African health care system.

We firmly believe that prevention is the best form of treatment.

Awareness raising and early detection of common health problems can prevent disease.

That is why we also pledged \$6 million to the Global Fund to fight HIV, TB and Malaria, and to the Global Alliance for Vaccines and Immunisation.

In Brazil, we work with an NGO Retroplatina to improve the sexual and reproductive health of the communities in which we operate.

Here in Chile, we are also working with local health authorities to assist in the development of a national standard for noise and silica dust, sharing with them the Anglo American Technical Standards for respiratory protection and hearing conservation.

We have introduced a Group-wide education campaign to ensure our people understand and are engaged in managing our key health risks of dust, noise and fatigue.

Throughout our global operations we educate employees, families and communities on health risks beyond the operational standards – these include obesity, alcohol and substance abuse, and sexual health.

We estimate there are at least half a million people benefiting directly or indirectly from our health programmes in South Africa, Brazil and Chile – taking this a business case to support this approach within the Group, we have proven that our programmes deliver increased productivity and higher attendance.

Beyond our operations

The long term success of our industry is tied to the wellbeing of the communities that host our operations.

When we plan new mines we must look beyond the perimeter line and consider how we can positively impact surrounding communities and the environment.

The initiatives I've mentioned are just one company's examples – there is much great work being done across the global mining industry that is transforming communities and changing people's lives for the better.

Investing in the health and development of our host communities is also vital to obtaining and maintaining our licence to operate around the world.

But, companies and the industry cannot do all this on their own.

Partnerships with communities, NGOs, unions, local authorities and governments are critical to our long term growth.

One example is the Tripartite health and safety initiative in South Africa.

Together with our labour union and government partners, we have substantially improved the health and safety of our South African workforce.

We formed this group in 2008 to find ways of reducing fatalities and achieving zero harm – by opting for collaboration and consultation, rather than confrontation.

Since the Tripartite began, more than 4,000 health and safety representatives have been trained through the jointly developed Zero Harm Commitment Programme – an employee awareness and empowerment programme which includes mandating employees with the right to stop work if conditions are unsafe.

These representatives are also equipped to train their teams at their respective sites.

An evaluation of the effectiveness of the programme recorded 89 per cent positive impact on employee attitudes to health and safety.

We are thrilled to see that other companies within the industry are implementing aspects of the Tripartite programme in their own workplaces.

The fact is, everyone has a shared vision of protecting people's lives.

Looking ahead, there is a shift underway in the way we approach health and safety.

It is no longer enough to focus on the operational health and safety risks of just our workforce.

As I have already said, we must work to address the health, safety and wellness of our employees' families and host communities.

The same approach applies to all our host countries.

There is a groundswell of expectation in new and existing mining communities for a greater share of the economic, social and environmental benefits.

This requires engagement and partnership with local suppliers, community groups and all levels of government.

At the end of this month, I will host a major health, safety and wellness summit for our contractors in Johannesburg.

Our aim is to support our contractors and suppliers to improve their standards and performance on safety, health and sustainability – in line with ours.

ICMM

The ICMM continues to have a key role to play in ensuring all parts of the industry adhere to the highest standards of performance on safety, health and sustainability – that's its reason for being.

It plays an equally important role in shaping society's view of the industry.

As resources become harder to find and countries seek to extract greater benefit from their natural endowment, our industry must strive for collaboration, operate to the highest standards, and hold to account those who do not operate to those standards.

In 2006, Anglo American was part of the ICMM's first health and safety conference.

We drew valuable experience from our peers, – for example, we have adopted many aspects of BHP Billiton's Fatal Risk Management in our own Fatal Risk Standards.

Likewise, in 2008 we made available our own Safety Risk Management Programme to the wider industry.

The fact remains, collaboration is key for us to progress as an industry.

At the same time, there is no substitute for bold leadership on safety.

When I took the decision to shut down our platinum operations in 2007, I was clear this is what we had to do, putting aside short term production losses and financial impact.

It was done with a mindset of fundamentally sending a very strong signal about what our company's priorities are and what we were prepared to do.

I knew at the time it would fundamentally change the standards in our sector, a positive thing, particularly in South Africa.

Today, in our organisation, everybody participates in promoting safety.

This forum, supported by the ICMM, provides an opportunity to share such experiences, to be frank about what can be done better, and to leverage our vast technical know-how to achieve Zero Harm and maintain our people healthy and productive.

Tony, thank you for your leadership and the work of the ICMM to bring us together to do better and strive towards more

Anglo American's tag line Real Mining, Real People, Real Difference – we aim to make a real and positive difference through mining, driving real performance starting with safety and health.

Thank you.