

TOWARDS TARGET ZERO

MET COAL'S SAFETY PERFORMANCE NEWSLETTER

**QUARTER 2 2013
METALLURGICAL COAL NO.10**

CONTRACTOR MANAGEMENT

See how the business has been working closely with our contractors to develop safer operations.

GROSVENOR CONSTRUCTION

Delivering our new mine safely.

KOMATSU WORKSHOP

Safety team's contractor visit.

MET COAL SITES COLLABORATE TO ADDRESS STRATA MANAGEMENT

To address recent strata management incidents that have occurred at Met Coal sites, on Friday 12 July site general managers, mine managers, technical services managers and key geotechnical specialists came together to determine how we will improve strata management and other major risks.

Met Coal Head of Open Cut Operations, Mark Heaton said workshop attendees critically analysed the recent wall failures that had occurred and their causes and collectively agreed on the improvements required across all operations for strata management and operating processes.

"These incidents involving several wall failures were serious realisations of one of our key catastrophic risks and we were extremely fortunate there weren't any serious injuries relating to these incidents," Mark said.

"In response, we need to take action to correct gaps in our existing processes and procedures - and we're not just talking about the sites where the incidents occurred, we're looking at every Met Coal operation - to ensure we're not faced with this situation again."

Head of Safety, Health and Environment, Mike Oswell said while investigations into the wall failures had revealed a range of specific contributing factors, they also identified two fundamental critical root causes requiring attention: poor change management processes and failures in ensuring the ongoing effectiveness of critical controls.

"These fundamental root causes not only underpin the recent wall failure incidents, they are crucial in the management of all major risks," Mike said.

"One of the key workshop outcomes will be a Met Coal overarching change management standard which will align with and provide consistency across all sites' change management processes.

"In addition, a critical control ongoing effectiveness monitoring process will be designed and implemented across our open cut mines – this follows the implementation of a similar process in our underground operations.

"Open cut sites will identify the critical controls associated with each major risk, identify the 'control owner', determine how the effectiveness of the control is to be monitored and then implement a regular monitoring program to ensure the controls remain effective," Mike said.

"Each general manager will oversee implementation. It is important we have clear processes in place to ensure the effectiveness of our controls are frequently tested, people are accountable for ensuring our working areas are secure and most importantly, our employees and mine sites are safe at all times.

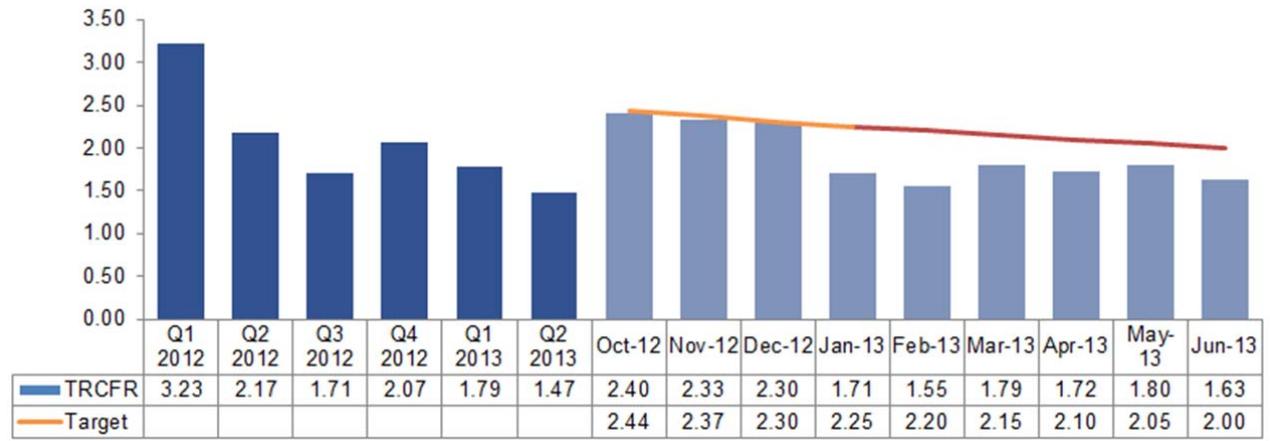
"It is very encouraging to see these high potential incidents receiving the high level attention they deserve to deliver further safety improvements at Met Coal," Mike said.



Met Coal general managers, mine managers, technical services and geotechnical specialists at the strata management workshop.

MET COAL SAFETY PERFORMANCE

First six months of 2013



CONTRACTORS JOIN WITH US TO ACHIEVE ZERO HARM

A key focus of the 2013 Target Zero Action Plans is contractor management. With more than 800 different contractor companies working at Met Coal sites during the first six months of the year, they represent at least 30 per cent of our workforce. Looking at our previous track record, back in 2011, 43 per cent of all recordable injuries were sustained by contractors. This is why we have implemented the contractor management standard. The standard provides clear guidelines for all contractors entering a Met Coal site, ensuring they have been thoroughly inducted, appropriate risk assessments are complete, Authority to Work permits are granted and they have committed to the same safe work practices as Anglo American. This is paying off.

Regional Manager for Safety and Health at Met Coal, Allan Gordon, said over the past 18 months we have seen a significant turnaround in contractor performance.

“This stems from the priority we are giving this across the whole business. We now have a greater level of involvement from our senior leaders when agreeing on contract terms and reviewing contractor performance. When we establish a major contract, our senior leaders meet with the contracting company’s senior leaders and together they set safety performance targets and then throughout the contract, they develop improvement plans.”

Another reason for the success has been the high focus on the Authority to Work permit, which provides greater clarity for the contractor before they start with regard to outlining the specific work requirements, completing a risk assessment on equipment they use, understanding how to manage hazards and ensuring everyone

completing the work is competent and knows their responsibilities.

“When a contractor starts work on a Met Coal site it is important they are familiar with our safety, health and environment management systems (SHEMS) for that particular site. Our on-site contract supervisors are responsible for working with our contractors to ensure they are assisted in accessing, understanding and complying with the requirements,” Allan said.

“There is a greater amount of transparency and we have received very positive feedback because of this. Performance meetings are built into our agreements with our contractors and attended by our general managers and leadership teams.

“We track a contractor’s performance and if issues or repeated incidents are recorded, we schedule a performance meeting with the contractor where together we review their safety improvement plan. Even if we haven’t seen any incidents arise, we still hold meetings every six months to do a pulse check, see where we’re at and identify any opportunities for us to get proactive and implement safer working practices.”

In the first six months of 2013, five large contractors with more than one per cent of Met Coal’s total working contractor exposure time recorded zero incidents.

“A big congratulations is in order for Leighton Contractors, Toll, Hastings Deering, G&S Engineering and GAGAL for working without incident or injury for such a long period and for setting the standard we want to stick to moving forward,” Allan said.



Safety team visits Komatsu Workshop

In late June, Safety and Health Specialist Sarah Makepeace and Corporate Safety Specialist Bruce Gavin visited the Komatsu workshop as part of Met Coal's continued focus on contractor management.

The visit followed a contractor management meeting held in the Brisbane office earlier in the month to review Komatsu's safety performance and discuss improvement strategies that would deliver higher levels of safety integration for both companies.

At this review, Komatsu representatives invited Met Coal to complete a tour of their Wacol workshop to see the impressive fit-for-purpose space they have created and the high housekeeping standards they keep.

"We discussed ways we could deliver safety related improvements through equipment design. These improvement opportunities have been highlighted by minor incidents in the past," Bruce said.

"Often Komatsu will be called on to complete overhauls on our equipment so we had a positive discussion about field maintenance on site and how the company manages safety in this regard.

"Komatsu demonstrates the highest standards of safety and their housekeeping is immaculate, which shows us working safely is just as important to their team as it is to Anglo American," he said.



Komatsu's Michael Harvey and Bruce Gavin



Looking for more information on contractor management?

Visit the Safety, Health, Environment Management section on Met Coal pages on theSource to access the Contractor Management Standard and information on the Authority to Work permit.

Grosvenor contractors help deliver project with Zero Harm.

With project construction now in full swing, the Grosvenor construction workforce has grown to include more than 700 contractors working on rotating rosters. Site Manager Greg O'Donnell said on a given day there are approximately 400 people on site and this will peak to around 550 people in coming months.

"We have been impressed with the dedication all our contractors have shown to working safely, but Mainteck is one company that deserves recognition for their outstanding safety performance," Greg said.

Mainteck was awarded the Grosvenor Structural Mechanical Piping (SMP) package of work and their team will be on site until early 2014. Their work includes supply, fabrication and installation of the project's SMP components and they are also responsible for building and installing the almost 12 kilometres of conveyor systems that will lead to the Moranbah North CHPP.

Greg said Mainteck is currently more than halfway through installing 33 kilometres of buried services and they have done this without one manual handling incident.

"We showcase Mainteck's work because they don't do things harder, they always do things smarter. When they started the buried services installation they looked at the job, assessed the safest approach and took action. Rather than having to lift piping manually or bending down, they brought in a small materials handler (Manitou) to get the pipe off the ground so they could work at waist height. It's this constant problem solving that sets them apart."

"Before they start a new job they plan effectively and discuss it in detail at their toolbox meetings. They also stick to the right Standard Operating Procedures and complete their Job Safety Analysis to the highest degree."

"With so many different jobs going on across the site it can get quite busy, and Mainteck demonstrates a thorough understanding of the broader project and attends site integration meetings. They are flexible, scheduling their work around others. A few weeks ago they needed to work through the Redpath area on site so Mainteck worked the night shift to avoid disrupting Redpath's construction work on the Conveyor drift. Their "best for project" approach is delivering safe and productive results," Greg said.



SITE UPDATES

Metallurgical Coal site performance from April – June 2013.



RDOE – Exploration

Exploration Technical Standards were audited across the four hubs. The scores were consistently high, reflecting strong compliance with the Standards. Following recognition of a number of minor incident reports, exploration held a Safe Day to re-focus attention on safe work practices. Outcomes were positive and a joint safety improvement plan was developed and implemented. Progress against the safety improvement plan is monitored fortnightly. The Environmental Operational Control Audit was held to assess exploration compliance to the Exploration SHEMS and Met Coal environmental management systems. During the quarter, our Central Bowen Basin Exploration Hub exceeded the 300 day LTI free milestone.

Callide

Callide's hazard reporting across departments has increased with a notable improvement in the quality of reporting. Focus on recording and rectifying hazards has been high with supervisors being key leaders in this process. Hazard and housekeeping inspections have been highlighted and training was rolled out to relevant staff. A marked improvement in housekeeping standards is directly linked to this action. An improved truck fleet is starting to roll into Callide to gradually replace the aged fleet. A reduction in impact on operators from Whole Body Vibration is expected to be noticed with this upgrade. The site Baseline Risk Assessment was completed in Q2 and preparation is well underway for conducting a Bow Tie Analysis on the identified priority unwanted events.

Capcoal Open Cut

Capcoal Open Cut is currently trialling the innovative use of smart phone technology to improve the recognition and capturing of hazards across the operation. The technology allows the supervisors to capture hazards while in the field, allowing an effective way to record hazards and assign actions to ensure they are addressed. The management team is currently undertaking a review of the TZAP in conjunction with a Superintendents Safety Workshop. The workshop has allowed superintendents from each department to provide practical solutions to key focus areas that can be implemented to achieve the TZAP objectives.

Capcoal Underground

Risk, underground traffic and medical management were the key deliverables during Q2. This was supported by Grasree's continued focus during Q2 on 'back to basics', which has seen improvements gained from the momentum created in Q1. SLAMs (Stop, Look, Assess, Manage), visible felt leadership and hazard reporting have all increased again during Q2 which has directly backed the improved injury reduction seen compared to Q1. Grasree was on track at the close of H1 to exceed their TRCFR reduction target for 2013. The sites focus into Q3 will be to continue working with the UG working group to streamline and improve the underground SHEMS tools and processes, along with contractor management and hazardous substance management.

Dawson

There were a couple of notable achievements in Quarter 2 at Dawson with the maintenance department achieving six months LTI free and the Leightons operation at Dawson North achieving 1000 days LTI free. The maintenance department implemented a revised individual risk assessment process which has resulted in improved risk assessment in the Step Back Take 5. TZAP projects continued to be implemented to address longer term improvement in risk control. The new light vehicle monitoring system has been implemented six months ahead of schedule and has demonstrated a dramatic improvement in driver behaviour. This system, along with road design improvements at intersections, has been a key achievement in the TZAP for Q2. In Q2 the site was also subject to two independent audits from the Mines' Inspectorate which confirmed reasonable system compliance to the Coal Mining Safety and Health Act and retained certification to AS4801.

Drayton

Progress on light vehicle separation roads continues on schedule to achieve the site target of 8km by the end of 2013. Compliance with the site SLAM process is now over 80%, a significant improvement. Good progress was made on the review of the site Alcohol and Other Drugs Procedure with positive input from the employees involved in this. This will be rolled out shortly with an increased focus on the community concerns around synthetic drugs.

Foxleigh

Foxleigh has continued to improve its 2013 safety performance with further reductions in the LTIFR and TRCFR achieved. The primary driver behind this has been improving discipline at all levels and delivering the site management plans for more effective risk control. Foxleigh is very aware that in order to maintain and then further improve upon our performance, continued focus will be required at all levels within the business to ensure behaviours and conditions are to an acceptable standard and are maintained.

Moranbah North

July saw Moranbah North undertake the ISO 14001 Audit and the Methane and Coal Dust Explosion Audit. Both audits were completed with no major findings and recognition for sustained significant improvement. Going into Q3 Moranbah North will continue to focus on the delivery of safe coal. Central to ensuring continued success will be the roll out of the Peer on Peer Safety Interaction Program (MATES don't let MATES get hurt) and the implementation of one way traffic in the underground Mains.

Peace River (Trend)

In Q2 Trend increased focus on improving supervisory skillsets in health and safety leadership through the delivery of two safety leadership program two day courses to 50% of all operational supervisors and lead hands. A further A2 session was run with A2 now delivered to 90% of all site supervisors and superintendents. Improvements in transportation, intersection and road designs continued with the release of the site procedure for design of roads, intersections and run-away lanes. This procedure will help improve future mine planning and continue the drive to reduce intersections across site and improve the design standards. Unfortunately, Q2 had repeat HPIs with hanging wall bench crest failures in June which has driven increased hanging wall monitoring. The Q3 focus is dedicated to embedding the supervisory skillset through a dedicated supervisor scorecard process and continuing to drive culture change through to site procedure compliance.

Do you have a story idea? Contact Met Coal Corporate Communication!