



## Case study: A reinforced emphasis on safety – AngloGold Ashanti engages on a number of fronts

Despite incremental and sustained improvements in safety performance over the past decade, and particularly a decline in mining-related fatalities, in 2007 AngloGold Ashanti's operations fell short of achieving their goal of eliminating fatal accidents at work. During the year, 34 employees lost their lives at work; 27 fatalities were recorded in South Africa in 23 separate incidents. The primary cause of these accidents, accounting for 56% of fatal accidents in the group, was falls of ground, with seismically-induced falls of ground being responsible for 58% of these. (The details of those who lost their lives in mining-related accidents may be found on page 29.)

Incoming AngloGold Ashanti CEO, Mark Cutifani, has reinforced the emphasis on safety and health and, during the recent review of the company's values, has confirmed that safety is our number one value: "In many respects, the South African underground environment is a microcosm of South African society. The challenge we face is one of transformation at all levels – we need to treat one another with integrity, dignity and respect, so that people are empowered to be masters of their own destiny."

A task team was set up in South Africa to review and intensify that region's safety effort in mid-2007 following a spate of accidents at the South African operations, and to engage with other parties in coming

up with a common solution. Headed by former Mponeng general manager, Johan Viljoen, who now heads the Southern African operations following restructuring in late 2007, the team completely reviewed the company's safety and health strategy in South Africa to focus on seven key issues. (See case study – *The seven pillars – a revised safety strategy for the South African operations on page 48.*)

The company has committed itself to improving safety at all its operations and particularly in South Africa in 2008. At a meeting of more than 1,000 employee representatives, management and government in November 2007, Mark Cutifani said:

- Safety is our most important value – no business priority will be put before safety.
- No employees will be required or permitted to work in an area which they or their supervisor regard as unsafe.
- Safety representatives and their committees will have the necessary responsibility, authority and support to effectively perform their functions, including ensuring compliance with our safety and operating standards.
- Managers and supervisors will lead by demonstrating their own adherence to safe work practices and require everyone working or visiting their respective areas to follow those agreed operating standards.
- We will all follow the agreed safety standards and practices and will not take or allow shortcuts on any safe working practice.
- All employees will either fix or cause action to be taken immediately to rectify any identified significant hazards before proceeding with any other activity.
- Performance standards and training will immediately be reviewed by management, government officials and trade union representatives to support the delivery of our most important business objective – the delivery of a workplace free from health impairment and accidents.

He further committed the company to working with all parties – unions, employees, government, other mining companies and stakeholders – in this endeavour, as it has become clear that no single-dimension or single party effort will be sufficient to achieve the next major step-change in safety improvement. As part of its efforts AngloGold Ashanti has, during the last quarter of 2007, initiated the following:

- **With unions and government:** Meetings have been held at both an operational and national level over and above those regular engagements within the existing tripartite structures in the mining industry, originally established for this purpose. Meetings have been held with the president and general secretary of the National Union of Mineworkers (NUM) as well as with other unions, and with various representatives of the Department of Minerals and Energy (DME).
- **With NGOs and academia:** AngloGold Ashanti will establish a Chair in Safety at the University of the Witwatersrand (Wits), in conjunction with the Centre for Sustainability in Mining and Industry (CSMI) at the Wits School of Mining.
- **With other mining companies through the Chamber of Mines:** In August 2007, the Chamber of Mines announced an industry-wide study on falls of ground and seismicity. (See case study on the Gold mining industry commission's study into seismicity and rockbursts at [www.aga-reports.com/07/seismic-study.htm](http://www.aga-reports.com/07/seismic-study.htm)). A Chamber of Mines committee – to be chaired by former AngloGold Ashanti CEO Bobby Godsell - has been set up to review the matter of falls of ground and seismicity.

In the words of Cutifani, "Safety comes before production and improved safety will ultimately lead to productivity improvements as well. It is no coincidence that our best performing crews are also our safest.

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“We will address our safety challenges in two parts: first, on the leadership side, there is much that we can do when 70% of our fatal accidents are associated with contraventions of standards. We think there is a great deal of opportunity in the way in which we are leading and managing the company, and the way in which we are working with other stakeholders, in making safety improvements.

“Secondly, on the technical side, we need fundamentally to review the way in which we work, so that we physically remove people from the greatest areas of risk. That will take a little bit longer, a five to 10-year time horizon perhaps, but one which we can start working on now.” (*See case study on separating people and risk a new strategy for South Africa [www.aga-reports.com/07/emp-at-risk.htm](http://www.aga-reports.com/07/emp-at-risk.htm)*).

Robbie Lazare, head of the African operations concurs and elaborates: “There are a number of issues that we need to look at as we try and make a fresh start at managing safety and health.

“First, we need to better understand people and the way they work and the way we can get them to change the way they work. A factor here may be our bonus systems – we have to ensure that there is a good balance between the need for and role of production incentives and the incentives for safety, at all levels. Simply scrapping bonuses is not the answer. Rather we should try and ensure that there is a better understanding that a safe working place is a productive working place in the long run.

“Another factor is the need to develop a greater understanding of how people work, what motivates them and what motivates them to change, specifically in the South African mining industry. Personally I think we over-emphasise the risks associated with depth; more important for me are the risks associated with behaviour.





“A second area is the need to make fundamental advancements in technology. If we want to use current or similar mining infrastructure, then we need to remove people from those areas that we know present the greatest potential risk, particularly stopes and near shaft pillars. The only way we are going to be able to do that is to change radically the way we mine, probably using technology that will assist us in mining remotely from the area of potential danger.

“Third, the issue of wellness clearly has an impact on our workforce and working places. Our workforce is older than it has ever been, and less physically fit, with illness and fatigue a factor. Our estimate is that up to 30% of our workforce is infected with HIV. Conventional mining tasks make for arduous work for the well and physically fit. How much more onerous are tasks for those who are not? Fatigue, too is an area of concern. (See case study on the roll out of fatigue management programme – [www.aga-reports.com/07/fatigue-SA.htm](http://www.aga-reports.com/07/fatigue-SA.htm)).

“Knowing and accepting these facts is an important driver in the development of in-stope conditions that are more comfortable and manageable, and ensuring that the jobs that people do are less onerous and physical demanding. Again, technology – improving ventilation, cooling systems, transport to the working places, and lighter and more mechanical processes – will play a role.”

In conclusion, AngloGold Ashanti will focus on achieving visible and tangible results: the company and all of its mines have put significant time, effort and money into safety interventions. What is necessary now is for these efforts to result in change, to enable the company to meet the industry targets to which it has agreed through the Mine Health and Safety Council Safety Summit (which requires a 20% reduction in fatalities year-on-year between now and 2013) and to meet its obligation to employees to provide a working environment that does not cause them harm.