

**KEYNOTE ADDRESS: THE ROAD TO ZERO HARM - MXOLISI MGOJO, PRESIDENT,  
MINERALS COUNCIL SOUTH AFRICA AND CEO, EXXARO RESOURCES**

Ladies and gentlemen, I am very pleased to address you today on a topic that is very close to my heart, and one that I know is close to the hearts of every CEO in this room. Yesterday, we – as the Minerals Council – launched the Khumbul’ekhaya safety and health strategy, so this address is really well-timed. I will be telling you a little bit more about that in a short while.

But, before I begin to talk about our industry’s journey to Zero Harm, I want to acknowledge that we are not there yet.

I would therefore like to ask every person in this room – for we are all part of this industry – to stand and join me in a minute’s silence in recognition of the people who have died in our industry.

In particular, let’s remember the 35 lives that have been lost at work this year. When we do this, please think – and indeed pray – for their loved ones, because we know that their losses are beyond consolation.

[Minute’s silence]

Thank you.

The South African mining industry has a long and, in many respects, not very auspicious history in the fields of health and safety:

- On the safety side, for most of the 20<sup>th</sup> century, the number of people who died in accidents averaged around 800 a year. Think about that – as we stand here today, that is almost inconceivable, but it is indeed our legacy.
- The number of deaths due to occupational health issues are more difficult to ascertain because many of these would have occurred well after the

individuals had left the industry, but we can be sure that these deaths are substantial.

It should not sway us that the industry, in providing jobs and income, provided support and well-being, particularly through health initiatives such as the roll out of anti-retrovirals - to many hundreds and thousands of mineworkers over this time period, and many millions more family and community members.

While we recognise that, we also need to recognise and remember those who have been harmed due to their work in the industry, and the suffering it has caused their families and friends.

On the health side, many of you will be aware that silicosis has been the occupational disease with the greatest impact.

Over recent decades, good progress has been made in dust management. We have reached a point where, my gold mining colleagues tell me, where the implementation of the Mine Health and Safety Council milestones, we minimise the incidence of the disease among those unexposed prior to 2008. This was the target we aspired to in 2003 and I understand no such diagnoses have at this stage been made.

Of course, because silicosis takes on average 20 years of exposure to become diagnosable, we cannot yet be certain how close we have come to achieving that target.

There are many kinds of initiatives to reduce the dust load in the industry over many decades. On this slide, we illustrate those that have been implemented in the last decade: from tip filters, to footwall treatments and haulage sprays, new filters and covers. And, at each stage, these measures have significantly reduced the annual average dust load, and narrowed the areas where employees are exposed.

And, of course, we have the silicosis and TB settlement reached last year by six Minerals Council members, and which was approved in July. While we remain saddened at the fact that so many people have fallen ill due to their work, that settlement goes some way towards bringing relief to the individuals who have been afflicted, and their families.

As the Minerals Council, we congratulate all those who were involved in this landmark settlement, which will hopefully be implemented early next year. This process has taken enormous will and courage and collaboration – of the companies, of the attorneys representing claimants, of the unions, and of the Compensation Commissioner. Not only will the settlement bring relief to former mineworkers, but we are also looking forward to the integration of the country's two compensation systems, which will mean a more just and effective system of compensation for the future.

We are also proud at our industry having been part of the multi-stakeholder Masoyise iTB project.

Through intensive screening and treatment, the goal is to achieve a situation where TB incidence on mines is no higher than in the rest of the population. That goal *is* within reach in many places, and has in fact been achieved and overtaken in others.

On the safety front, where performance is, in a sense, more visible and quantifiable, we have seen almost continuous improvements since the dawn of the democratic era, with the number of fatalities in 2018 13% of the 1993 total.

Put another way, there has been an 87% improvement in the number of fatalities over the past 25 years. And, while some might say this has been because the number of employees in the industry has decreased, they would only be partially right because the rate of fatalities per million hours worked has also declined by around 80%.

We have seen a pattern of the introduction of various initiatives, followed by significant falls in the number of fatalities, and then a slowing down or plateauing of safety performance measures.

A similar trend can be seen in respect of injuries, although the trend is less steep. What we have come to realise quite recently is that the traditional view that reducing injuries will ultimately lead to a commensurate reduction in fatalities is not entirely correct. It is the case that eliminating fatalities requires very specific and different measures.

One thing that we, as an industry know though, is that there is no silver bullet for improved safety performance. Safety management is a multi-faceted endeavour. And that it has often been the plateauing phases that have prompted innovations in safety management, as we have been forced to develop new methods that will bring in step changes.

The trends we have seen are a consequence of a range of interventions, from new technologies, to new mining methods, and to new and better people management techniques.

We acknowledge absolutely the role played by our social partners, particularly government and organised labour, in driving and contributing to these substantial health and safety improvements.

The Commission of Inquiry into Safety and Health in the Mining Industry, headed by Judge Ramon Leon, and which reported in 1995, triggered some important institutional innovations which continue to play a critical role today:

The Mine Health and Safety Act, drawn up in 1996, is responsible for the overall regulation and safeguarding of the health and safety of mine employees, as well as

residents of areas affected by mining operations. Typically, every operation in the industry has its own health and safety committee that comprises representatives of management and unions seeking to ensure compliance with regulations, to provide safety training for all employees, and to promote active collaboration in all matters relating to safety and health.

The Mine Health and Safety Council, also established in 1996, was set up to direct health and safety in the mining industry and to respond to industry safety challenges. It comprises representatives of various government departments and institutions, organised labour and the industry.

And within the industry, our prioritisation of health and safety led to the establishment of dedicated structures.

In June 2003, the Minerals Council and its social partners established Mining Industry Occupational Safety and Health (MOSH), and the learning hub, to focus on the adoption of leading practices to address health and safety concerns and accelerate the progress towards achieving Zero Harm. The practices to be addressed were falls of ground, transport and machinery, and dust and noise.

In 2006, a MOSH Task Force was established to identify both obstacles and supports to reducing fatalities, occupational injuries and diseases. It was observed that there were pockets of industry leading practices that had directly contributed to superior health and safety performance on some mines, and that, if these practices were applied widely across the industry, they would contribute significantly to the achievement of the milestones. Consequently, in December 2007 the Minerals Council piloted the MOSH Leading Practice Adoption System to facilitate the identification and widespread adoption of the most promising of these leading practices.

To date at MOSH:

- R40 million has been spent on fundamental and applied research and technology transfer
- R250 million has been spent on research about seismicity associated with deep-level mining

For the CEOs in the Minerals Council's leadership, the key institution is the CEO Zero Harm Forum, which came into being in 2012, and which is currently chaired by Themba Mkhwanazi, a Minerals Council board member and CEO of Kumba Iron Ore.

The work of the CEO Zero Harm Forum is premised on the belief that the industry's CEOs need to lead by example, to drive health and safety initiatives in the industry, and to address key challenges in order to accelerate the industry's journey to Zero Harm. I often say that, as a CEO, I am the Chief Safety Officer in my company. Yes, there may be sustainability and safety departments, but ultimately the buck stops with me!

The CEO Zero Harm Forum's objectives include five key areas. These are:

- Developing a model for industry leadership at a CEO level
- Modelling leadership behaviour to demonstrate commitment and expectations
- Sharing experiences and helping each other manage key challenges
- Establishing working protocols with industry stakeholders and communities
- Monitoring and agreeing on adjustments to industry models for specific needs

As with MOSH, among the Forum's key focus areas is falls of ground, transport and machinery, dust, noise, HIV/Aids and TB, and strengthening operational safety culture.

All this work has contributed to the improving safety performance. But it carries no guarantees. This is particularly the case when circumstances lead catastrophic incidents where there are multiple fatalities.

The biggest challenge to hit the present-day industry leadership became apparent during 2017 and into 2018, when the trend of continuous improvements went alarmingly into reverse, as we saw in the earlier slide.

There were 90 fatalities in 2017, compared with 73 the previous year. This most distressing trend continued into the first half of 2018.

The Minerals Council and the CEO Zero Harm Forum noted this distressing trend, and I can assure you the matter of safety was a primary area of concern in mining company board rooms across the country, and indeed the globe.

Among the many measures that were implemented, centrally and individually, was the establishment in August 2018, of a National Day of Safety and Health in Mining. The launch signalled the start of an initiative that played out over many months, where companies publicly and visibly reaffirm their commitments to health and safety, at all levels across the company.

Over the course of the month that followed, 93 health and safety days were hosted at operations around the country, many of them at the cost of production, signalling an unwavering commitment that safety comes before production.

The campaign brought together management, employees, unions, suppliers and the inspectorate, and united them before a common goal. It demonstrated the industry's unambiguous stance that the deteriorating safety trend at the time was unacceptable, and its unwavering commitment to spearheading meaningful transformation in this space.

These many and cross-cutting efforts seem to have been effective as we saw an improving trend in the final four months of the year. It meant that the industry's 2018 safety figures as measured by fatalities saw a 10% improvement on the previous year.

This improvement against international benchmarks can be seen in the graph. Note, in particular, the performance in the coal sector, which is in fact more comparable with operations in the US and Australia.

This improving trend has continued into 2019.

As at 23 September, there had been 35 fatalities in the mining industry, compared with 63 in the same period last year.

But we know that too is not good enough.

I mentioned at the outset the Khumbul'ekhaya strategy, that we launched yesterday, on our second annual National Day of Safety and Health in Mining.

At the risk of repeating myself, there is not a CEO in this industry who is not hard-hit by a fatality on their watch. It hurts. And we know, that as much as it hurts us, so it hurts the individual's loved ones a thousand times more.

With that as our base, in January this year 34 mining company CEOs came together in what we named Heartfelt Conversations. And they were heartfelt indeed – they were meaningful and open, they were introspective and reflective, they were uncomfortable and challenging. And what arose from that is the Khumbul'ekhaya strategy.

Khumbul'ekhaya, a Nguni word for “remember home”, because we recognise that fatalities have the greatest impacts on loved ones, at home.



A key driver of the strategy is that, while we recognise that there have been significant improvements in safety and health performance in the last two decades, a step-change is needed for Zero Harm, and to achieve the 2024 MHSC milestones agreed by companies, government and labour.

There are four critical cornerstones of Khumbul'ekhaya, the first being the industry's continued and unwavering commitment to Zero Harm.

We have resolved to become even more focused in our approach over the next two years on the elimination of fatalities from safety and health. As I mentioned earlier, there is growing evidence that the actions that need to be taken to eliminate fatalities are different from those that need to be taken to eliminate the less serious injuries.

Secondly, we have resolved to place equal emphasis on fatalities that result from accidents and occupational health. Importantly, we are concerned about the health of employees both during their employment, and after.

We also know that fatalities are often the result of a complicated set of circumstances and need to be dealt with through a holistic approach.

Lastly, Khumbul'ekhaya is clear on the fact that all industry players need to learn better and faster from one another. Companies need to identify aids and barriers to learning, as well as take heed of global leading practice and implement these lessons effectively.

This, ladies and gentlemen, is where we stand today. Notwithstanding all the hard work that has gone into this strategy, please know that we will not waver in our determination to reach the Zero Harm goal.