

SAMANCOR CHROME SHUTS DOWN OPERATIONS TO IMPLEMENT INTENSIVE SAFETY PROGRAM IN RESPONSE TO WORKPLACE FATALITIES



Tragically, six people died at work in separate incidents at our Samancor Chrome operations during the year in review. These individual tragedies are a grave cause for concern for everyone in the organisation. A comprehensive action plan has been put into place to address safety issues and drive a safe production culture throughout the chrome operations. The first step included shutting down five sites in the business in order to review the root causes of the deaths and provide all employees with intensive training in safe working and hazard awareness.

Samancor Chrome in South Africa, is one of the two independent operating divisions of Samancor, which is an incorporated joint venture between BHP Billiton (60 per cent) and Anglo American (40 per cent). Samancor Chrome produces three grades of ferrochrome for use in different areas of the stainless steel smelting process. The company has five business units:

- Western Chrome Mines, located in Rustenburg, North West Province
- Eastern Chrome Mines and Tubatse Ferrochrome Smelter, located in Steelpoort, Mpumalanga Province
- Ferrometals, located in Witbank, Mpumalanga Province
- Middelburg Ferrochrome and Middelburg Technochrome located in Middelburg, Mpumalanga Province.

The six fatalities occurred at Eastern Chrome Mines (2), Tubatse Ferrochrome, Ferrometals, Middelburg Ferrochrome and Middelburg Technochrome.

We have been pursuing a carefully planned restructuring of HSE plans, systems and engagement with people at Samancor Chrome, introducing BHP Billiton's HSEC values, standards and systems. Over the last two years, the key step in this process has been active engagement with DuPont, a world leader in safety systems and management, to implement a safety improvement strategy. The core elements of the strategy are founded on ensuring that safe behaviours in the workplace are the norm and that safety risks are recognised and managed appropriately. Initiatives based on the safety improvement strategy have been reflected in the Total Injury Frequency Rate (Classified Injuries plus Medical Treatment cases), which has reduced from 35.7 in 2001 to 16.1 in 2004, but unfortunately not in the fatal injury incidence rate, which has remained at an average of three per year. In 2004, there was some deterioration in the severity of classified injuries, which rose during the year. A reducing injury rate does not mean a reduction in fatality risk, and such a situation is at odds with our commitment to employees and families and to safe working.

In order to accelerate engagement of all levels of the workforce, we implemented actions that may be unprecedented in the South African mining industry. The sites at Eastern Chrome Mines, Tubatse Ferrochrome, Middelburg Technochrome, Middelburg Ferrochrome and Ferrometals were shut down entirely for periods of between two days and three weeks, so that safety issues could be identified and addressed without any pressure from production activities.

The shutdowns drove home the message of 'Zero Harm or Zero Production'. A number of immediate actions were implemented at the sites, the most significant of which included:

- communicating the message of 'Zero Harm through Safe Production' to all personnel at every site (this has since also been reiterated more broadly across the entire BHP Billiton organisation)
- introducing red stop (safety risk identification) cards and refreshing the pre-job check list (four steps to safety)
- regularly reinforcing the safety theme
- ensuring all contractors have a single point of accountability
- ensuring each person on site reports to a supervisor every shift
- minimising non-essential work
- ensuring immediate communications are in a form understandable at all levels
- limiting organisational changes to build stability
- increasing the visibility of management at the plant.

While these immediate actions were occurring, an investigation team reviewed a wide range of aspects throughout the sites including:

- task/environmental conditions
- hardware and design
- training
- organisation
- communication
- incompatible goals
- procedures
- maintenance and project management
- risk management
- contractor management
- management of change
- reinforcement of the change process.

Following the review, further sets of actions are being implemented at all sites with the aim of embedding the Zero Harm culture throughout the organisation. Key among these are initiatives to improve hazard awareness and safe behaviour observation skills. Early indications over the four months since February 2004 suggest that the strategy is successfully changing attitudes throughout the workforce.

An independent review of the Samancor Chrome HSEC strategy found it to be sound and valid. The key gap identified relates to a need for faster implementation, particularly at the front line supervisor and shop floor employee level. This is being addressed in the action plan.

The employee safety training that took place during the shutdowns will continue to be reinforced and reviewed in order to assess whether fundamental values in the workplace are changing.

The dedication of all managers, supervisors, employees, contractors and unions to make and sustain a radical improvement in safety performance is evidence of the great importance each and every one places on the attainment of a workplace that is safe for all.