

IMPLEMENTATION OF FATAL RISK CONTROL PROTOCOLS UNDER WAY AT ALL OUR OPERATIONS



Fatal Risk Control Protocols were developed by the Company and introduced in April 2003 as a response to a review of fatalities and significant incidents over the last ten years. The review identified nine key fatal risks, which required the development of sound practices to eliminate fatalities and also accidents that, in slightly different circumstances, could have caused fatalities. Workgroups, made up of individuals from across the Company with extensive experience in operations, developed the Protocols, which establish minimum performance expectations for managing fatal risks at a level that is leading practice. It is planned that full compliance with the requirements of the Protocols will be achieved throughout the Group by the end of June 2005.

Introduction of the Fatal Risk Control Protocols is in line with our Charter, which states that we value safety and the environment through an overriding commitment to health, safety, environmental responsibility and sustainable development. Application of the Protocols supports our HSEC Policy, which requires that we develop, implement and maintain management systems for health, safety, environment and community development that are consistent with internationally recognised standards. The HSEC Policy also states that we commit to continual improvement in our performance, efficient use of natural resources and aspiration to Zero Harm to people.

Current Fatal Risk Control Protocols

There are nine current Protocols, which set requirements for:

- Light vehicles
- Surface mobile equipment
- Underground mobile equipment
- Underground ground control
- Hazardous materials management
- Molten materials management
- Equipment safeguarding
- Isolation
- Working at heights.

The requirements for each Protocol are structured to cover three areas in which controls are to be in place to comprehensively manage the risks. These areas are:

- Plant and equipment requirements
- Procedural requirements
- People requirements.

► *Fatal Risk Control Protocols*



Additional Protocol to cover lifting loads with cranes

An additional Fatal Risk Control Protocol is due to be implemented early in the new financial year. This Protocol covers lifting activities with cranes and was developed following further analysis of the fatal risks. While lifting activities are covered in the current Protocols, they relate to fixed plant and equipment and mobile machinery. It was decided that the potential risks associated with the lifting, suspending or lowering of a load with a crane merited a separate Protocol.

Tracking implementation of the Protocols

During the year, a self-assessment toolkit was made available to the operating sites. Virtually all the sites have conducted self-assessments on their compliance with the requirements of the Fatal Risk Control Protocols and the adequacy of their controls. Integral to the auditing of these sites is the verification of actions arising from previous audits.

It is our mission to ensure that any learning points arising from audits, inspections or investigations are actioned and shared throughout the organisation. This will maximise learning and avoid reinventing possible solutions to existing problems.

Workshops review implementation process

Since implementation of the Protocols commenced, there have been queries and interpretation issues from the operations. To address these and to reflect on the results of the audits, a series of Fatal Risk Control Protocols workshops were run in Australia (March 16–18), South Africa (May 3–7) and Chile (June 15–18).

These workshops were attended by Company representatives from the continents where we operate and addressed issues such as what had gone well with the implementation process, what aspects of the Protocols needed clarification or resolution, and any barriers or threats to meeting the full implementation target of June 2005.

Some of the salient points arising from the workshops were the need for common definitions of certain jargon, coupled with requests that the Protocols be translated into local languages for simpler presentation and understanding.

(Continued over)

IMPLEMENTATION OF FATAL RISK CONTROL PROTOCOLS continued

Achieving Zero Harm requires unwavering commitment

Progress with implementation of the Protocols has brought some benefits already. There are documented instances of people surviving accidents due to the insistence on minimum standards for light vehicles, such as roll-over protection for driver and passengers.

Despite this, there have been 17 fatalities at Company operations this financial year. This has led to further analysis and new learnings from these tragic events. The frustration of knowing that we have been introducing excellent systems but not achieving Zero Harm needs to be tempered with the knowledge that there is a period of lag between system implementation and tangible results.

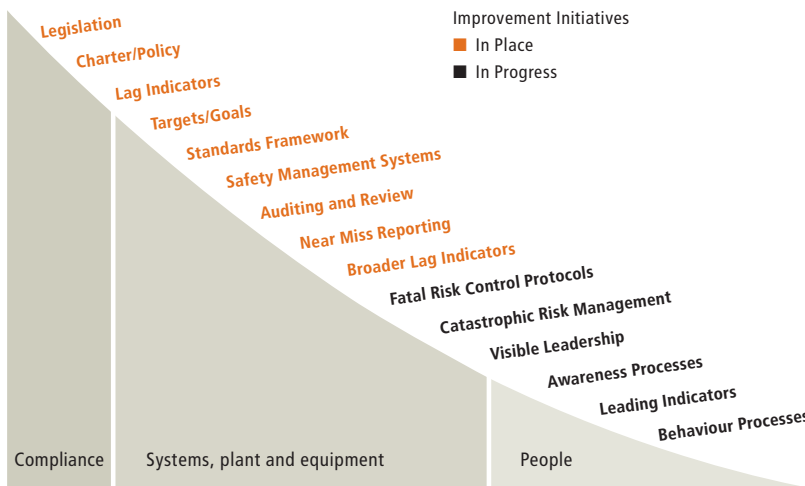
To assist our operations in determining where the potential for significant incidents might be manifested, a mix of lagging indicators and new leading indicators are being highlighted to enable management to identify and mitigate the potential hazards.

Lagging indicators include historical data on accidents and incidents, HSEC Standards audit results and Fatal Risk Control Protocol audit results. Some of the leading indicators being considered as triggers to alert operations to heightened potential risks are safety behaviour observation results and trends, newly approved greenfield and brownfield projects and labour turnover rates.

It is inevitable that an increase in production activities at an operation has a concomitant increase in potential exposure to risks. The evolution of new leading indicators is designed to act as a precursor to heightened awareness and focused attention at those operations fitting the criteria for such increased risk.

In terms of our commitment to Zero Harm, the Fatal Risk Control Protocols are an important additional tool in our HSEC armoury to ensure that our operations have the best chance of continuing to grow and share prosperity in their communities, without people being injured in the process.

► **Safety Improvement Road Map**



The Fatal Risk Control Protocols are a key part of our journey to Zero Harm