

SAFETY REVIEW



Kumba's vision is one of zero harm. The company is unequivocal in stating that no fatality or injury to permanent employees, contractors and visitors, whether on its mines, in its laboratories or its offices, is acceptable.

In order to realise its vision, Kumba is focused on two fundamental drivers: firstly, to improve its status in terms of its safety maturity, and secondly, to stop fatal incidents.

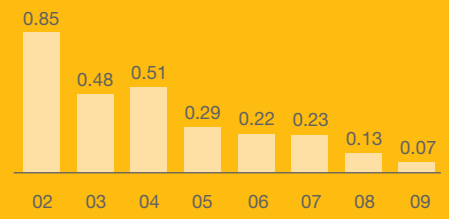
This section discusses Kumba's safety strategy, its 2009 performance, and its focus for 2010, specifically in relation to these two drivers.

To address the two fundamental drivers – improving its safety maturity and stopping fatal incidents – Kumba utilises a safety management system. The system is founded on the belief that there are three aspects to safety which can be changed in order to improve performance: the first is the behavioural aspect whereby what people do can be changed; the second is infrastructure and means that better infrastructure can assist in improving safety performance; the third is the systems used to manage safety – these can be enhanced so as to achieve better results.

FATALITIES

ONE

LOST-TIME INJURY FREQUENCY RATE



TOTAL RECORDABLE CASE FREQUENCY RATE

1.23

basic reactive compliant kumba's safety

The safety management system consists of five elements:

- policy
- planning
- implementation and operation
- checking and corrective action, and
- management review.

It is underpinned by three clear principles: a zero mindset culture, the importance of learning to prevent incidents from repeating and the use of simple, non-negotiable standards.

The programmes in place at Kumba are supported by three overarching initiatives in use across the Anglo Group: the Golden Rules, the Fatal Risk Standards and the Safety Risk Management Programme. A major factor in improving safety performance is an organisation's ability to learn from mistakes and successes.

Kumba is ensuring that this learning is retained within the safety management system and imparted to all those responsible for safety, in other words, all employees. For example, Kumba recognised that the key contributing factors in the reduction of its lost-time injuries (LTIs) was the emphasis it placed on culture and leadership. These two aspects were absolutely fundamental in the reduction. Consequently, Kumba is using this knowledge to tackle fatalities. The culture and leadership aspects are in place and form the basis to support the introduction of other initiatives to deal with fatal incidents.

Kumba's safety journey consists of the following stages (refer to page 7):

- Basic – little interest in safety other than doing the minimum to get by. At this stage the company has significant exposure to safety risks.
- Reactive – the company is aware that safety is an issue, but it predominantly reacts to events. Its systems are in a formative stage and are thus immature.
- Compliant – at this milestone, safety is a core component of the business. The company's focus is on compliance with its own systems and processes. This is where Kumba is positioned at the time of writing.
- Proactive – Kumba's target for 2010. Here, the company is beginning to anticipate issues in advance and thus is able to prevent the occurrence of incidents.
- Resilient – Kumba's goal for 2013. At this point in the journey, the company is considered mature and demonstrates world-class safety performance. Key elements of the transition from the compliant and proactive stages are discussed in the next sections.

As mentioned, Kumba's intention is to improve its safety maturity until it reaches resilient. At present, Kumba is in between compliant and proactive, a process which takes on average five-years to complete. This process requires that Kumba achieves its vision of zero harm and that its safety management system is completely functional. Key to improving its maturity will be Kumba's focus on high potential incidents and zero harm days, discussed later in this section.

journey

proactive resilient

current location



FATALITIES

Sadly, Tebogo David Marope was fatally injured in an accident involving a vibrating roller at Sishen South project section. The incident has been investigated by the Department of Mineral Resources. It is pleasing to note however, that for the first time in five years all the mining operations (Sishen and Thabazimbi mines) have been fatality free.

Fatalities clearly remain a challenge for Kumba given the fact that the company has recorded a fatal incident every year for the past five years. Kumba is firmly of the belief that a zero harm, zero fatality working environment is possible. In order to realise this, and eliminate the risk of fatalities, the company has launched a range of initiatives:

1. High potential incidents (HPIs): during the year, the awareness of HPIs (these are incidents which have the potential to result in death but which do not) was significantly increased among employees and contractors. Over and above this, the application of learnings from these incidents was implemented across Kumba's operations. Kumba regards elimination of HPIs as having the potential to significantly reduce the occurrence of fatal incidents.
2. The implementation of the Anglo Fatal Risk Standards: these standards have been developed by examining industry best practice and by utilising Kumba's experience of fatal incidents. The standards establish the minimum performance requirements for managing fatal risks.
3. Vehicles have been identified as the major contributor to fatal incidents. Kumba identified three aspects related to vehicles where the risk of fatal incidents can be significantly reduced: collision avoidance, people/vehicle separation and fatigue management.
4. Implementation of the Golden Rules: these rules are key non-negotiable behaviours to which all employees, visitors and contractors must abide.
5. Learning from industry best practice in regards the elimination of fatalities by, for example, visiting mining operations across the world, attending safety conferences, obtaining information on the latest technological and behavioural developments and through communicating across the broader Anglo Group.

ONE
is too many

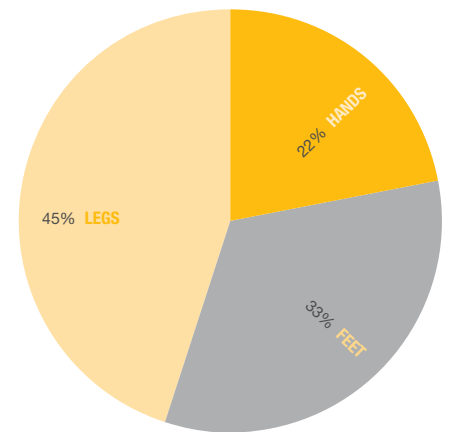
LOST-TIME INJURIES

lost-time injury frequency rate **0.07**

Kumba maintained its downward trend in LTIFR. Kumba's lost-time injury frequency rate (LTIFR, per 200,000 man-hours) target for 2009 was <0.08; the rate achieved was 0.07 (involving nine lost-time injuries) a 42% improvement on the 2008 figure of 0.12. As evident from the chart, the majority of lost-time injuries were injuries to employees' legs, feet and hands.

Examining the trend, Kumba asked what were the fundamental reasons for the reduction in LTIFR over time in order that the trend continues, and performance improved. The investigations revealed that there were two primary reasons for the improved performance: leadership and safety culture, both of which are underpinned by the daily practise of living the company's values of care and respect.

In addition, the improvement in LTIFR is attributed to Kumba's maturation as a safety-focused mining company. Kumba is no longer a reactive company, but is now progressing towards being a resilient company where lost-time injuries are rare.



For 2010, Kumba's target LTIFR of <0.06

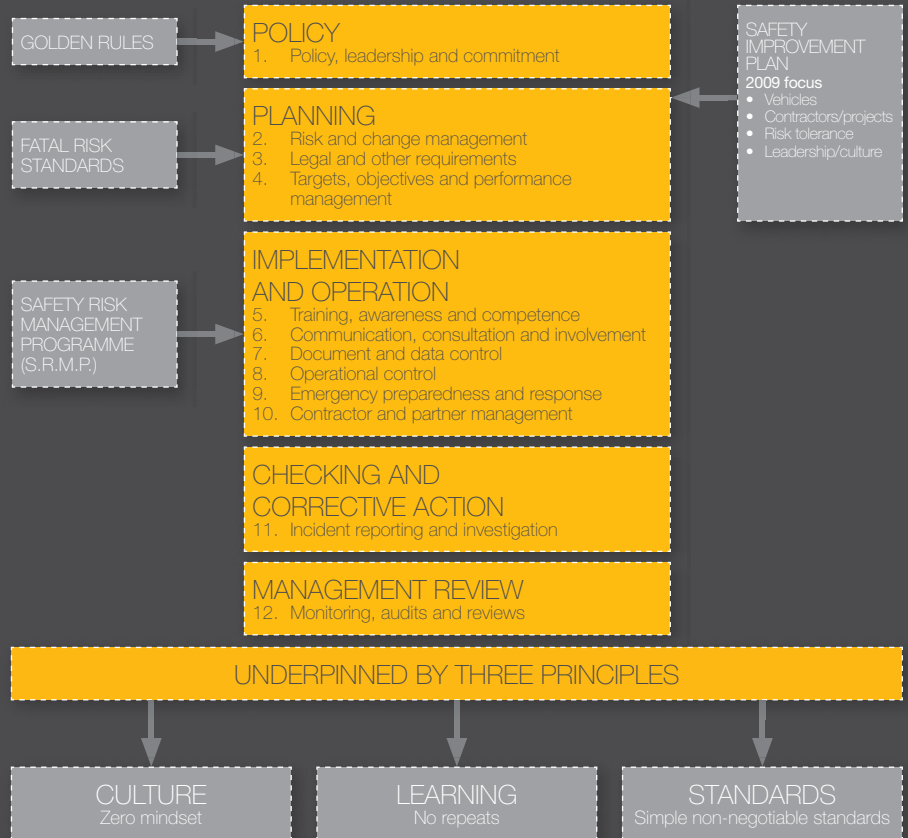


FUTURE FOCUS

Kumba will continue to focus on eliminating fatalities and improving its safety maturity. The means to achieve this are contained in the safety improvement plan (refer to diagram right). The plan addresses common Anglo initiatives and specific Kumba programmes designed to improve safety performance. These initiatives are gimmicks but are designed to be internalised into Kumba's culture and business processes through a formal management system.

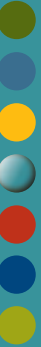
A new initiative which began in 2009 was the launch of zero harm days, a safety performance indicator. The thinking behind advertising the indicator among employees and contractors is to make zero harm a reality and to demonstrate that a day without harm is achievable. It is therefore possible that an entire year without harm is a realistic goal.

Safety management system





OCCUPATIONAL HEALTH REVIEW



Kumba's occupational health management system is founded on the same principles as its safety management system. However, the strategic drivers are different. From an occupational health perspective, Kumba's two key focus areas are, firstly to bring about a step change in occupational health management and performance in line with national and international trends, and secondly, to focus on headline risks comprising noise, dust and fitness for work.

The approach which Kumba uses to guide and manage occupational health is the same as that used for safety, the difference being the strategic drivers and types of programmes used to bring about change.

In order to bring about a step change in occupational health management and performance, Kumba is focused on the following: headline risks, health risk management, learning, leadership and culture, and assurance.

The strategy is to understand and strengthen the fundamentals underpinning improved occupational health and then to build on these fundamentals by introducing a range of standards and programmes which will further improve performance.

OCCUPATIONAL HEALTH

5 cases NIHL

HIV+ EMPLOYEES

442

HIV+ EMPLOYEES ON ART

160

PERCENTAGE HIV PREVALENCE

7.6

VCT UPTAKE

5,279 (90%)

Performance

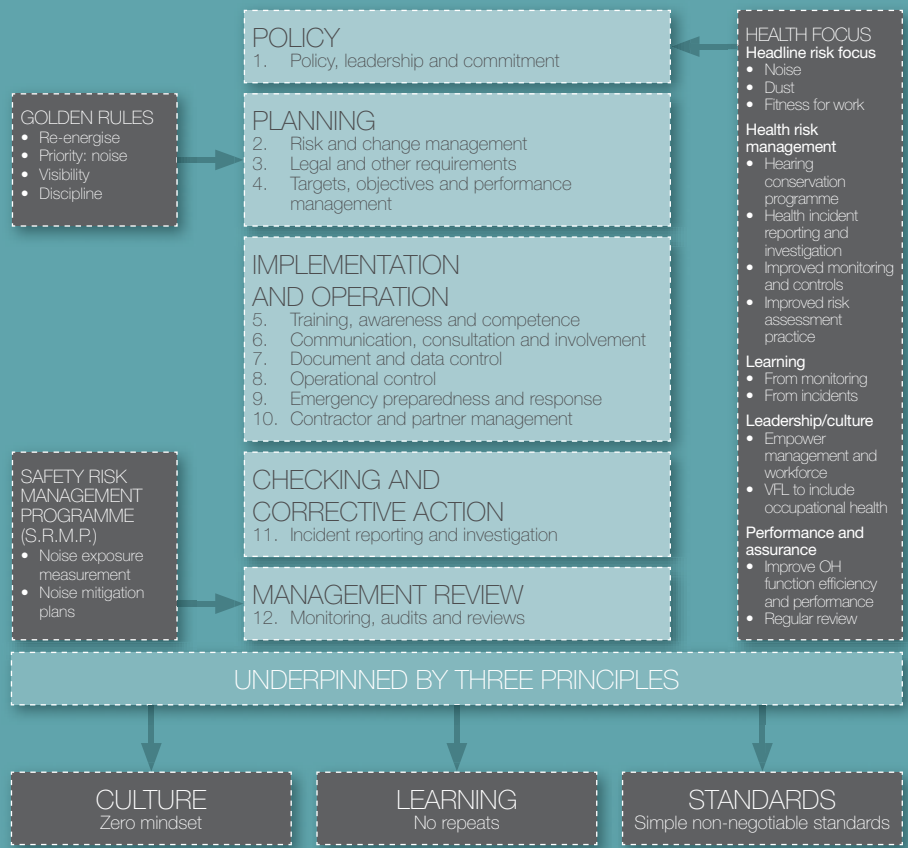
The same journey model used for safety is also applied to occupational health. According to its own investigations, Kumba is located between the basic and reactive stages of its journey towards becoming a resilient company in terms of occupational health. A step change means reaching proactive and leapfrogging the compliance stage. During 2009, Kumba identified what needs to be done in order to achieve this. This requires commitment to attend to noise, and dust exposure and employee fitness issues by intensifying the effort to perform quality health risk assessments, inculcating a culture of improved performance through visible leadership and subjecting the systems and programmes in use to be reviewed and utilised the findings as a basis for improvement.

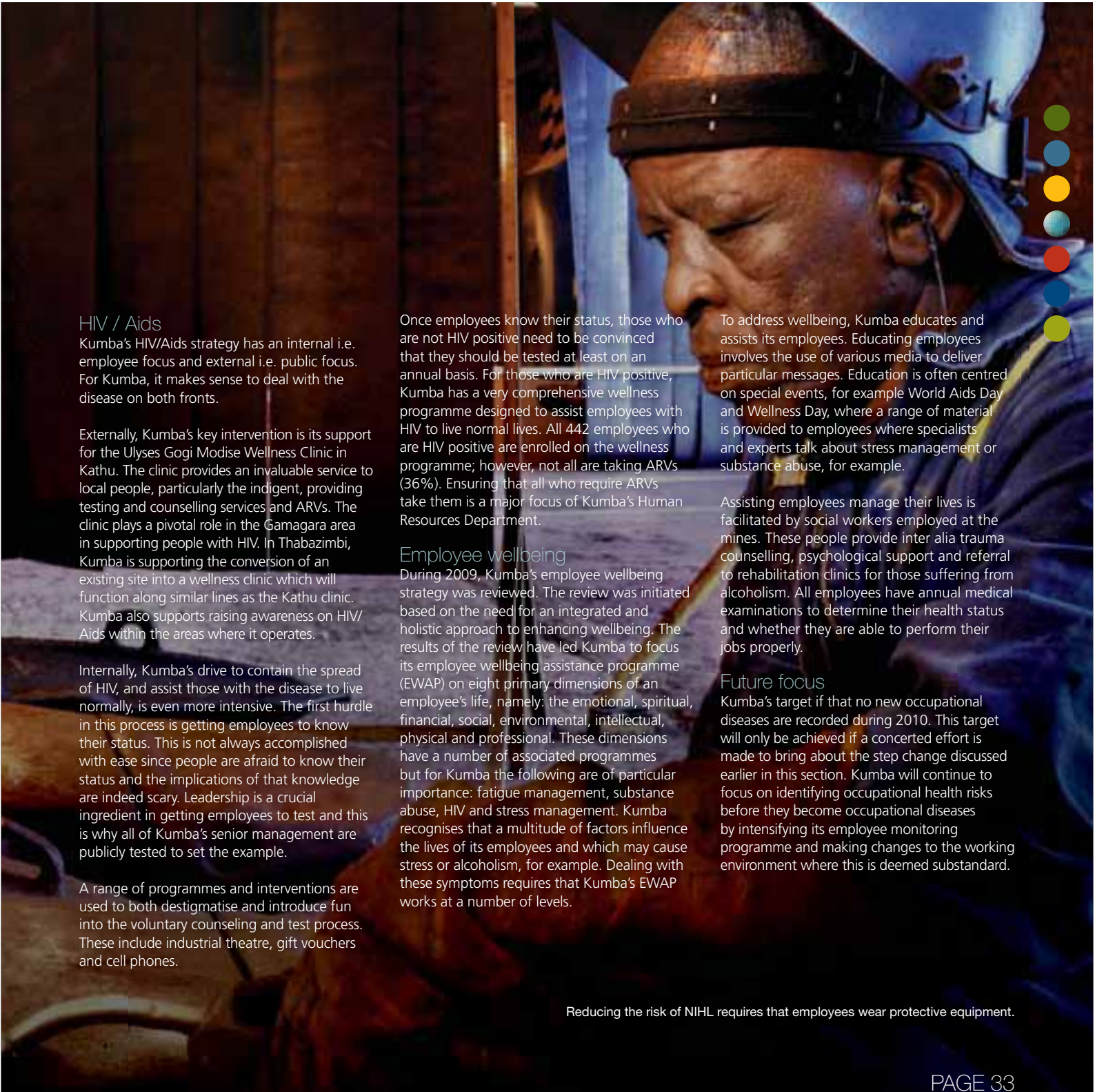
Noise-induced hearing loss

Noise-induced hearing loss (NIHL) is the most significant occupational health risk facing Kumba's employees. Exposure to elevated noise levels is a risk at work, but may also affect employees outside the work environment. [Some employees may also have a medical condition which affects their hearing].

During 2009, Kumba recorded five new cases of reportable NIHL. As a consequence of this unacceptably high level of cases, Kumba finalised its hearing conservation standard and began implementation thereof at all its sites. Implementation is scheduled to be completed during 2010. The standard is designed according to leading practice and is developed to address a range of issues related to minimising or eliminating the risk of NIHL.

Health management system





HIV / Aids

Kumba's HIV/Aids strategy has an internal i.e. employee focus and external i.e. public focus. For Kumba, it makes sense to deal with the disease on both fronts.

Externally, Kumba's key intervention is its support for the Ulyses Gogi Modise Wellness Clinic in Kathu. The clinic provides an invaluable service to local people, particularly the indigent, providing testing and counselling services and ARVs. The clinic plays a pivotal role in the Gamagara area in supporting people with HIV. In Thabazimbi, Kumba is supporting the conversion of an existing site into a wellness clinic which will function along similar lines as the Kathu clinic. Kumba also supports raising awareness on HIV/Aids within the areas where it operates.

Internally, Kumba's drive to contain the spread of HIV, and assist those with the disease to live normally, is even more intensive. The first hurdle in this process is getting employees to know their status. This is not always accomplished with ease since people are afraid to know their status and the implications of that knowledge are indeed scary. Leadership is a crucial ingredient in getting employees to test and this is why all of Kumba's senior management are publicly tested to set the example.

A range of programmes and interventions are used to both destigmatise and introduce fun into the voluntary counseling and test process. These include industrial theatre, gift vouchers and cell phones.

Once employees know their status, those who are not HIV positive need to be convinced that they should be tested at least on an annual basis. For those who are HIV positive, Kumba has a very comprehensive wellness programme designed to assist employees with HIV to live normal lives. All 442 employees who are HIV positive are enrolled on the wellness programme; however, not all are taking ARVs (36%). Ensuring that all who require ARVs take them is a major focus of Kumba's Human Resources Department.

Employee wellbeing

During 2009, Kumba's employee wellbeing strategy was reviewed. The review was initiated based on the need for an integrated and holistic approach to enhancing wellbeing. The results of the review have led Kumba to focus its employee wellbeing assistance programme (EWAP) on eight primary dimensions of an employee's life, namely: the emotional, spiritual, financial, social, environmental, intellectual, physical and professional. These dimensions have a number of associated programmes but for Kumba the following are of particular importance: fatigue management, substance abuse, HIV and stress management. Kumba recognises that a multitude of factors influence the lives of its employees and which may cause stress or alcoholism, for example. Dealing with these symptoms requires that Kumba's EWAP works at a number of levels.

To address wellbeing, Kumba educates and assists its employees. Educating employees involves the use of various media to deliver particular messages. Education is often centred on special events, for example World Aids Day and Wellness Day, where a range of material is provided to employees where specialists and experts talk about stress management or substance abuse, for example.

Assisting employees manage their lives is facilitated by social workers employed at the mines. These people provide inter alia trauma counselling, psychological support and referral to rehabilitation clinics for those suffering from alcoholism. All employees have annual medical examinations to determine their health status and whether they are able to perform their jobs properly.

Future focus

Kumba's target is that no new occupational diseases are recorded during 2010. This target will only be achieved if a concerted effort is made to bring about the step change discussed earlier in this section. Kumba will continue to focus on identifying occupational health risks before they become occupational diseases by intensifying its employee monitoring programme and making changes to the working environment where this is deemed substandard.

Reducing the risk of NIHL requires that employees wear protective equipment.

