

REMARKS BY MR MZOLISI DILIZA
CHIEF EXECUTIVE OF THE CHAMBER OF MINES
ON THE OCCASION OF
EXXARO RESOURCES' FIRST CEO SAFETY SUMMIT
17 MARCH 2009

Mr Siphon Nkosi, Chief Executive of Exxaro and President of the Chamber of Mines;
Mr Thabo Gazi, Chief Inspector of Mines;
Mr Senzeni Zokwana, President of the National Union of Mineworkers;
Mr Costa Raftopoulos, President of UASA;
Mr Steve Scott, President of Solidarity.

Ladies and gentlemen good morning. It gives me great pleasure to be here with you today to bear witness and to be part of Exxaro Resources' first CEO Safety Summit. During the past year, the Chamber of Mines has been piloting a project which is aimed at identifying leading practices in health and safety in certain companies for adoption by others in the industry. Leading practices in falls of ground, noise, dust and leadership have been identified in various mining companies and a system has been developed to promote their adoption by others. This has been the biggest annual safety and health project initiated by the industry in the last decade.

Through this process, it is intended to significantly improve health and safety in our industry. Contrary to some public perceptions about mining, there are many excellent leading practices in existence. Our challenge, however, has been to design effective mechanisms to transplant these practices into other companies for adoption.

Today, Exxaro takes a step into uncharted territory in the journey to zero harm by bringing together its own Chief Executive Officers to a summit which will focus on safety. This shows once again that the issue of safety has been escalated to the most senior structures of mining leadership. I am, therefore, very grateful to be here today and I appreciate this opportunity to address you on behalf of the Chamber of Mines on the critical issue of safety. Before I share with you our vision of zero harm, I would like to thank and commend the leadership of Exxaro for their decision to put safety first, even in the tough economic climate that confronts the company and the mining sector.

Ladies and gentlemen, I referred earlier to public perceptions about the mining industry and its safety record. These have not always been favourable but instead of being defensive, the Chamber of Mines and the Senior Leadership of the

industry recently took the strategic decision that the results of safety efforts should be allowed to speak for themselves.

This strategic decision is at the core of our vision for safety in the mining industry. This vision is to eliminate fatalities and injuries in the industry through a process of continued improvement so that by 2013, we will be world-class as agreed at the Mine Health and Safety Summit of 2003. According to our calculations, we shall only achieve this if we reduce our fatality rate by at least 20% per year. This is an objective that the Chamber and its members are determined to achieve.

The road we have embarked on has not been without challenges, which is why we had to be creative in our thinking. In 2008, a two-day CEO Roundtable and a Tripartite Leadership Summit arranged by the Mine Health and Safety Council resulted in the identification of culture, skills, and working conditions as the major safety challenges in the sector.

Out of that, actions have hence been identified to:

- Strengthen our culture of health and safety through the implementation of a culture transformation framework. The culture

transformation framework should shift us from a command and control to a participative culture and from blame to learning;

- Build capacity and promote learning through two institutions that need to be established. Firstly, a Centre of Excellence that will be responsible for research and capacity-building. The Centre should develop state-of-the-art technologies for the management of difficult challenges like seismicity and also enhance the capacity of workers, specialists and all levels of management. Secondly, the Chamber is establishing a Learning Hub that will promote learning among mining companies through the identification and promotion of leading practices used by the pockets of excellence in our industry;
- Make working conditions safer and healthier through focused actions related to key risks in the workplace and the living environment. We need to take health and safety into account when we purchase equipment. Our care for mine workers and their families extends beyond the mine gate and programmes to improve housing conditions and educate people on HIV and AIDS are being vigorously implemented.

The Chamber believes that the complicated challenges of mine safety can only be dealt with through a strong tripartite partnership between committed partners. The Chamber, therefore, fully recognises the role of an effective regulator in the improvement of safety in the industry. In the same manner, the Chamber equally acknowledges the important role that the unions play in efforts to improve mine safety.

Many companies achieved record safety performances in 2008. The 24% reduction in fatalities and 28% reduction in fatality rates are the biggest improvements in safety performance during the last decade and they demonstrate the advances that can be accomplished. It is the leading practices from these companies that we wish to adopt elsewhere. These achievements are a result of the hard work of many players in the industry. For this, the Chamber wishes to thank every CEO, every manager, every supervisor, every worker and every inspector in the mining sector for the role that they have played in reaching these important milestones.

I wish you successful deliberations on this issue which may well create additional leading practices for adoption by other companies in our journey towards zero harm.

I thank you.