18.0 Health and Safety

18.1 Occupational Health and Safety Policy

MRM has adopted the following Occupational Health and Safety (OHS) policy that outlines their commitment to safety. The OHS committee reviews this policy annually.

OCCUPATIONAL HEALTH & SAFETY POLICY

McArthur River Mining is committed to the principle that occupational injury and illness is preventable. It is the right of each employee, contractor and visitor who comes to site, leaves site free of injury or work related illness.

- Our priority is safe production in a work environment where our people feel all risks have been adequately controlled.
- We will identify, assess and reduce all major risks wherever practicable though a recognised risk assessment process.
- We shall demonstrate strong leadership and commitment to health and safety where we will meet or exceed all legal requirements to achieve a safe, productive and healthy work environment.
- We will use the MIMSafe strategy to achieve industry best safety standards. This effort will be directed to reducing incidents and especially injuries.
- We will commit the necessary resources for the development of Safety Management Plans, incorporating contribution and commitment from all stakeholders.
- We are committed to continuous improvement through the auditing of our health and safety health systems.
- We will provide education and training to our employees, contractors and visitors to ensure they have the skills to ensure an incident free workplace.
- We shall ensure two way communications with our employees, contractors, regulators and external stakeholders on health and safety matters.

ACCOUNTABILITIES

- The General Manager is accountable for the implementation of this policy including the provision of adequate resources and skills to achieve the stated objectives.
- Managers, Superintendents and Supervisors are accountable for the implementation of safety strategies, maintaining safety and hazard management plans, investigation of incidents and the promotion of safety improvements in areas of their control.
- Every individual is accountable to work in a manner that is healthy and safe for themselves, their workmates, persons influenced by their work and the environment in which they work.
- Every person at McArthur River Mining has a responsibility to identify hazards, rectify them where possible or report them for remedial action.

Signed & Dated

GENERAL MANAGER

18.2 Safety Management System

The safety management system (SMS) in place at the McArthur River mine is presently based largely on the SiteSafe system. The SiteSafe system is a risk-based system, the main elements of which are:

- Safety risk management procedure;
- Hazard reduction;
- Job safety analysis and standard operating procedures; and
- Risk register.

MRM is currently in the process of establishing a Health, Safety, Environment and Community (HSEC) Management System structure, based on the 17 Xstrata HSEC standards presented in Table 2.1 in Section 2.4.1.

The procedures within the current SMS will be amended and updated, as appropriate, for inclusion within the new HSEC Management System.

It is MRM's intention to develop the SMS in the form of an integrated HSEC Management System which will be compatible with the requirements of AS/NZS 4801: 2001 Occupational Health and Safety Management System. System development is scheduled for certification in 2006.

The HSEC Management system will be subject to internal auditing by site-independent Xstrata auditors and external audits by an AS/NZS 4801: 2001 Certification Body.

The construction and operational phases of the open cut project will be incorporated into the integrated HSEC Management System.

18.3 Occupational Health Management

The key requirements of the site's occupational health management program are:

- First aid arrangements and access to adequate medical services, workplace occupational hygiene facilities and personal protective equipment shall be available to all personnel, as appropriate to the location and nature of operations.
- Where appropriate, MRM personnel shall undergo assessment to ensure their fitness for work. Confidential medical information contained within medical records shall not be disclosed without the written informed consent of the employee, unless required by legislation or a court order.
- Arrangements shall be put in place to ensure the health, safety and security of all personnel on-site and during work-related travel.
- Where appropriate, preventative and corrective measures shall be taken to control impairment, including alcohol and drug abuse, and to manage the risk of communicable diseases.
- Effective initiatives shall be in place to promote and encourage a healthy lifestyle.

- Effective systems shall be in place for the rehabilitation of employees following a work-related injury, illness or other adverse health effects.
- Where required, arrangements shall be established to monitor the impact of workplace hazards on employees' health and well being.

To meet these requirements MRM has:

- A dedicated first aid centre staffed by paramedics providing 24-hour coverage. The first aid clinic is equipped with some of the most advanced life support equipment and has an extensive range of medications. Being a remote location, MRM provides a service to cover non-work related illness and injury. The facility is also equipped with a 4WD ambulance.
- Developed pre-employment medical procedures.
- Established a program of periodical medical assessments to monitor the ongoing health of employees. An exit medical program has also been established to assess the well being of personnel leaving MRM.
- A comprehensive job dictionary of the physical requirements for various positions across the operation has been developed. The job dictionary describes the physical requirements for each position and is used in assessing pre-employment medicals, workers compensation return to work programs and non-work related injured or ill employees wishing to return to work on alternative duties.
- A procedure and process have been developed to ensure the confidentiality of medical information.
- A fitness for work procedure has been developed along with a comprehensive drug and alcohol policy and associated procedures.
- Personal health surveillance initiatives have been developed to allow employees to monitor their own health levels, and have included cholesterol screening, blood glucose screening, lung function testing and body mass index monitoring.
- Several procedures and policies have been developed to ensure proper processes and systems are in place for the effective rehabilitation and return to work of injured employees.
- Procedures have been developed to ensure adequate monitoring of hygiene issues. These include, but are not limited to, noise, inspirable dust, respirable dust, silica, lead, and asbestos.

18.4 Behavioural Safety Management

The key requirements of the site's behavioural safety management are:

- Initiatives shall be implemented and maintained to promote safe behaviour by personnel, through the understanding of the importance of safety and of the relevance of human factors, motivation and behaviour in relation to safe behaviour. These initiatives shall include at least the following;
  - Development of all personnel in the relevance of a safe culture (values and beliefs) and the significance of human and behavioural factors in relation to safety performance.
  - Observations of behaviours in the workplace.
  - Identification of critical at risk behaviours and safe behaviours practiced.
  - Immediate feedback to reinforce safe behaviours and correct at risk behaviours.
  - Collection and analysis of workplace safety related behaviour data and the application of the appropriate corrective action.
- All managers shall actively support the involvement and participation of personnel in the development, implementation and review of behavioural safety processes. Agreed activities shall be included in the performance goals of all line managers.
- Personnel shall receive appropriate development in the recognition and control of risk behaviours and situations. This should include an awareness, recognition and understanding of the potential risks and hazards associated with these behaviours and situations.

To meet these requirements MRM have:

- Conducted supervisor, incident management, risk management and induction training.
- Integrated routine safety meetings, which facilitates feedback aspects.
- Adopted the Stop. Look. Assess. Manage (S.L.A.M.) focus to site behavioural safety.

18.5 OHS Representatives and Committees

MRM's OHS committee is made up of employer representatives from the safety and training areas, one management team member, and employee representatives from all departmental crews and permanent contractors. The committee considers issues that are of site significance and helps in the development of new health and safety initiatives.

The OHS representative reports to the Executive Management Team on a weekly basis on any issues that need to be addressed by the Executive Management Team.

It is the responsibility of employee representatives to communicate information back to their crews and to gather the views of personnel on any issues being addressed. Within each department, every crew has their own OHS meeting at monthly intervals.

18.6 Accident/Incident Reporting and Investigation

MRM has implemented an electronic incident reporting process (Sitesafe) that is used to report all injuries and serious incidents. The incident reporting forms used collect all relevant information and also include a risk assessment matrix and hierarchy of control and action plan.

Any accidents or incidents that occur are reported at monthly intervals to Xstrata plc.

18.7 Hazard Identification

The S.L.A.M. program has been delivered to all employees and contractors and is contained in the general site safety induction for new employees and contractors. This program trains personnel to identify any hazards that may be present in the work area and appropriately manage the risk.

Hazard reporting is conducted through Sitesafe and remedial action requirements are emailed to the relevant personnel.

A risk register has been developed encompassing all high level business, safety and environmental risks. The top ten risks of this register are reviewed monthly and reported to Xstrata plc. The remaining risks within this register are reviewed annually. Each department is responsible for maintaining their own risk registers for departmental specific risks.

18.8 OHS Responsibilities

The General Manager is accountable for the implementation of the site's OHS policy, including the provision of adequate resources and skills to achieve the stated objectives.

Managers, Superintendents and Supervisors are accountable for the implementation of safety strategies, maintaining safety and hazard management plans, investigation of incidents, and the promotion of safety improvements in areas of their control.

Every individual is accountable to work in a manner that is healthy and safe for themselves, their workmates, persons influenced by their work, and the environment in which they work.

Every person at MRM has a responsibility to identify hazards, rectify them where possible, or report them for remedial action.

18.9 Induction and Training

18.9.1 Employees

Safety training commences through the general site safety induction and then into area specific inductions. All employees at supervisor level and above are required to undertake incident investigation and risk management training. Job skills training is the responsibility of the individual departments while

site-wide skills training is centrally organised. Each department has appointed a training specialist who is responsible for identifying training needs and requirements.

18.9.2 Contractors and Visitors

All permanent and casual contractors and visitors on-site are required to comply with all MRM standards and procedures, and must have undertaken the appropriate induction. All visitors receive a visitor's induction and must be escorted at any time they enter an operational area.

18.10 Job Safety Analysis and Standard Operating Procedures

Job Safety Analysis (JSA) is undertaken as required for specific tasks. JSAs are used in the development of Standard Operating Procedures (SOPs). SOPs are developed to ensure compliance with the MRM Standards.

A MRM webpage has been developed to allow access by all employees to all JSAs, SOPs, risk assessments, training packages and related information. This system allows ease of access to all documentation for all personnel and has been established to ensure effective document control.

18.11 Communications

The following means of communication are employed to ensure effective two-way interaction with employees and contractors:

- Safety/tool box meetings;
- OHS committee;
- Quarterly addresses by the General Manager;
- Shift change meetings; and
- Webpage and notice boards.

18.12 Workplace Hazards

The following workplace hazards have been identified on site and procedures have been developed to address them. Any additional hazards introduced as part of the open cut operation will be identified the necessary management procedures developed.

18.12.1 Hazardous Substances/Dangerous Goods

MRM has an established hazardous substance standard and procedure. A full external hazardous substance and dangerous goods audit is annually conducted. The hazardous substances/dangerous goods system includes an electronic hazardous substance and dangerous goods register, and a hard copy register.

Any area of the operation that holds hazardous substances or dangerous goods will also hold the appropriate Material Data Safety Sheets (MSDSs).

MSDSs for all substances held on site are made available to employees via the webpage, Chem Alert ll, and hardcopies are located in the immediate area of chemical storage. Three sets of all site chemical MSDS sheets are located at the first aid centre, stores area, and metallurgy control room. Chem Alert ll is a chemicals information program where personnel can quickly look up electronic versions of the MSDSs.

18.12.2 Noise

All areas of the MRM operation have had noise mapping completed, with those areas that may potentially pose a threat to personnel being designated as mandatory hearing protection areas. An ongoing noise monitoring program is maintained on site.

18.12.3 Isolation and Tagging

MRM has standard isolation and tagging procedures across the entire operation. These procedures have undergone reviews and modifications to ensure they are appropriate to operational requirements and protect all personnel.

18.12.4 Manual Handling

All new employees and contractors receive training in manual handling during the induction process. An external specialist provider is brought to site annually to provide comprehensive training in back care and manual handling to all employees and contractors.

Wherever possible, lifting aids are used to reduce the risk to personnel. Job tasks have been completed for positions throughout the operation and these are used during the pre-employment process and return to work programs to ensure new and injured employees are physically capable of performing their tasks and thereby minimising the possibility of manual handling injuries.

18.12.5 Personal Protection Equipment

All areas of the operation that require any form of personal protection equipment (PPE) are clearly sign posted to identify what PPE is mandatory in that area. New employees and contractors are trained in the use of PPE during the induction process. All PPE provision complies with the appropriate Australian Standards.

18.12.6 Confined Space

Specific confined space procedures have been developed for the operation and confined spaces are being progressively identified. A confined space permit system is also well established. Confined space training has been provided to employees exposed to this work environment.

18.12.7 Height Safety

Rigid height safety requirements are enforced across the operation to ensure that no person will be at risk when working from heights. All height safety equipment is required to undergo regular inspection by trained personnel. Employees identified as exposed to this risk are trained accordingly.

18.13 Management Plan

A draft health and safety environmental management plan for the open cut project is given in Section 22.4.