

Atlantic Alliance on Occupational Health & Safety Conference

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**Alan J. Murray
Chief Executive
Hanson PLC**

Target Zero

Slide 1

Thank you Helmut for that kind introduction. I am honoured to be addressing this group on the subject of safety and health. Actually it is somewhat daunting to address a group on subjects that they all in fact know far more intimately than do I. This is not always the expectation of a key note address so I will limit my observations to highlighting where, from my position as CEO of one of the largest global aggregates producers, I see the successes achieved in recent years, what the key drivers were, and what are reasonable expectations for the near future. It is unfortunate that these days the motives behind corporate Safety Statements are often treated with cynicism. However, I can truthfully assure my workforce that Hanson is committed to providing them with the safest and most healthy environment in the industry. I can also assure our investors that

Hanson is committed to being the lowest cost producer in the sector and therefore a good repository for their funds. In fact, I cannot make the second statement truthfully without delivering on the first. We do not have to choose between altruism and profitability. A healthy workforce drives a healthy balance sheet. This is truly a win-win situation. We don't see this very often in business.

Now, for those of you worried about a lengthy monologue, I promise you that I'll cover my key points and allow the evening to progress.

Slide 2 - NIOSH Silicosis mortality figures.

The slides behind me this evening, which happen to represent North America, are probably typical of most developed countries, certainly those countries represented at this symposium. They serve to remind us of the immense improvements in health and safety in the mining industry in recent years – With a 0.1 exposure limit for respirable crystalline silica, Silicosis, once the scourge of the mining community, could, if enforced and adhered to, be consigned to the history books along with polio and smallpox.

Slide 3 - MSHA Injury statistics

Similarly, mining injuries, through training, legislation and equipment design are at historic lows. Clearly there is room for further improvement and the combination of industry, regulators and equipment manufacturers gathered for this fourth Atlantic Alliance symposium represent the very people who have the knowledge, ability and authority to drive these vastly improved injury numbers even lower. Surface mining, once quite rightly considered a hazardous occupation is now statistically one of the more safe labour intensive occupations. We need to improve our external image where outdated perceptions of mining still prevail. Our goal should be to make mining a profession of choice for motivated and technically able high-school and university graduates. Given the age profile of our workforces this is an industry priority.

Slide 4 - Hanson statistics superimposed over MSHA data.

I believe that our group, Hanson, has reason to be proud of its current position but as recently as 1991, before we bought the companies that now comprise Hanson, our heritage record was pitiful by the standards of today, and in fact pitiful by the standards of 1991. What

did we do to change that? We are after all a microcosm of the market sector but what worked so dramatically for us will work for anyone. It just took education – it really is simple as that. Until 1991, our safety programs were implemented by well meaning individuals who had “important jobs” to which safety was added. Quality Control – and safety with a small “s”, Relief Superintendent – and safety, you get the picture. We reorganized the safety function as a stand-alone profession and stripped out all non safety collateral responsibilities. Some of those who belonged to the “Hard Hat, Boots and Glasses” safety era were unsuited to the late 20th century professional safety environment and were found other work. Education was and remains the key, the only operational key, to sustained and incremental improvement in workplace safety. Education is required at all levels from the Boardroom to the basement. All employees need to know that safety is a core value and, regardless of rank or title, a lack of commitment will result in the lack of a job. Only when we have instilled a level of knowledge in the laws that govern our industries, can we hold individuals responsible. The next stage is to transfer ownership of safety to the employees through a migration from the conventional “train, audit, punish” approach to a behaviour

based culture where aberrant behaviour is tolerated neither by management nor, more importantly, by the workforce. My group's results are achieved by half as many safety managers as we had five years ago. The regressive up-tick in 2004 followed a reorganization at which time we became complacent and underestimated the number of safety professionals required to maintain improved performance. However in my defence, the availability of accurate monthly statistics allowed us to quickly identify and correct the emerging problem and continue our path to zero. We have gained the reputation with your profession of being genuinely committed to safety and health and, I hope, have become an employer of choice. Our safety and health professionals are college graduates for the most part, some of whom have masters degrees in relevant disciplines. The management of safety and health is no place for an amateur however enthusiastic that individual may be. We have an in-house training program in America called "Hanson University" where production workers after training and rigorous testing receive a valued certificate to frame confirming that they understand the laws of the land and the company. We have a similar program in the UK. As

a result of our approach we have a pipeline of qualified individuals wanting to join our Safety team.

Slide 5 - Composite slide with no dates but showing silicosis, and industrial injuries at Ø

A target of zero accidents and industrial illnesses must always be the Pole Star that drives us. We must believe that it is possible. This task will, I believe, always be a work in progress. We can never believe that we have done enough.

Achieving this goal requires four elements. Industry, Equipment Manufacturers, Governing Agencies and our employees. Industry must comply with the regulations and implement all viable methods to protect the health and well being of its employees. For industry to achieve total and not spasmodic success we need assistance.

Equipment manufacturers must provide equipment that is inherently safe for our operators to operate and service. Hiding behind “we build to code” is simply not good enough. Companies such as mine will pay a premium for superior equipment and that means safety as well as performance and reliability. We are working to design safety

improvements into our equipment. One of the reasons that I accepted this invitation was that the Atlantic Alliance has been instrumental in getting several ISO equipment standards opened. You have demonstrated that this is an effective organization for change. The power of the Alliance is infinitely greater than the sum of its parts. I would say to controlling Agencies: We look to you for fair and impartial governance. We ask that you require that any changes to regulations be based on sound science and technical feasibility. If you give us that assurance, we will embrace the changes. Absent that, both parties will find themselves diverting resources to litigation that could otherwise be directed to accident and illness prevention. Finally, we should not forget our most important audience – our employees. We cannot make these improvements in a vacuum. We need our employees to behave differently, to take some responsibility for their own safety and the safety of their colleagues. They will only do this if they believe we are serious about these issues.

I spent a week last year going around 20 of our operations in the UK. I wanted to try to engage with our workforce and leave them with the

following messages. Firstly, I do care about your safety, it matters to me. Secondly, you all can help by being proactive in the workplace, identify risks and help us eliminate them. Thirdly, look after each other. I believe the message was well received. Put another way, leadership from the top of our organisations is essential if we are to achieve our goals.

As long as this Alliance remains committed to these principles, it can absolutely count on the active support of organizations such as mine. Target Zero may seem an impossible dream. But, if individual companies can achieve zero injuries and zero industrial health illnesses in any given year, then it is clearly possible that one day, all companies in our sector will achieve this in the same year and surely that is why we are all here today.

Thank you

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