

DEALING WITH OCCUPATIONAL LUNG DISEASE:

A COLLABORATIVE INITIATIVE BY SA MINING COMPANIES

22 October 2015

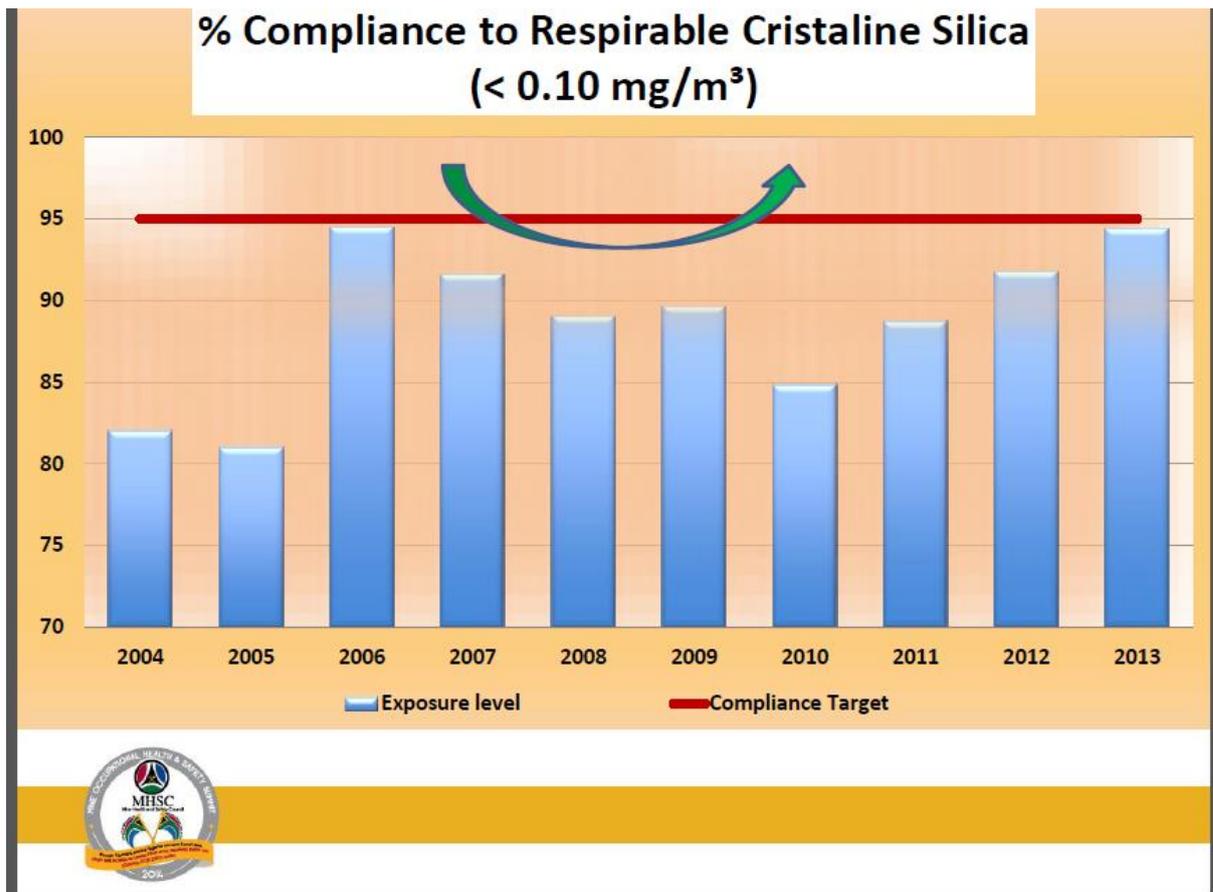
Background and general approach

South Africa's gold mines have been constantly improving their standard of dust monitoring, sampling frequencies and dust analysis methods. Over time there have been significant improvements in dust control as knowledge, equipment and technology have advanced. Recently, Prof Rodney Erlich, one of the leading experts in this field, commented that silicosis has become a chronic disease rather than a fatal one. He noted that in the early days people died after seven years exposure. Today, silicosis takes an average 20 years of exposure to dust before it can be diagnosed. This is a sign of continuing improved dust management, and today's diagnostic outcomes are a consequence of dust management improvements made over a long period of time. The fruits of more recent improvements will become apparent in the years ahead.

The mines' focus is threefold:

1. Prevention: The mines manage respirable crystalline silica at source by means of wet drilling and other engineering controls such as ventilation, dust allaying, filtration at tipping points and centralised blasting to prevent peak exposures. Employees are also provided with personal protective equipment (PPE).

The 2003 Mine Health and Safety Council (MHSC) health and safety milestones agreed between government, labour and business committed companies to achieving, among other things; the target that 95% of all exposure measurement results would improve on current regulatory requirements and by 2014, be below the milestone level for respirable crystalline silica of 0.1 mg/m³. In aggregate, that ambitious target was close to being reached, according to MHSC data published last November by the Chief Inspector of Mines (see graphic below).



The milestones also set the goal of no new cases of silicosis among individuals unexposed prior to 2008. As far as we are aware, there have not at this stage been any such diagnoses. Of course, because of the lengthening post-exposure diagnosis period, it would be premature to assume that there will never be any such diagnoses.

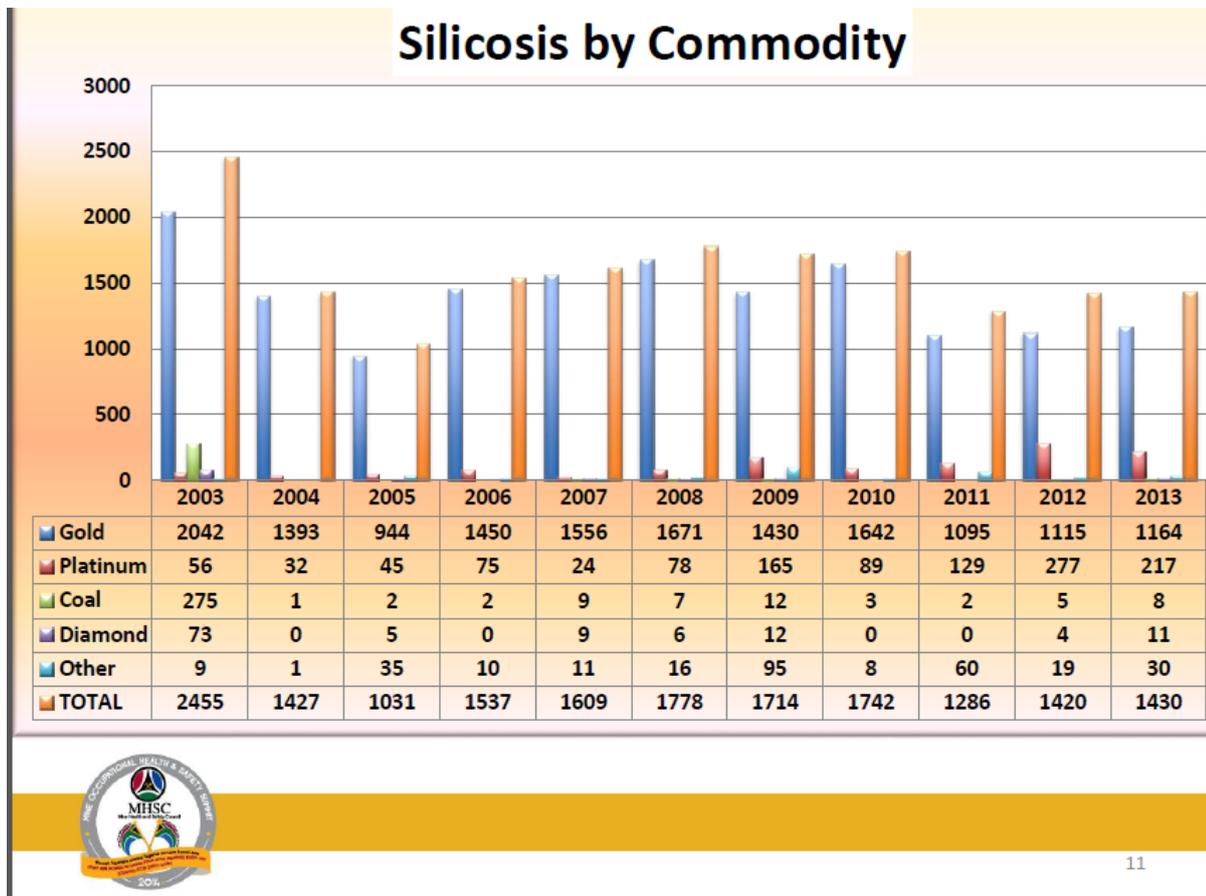
In line with international trends towards even more rigorous dust controls, the renewed 2014 MHSC milestones changed the target to the requirement that 95% of all exposure measurement results will, by 2024, be below the milestone level for respirable crystalline silica of 0.05 mg/m^3 . The companies are now working towards that goal.

2. Detection and treatment: This includes regular compulsory medical assessments for early detection of the disease and, where detected and where possible, transferring individuals into areas with less exposure.
3. Compensation is the third leg of this work and this – and issues of health care – is discussed in greater detail below.

Incidence

Most of the companies have been publishing data on silicosis diagnoses among employees in their sustainability reports for many years, and these are accessible to you.

The Chief Inspector published the following last November at the Mine Health and Safety Summit:



Compensation and treatment

Seven companies (initially five) currently or historically active in gold mining in South Africa, have formed an industry working group to address issues relating to compensation and medical care for occupational lung disease (OLD). See the initial announcement at <http://www.oldcollab.co.za/news-releases/2014/4-five-companies-to-seek-comprehensive-solution-on-occupational-lung-disease>).

The companies involved are African Rainbow Minerals, Anglo American South Africa, AngloGold Ashanti, DRDGold, Gold Fields, Harmony and Sibanye Gold. Their goal is to engage all stakeholders in order to work together to design and implement a comprehensive solution that is both fair to past, present and future gold mining employees, and also sustainable for the sector.

There are three legs to this initiative:

- 1) The administration and benefits payable in terms of the ODMWA fund should be improved. The companies would also wish to be part of a state compensation scheme which includes an employer indemnity. The companies therefore, support the shifting of current and future employees to the superior COIDA fund at the earliest opportunity, and have engaged with government, particularly at this stage the Minister of Health and his colleagues, on this matter.
- 2) The statutory compensation fund governed by ODMWA has been poorly administered for some years. We are working in co-operation with the Compensation Commissioner and his team to address administrative issues, and so is the Chamber of Mines. The goal is to ensure that all eligible past employees receive the compensation to which they are entitled. Reports suggest that progress is being made. See also <http://www.oldcollab.co.za/news-releases/2015/12-department-of-health-and-eight-mining-companies-partner-to-enhance-compensation-system> and <http://www.oldcollab.co.za/downloads/Downloads/2015/Project-Ku-Riha-Fact-Sheet.pdf>
- 3) The companies do not believe that they are liable and are defending the claims against them. However, they believe that both they and the claimants have a common interest in settling this highly complex case that could take 15-20 years to finally resolve through the courts, with continuing uncertainty and would cost hundreds of millions of rands in legal fees to all sides. The companies are therefore in talks with the lawyers representing workers who have brought the legal suit with a view to seeking a fair and sustainable settlement on these matters. The companies have in mind the establishment of a “legacy fund” that will pay a top-up payment to eligible claimants over and above the statutory compensation to which they are entitled.

Regarding treatment, there is no treatment for silicosis itself. Silicosis predisposes an individual to the development of pulmonary TB. (As does HIV which, as is well known, is a major public health issue in SA.) Undiagnosed and/or untreated respiratory disease carries a far greater risk of future impairment. For this reason, it is imperative that diseases such as pulmonary TB are diagnosed early and properly treated. The companies provide comprehensive healthcare services to employees, including regular screening and treatment of TB.

The companies acknowledge that there remain healthcare challenges regarding former mineworkers with OLD, particularly those living in rural areas. These are issues that they are seeking to address in interactions with the stakeholders they are engaging in this process.

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