

## CONFIDENTIAL

Contains confidential information

Anglo Coal (Grosvenor Management) Pty Ltd  
 Anglo Coal (Capcoal Management) Pty Ltd  
 Anglo Coal (Moranbah North Management Pty Ltd)  
*Coal Mining and Safety Health Act 1999 (Qld)*  
 QUEENSLAND MINING BOARD OF INQUIRY

**STATEMENT OF TYLER MITCHELSON**

**on behalf of Anglo Coal (Grosvenor Management) Pty Ltd, Anglo Coal (Capcoal Management) Pty Ltd and Anglo Coal (Moranbah North Management Pty Ltd)**

No.	Document ID	Document	Paragraph
1.	[[AAMC.001.029.0010]]	CEO Update   New business transformation team	20, 34
2.	[[AAMC.001.029.0028]]	MetCoal EoF Plan 2020 & Road Map to 2024	20, 21.c
3.	[[AAMC.001.004.0002]]	Met Coal STD Incident Reporting Standard	22.b, 55.j
4.	[[AAMC.001.015.0010]]	Anglo American plc Risk Matrix	22.c
5.	[[AAMC.001.031.0044]]	2020 MetCoal S&H Summary Presentation	31
6.	[[AAMC.001.029.0012]]	CEO Update   Safety Reset, QPRs and our Values refresh	34
7.	[[AAMC.001.029.0008]]	CEO Update   Living our Value of Care & Respect	34
8.	[[AAMC.001.031.0142]]	Business Transformation 3	35
9.	[[AAMC.001.031.0147]]	Gas Strata and Structure Management	36
10.	[[AAMC.001.031.0152]]	LW Move Optimization	36
11.	[[AAMC.001.031.0155]]	MG Mine Maintenance	36
12.	[[AAMC.001.029.0016]]	Moranbah North, Grosvenor and Grasstree Gas Management Workshop	38
13.	[[ACM.002.001.0068]]	Management Structure Grasstree, 19 June 2019, Version 66	40

## CONFIDENTIAL

14.	[[ACM.002.001.0099]]	Management Structure Grasstree, 12 August 2019, Version 67	40
15.	[[ACM.002.001.0037]]	Management Structure Grasstree, 24 January 2020, Version 68	40
16.	[[ACM.002.001.0001]]	Management Structure Grasstree, 10 March 2020, Version 69	40
17.	[[AGM.002.001.1199]]	Grosvenor Management Structure s55, 3 June 2019	43
18.	[[AGM.002.001.2169]]	Grosvenor Management Structure s55, 4 September 2019	43
19.	[[AGM.002.001.2285]]	Grosvenor Management Structure s55, 6 January 2020	43
20.	[[AGM.002.001.2198]],	Grosvenor Management Structure s55, 6 January 2020	43, 55.e.i
21.	[[AGM.002.001.2227]]	Grosvenor Management Structure s55, 30 March 2020	43
22.	[[AGM.002.001.2256]]	Grosvenor Management Structure s55, 26 April 2020	43
23.	[[AMN.002.001.0001]]	Moranbah North Management Structure, 28 June 2019	48
24.	[[AAMC.001.007.0001]]	Anglo American Bulk Commodities & Other Minerals Org Chart	51
25.	[[AAMC.001.012.0001]]	MetCoal Corporate Structure	52
26.	[[AAMC.001.015.0001]]	Group Technical Standard for the Prevention of Fires	54
27.	[[AAMC.001.005.0092]]	MetCoal She Policy	55.a.i
28.	[[AAMC.001.029.0015]]	She Policy	55.a.ii
29.	[[AAMC.001.005.0093]]	SHE Way, March 2017	55.c
30.	[[AAMC.001.004.1495]]	Elimination of Fatalities 2020 Plan – MetCoal	55.f.i
31.	[[AAMC.001.017.0023]]	Grosvenor Mine Elimination of Fatalities Plan 2020	55.f.ii, 60.a

## CONFIDENTIAL

32.	[[AAMC.001.030.0001]]	Elimination of Fatalities Plan 2020 – Moranbah North	55.f.ii, 60.c
33.	[[AAMC.001.029.0021]]	Elimination of Fatalities Plan 2020 - Grasstree	55.f.ii, 60.b
34.	[[AGM.002.001.0190]]	Principal Hazard Management Plan (PHMP) Machine Interaction	55.g
35.	[[AAMC.001.028.0082]]	Integrated Risk Management Standard (AA GTS 2)	55.h
36.	[[AAMC.001.028.0101]],	Operational Risk Management Procedure (AA P 02 243)	55.h
37.	[[AAMC.001.028.0129]]	Operation Risk Management Procedure (AA RD 02_24)	55.h
38.	[[AAMC.001.028.0113]]	Operational Risk Management Procedure (AA P 02 244)	55.h
39.	[[AAMC.001.029.0001]]	Group Integrated Risk Management Policy	55.h
40.	[[AAMC.001.031.0165]]	SSD Group Standard Operational Risk Management (ORM)	55.h
41.	[[AAMC.001.028.0140]]	Anglo American Group Technical Standards – Met Coal Champions	55.i
42.	[[AAMC.001.004.1472]]	SSD Group Standard Learning from Incidents	55.j
43.	[[AAMC.001.011.1429]]	Elimination of Fatalities September 2019 – Grosvenor Mine	58.a
44.	[[AAMC.001.015.0086]]	Elimination of Fatalities September 2019 - Grasstree	58.b
45.	[[AAMC.001.015.0124]]	Elimination of Fatalities September 2019 - Moranbah North	58.c
46.	[[AAMC.001.005.0190]]	Elimination of Fatalities Verification (EOFV) – Summary Report - Grosvenor	59.a
47.	[[AAMC.001.005.0186]]	Elimination of Fatalities Verification (EOFV) – Summary Report - Grasstree	59.b
48.	[[AAMC.001.005.0193]]	Elimination of Fatalities Verification (EOFV) – Summary Report - Moranbah Operations (MBH)	59.c

## CONFIDENTIAL

I, Tyler Mitchelson, Chief Executive Officer, Anglo American Metallurgical Coal, Level 11, 201 Charlotte Street, Brisbane in the State of Queensland, state as follows:

1. I am authorised to make this statement on behalf of Anglo Coal (Grosvenor Management) Pty Ltd, Anglo Coal (Capcoal Management) Pty Ltd and Anglo Coal (Moranbah North Management Pty Ltd) (together '**Anglo**'), and I do so, to the extent possible, from my own knowledge.
2. I have prepared this statement to assist the Queensland Mining Board of Inquiry, including to respond, insofar as I am able, to the request for information issued by the Board of Inquiry to Ashurst, the solicitors for Anglo, on 22 June 2020 (the **Request**) and provide an overview of relevant areas of the Anglo Metallurgical Coal business.
3. The responses are given based on my knowledge and experience gained from my role and the documents I have reviewed for the purpose of preparing this statement, which are Annexed as set out in the table above. Where I rely on information provided to me, I believe that information to be true and correct.
4. For the purposes of preparing this statement, where matters were not within my own knowledge I have made enquiries of relevant employees of Anglo and reviewed documents of Anglo so as to provide me with an understanding about the matters referred to below. Schedule 1 to this statement contains a table listing employees of Anglo whom I have made enquiries of and the corresponding paragraphs of my statement which comprise the matters about which they informed me. Schedule 2 is a glossary of terms which I have used in this statement.

**EXPERIENCE**

5. I have a Bachelor of Commerce and Accounting from the University of Manitoba, Canada.
6. I am a qualified Chartered Accountant with a speciality in Accounting and Business Management from the Institute of Chartered Accountants.
7. Prior to my current role, from April 2014 to April 2018, I was the Group Head Integration for Anglo American based in London, United Kingdom. My earlier experience includes working in management positions in other mining companies in Canada and Indonesia since 1995.
8. I am a director on the Board of the Queensland Resources Council and Mineral Resources Council of Australia and have held these positions since September 2018 and December 2018 respectively.

**KEY SAFETY INITIATIVES SINCE APPOINTMENT**

9. I am the Chief Executive Officer, Metallurgical Coal at Anglo American based in Brisbane. I have held this position since April 2018.
10. As CEO, I lead Anglo Metallurgical Coal (MetCoal) in line with Anglo American group wide (Anglo American plc) policies and procedures described below.
11. The MetCoal Vision for Safety, Health and Environment is to eliminate fatalities and achieve zero harm to our workforce through the effective management of occupational health and safety risks, within and around our operations. This policy also requires that all consultants, agents, contractors and suppliers must follow our policies and requirements relating to SHE management and practices described in paragraph 55 below.

## CONFIDENTIAL

12. Coming in to MetCoal, I observed that while the mining operations across the company were similar, MetCoal were using different critical controls across each of its sites (including Grosvenor, Grasstree and Moranbah North mine). I and the MetCoal Leadership Team (MCLT) wanted to change this to get to the heart of what the business' critical controls should be and, where appropriate, align them across the sites.
13. To facilitate this, as well as review the overall safety strategy, on 12 and 13 March 2019 I led a two day safety workshop together with the MCLT (whose members are identified at paragraph 52 below) (Safety Workshop). Ludo Le Cam, the Head of Safety for Anglo American Bulk Commodities and Other Minerals (Bulks) also attended.
14. On day one of the Safety Workshop, the MCLT and site General Managers reviewed the Elimination of Fatalities (EoF) program. Then, on day two, the site Safety Health and Environment (SHE) Managers from each site joined the meetings to formulate and agree on the MetCoal and site EoF plans. We also undertook a process of consultation again on 10 and 11 December 2019 to review the safety data and information from 2019 and set the plan for 2020 accordingly.
15. Shortly after the Safety Workshop, in April 2019, I commissioned the University of Queensland Sustainable Minerals Institute (SMI) to review risk and critical control processes at the MetCoal underground mines - Grosvenor, Grasstree and Moranbah North. The reviews covered the areas of:
  - a. review of site baseline risk assessment, identifying the priority unwanted events (PUE), considering the legislative requirements and Anglo American requirements;
  - b. review of PUE and major hazard bowties and other risk assessment techniques used; and
  - c. review of the critical controls and control management processes.
16. The Reviews assisted us to redefine and standardise all of the critical controls in the underground mines. This was done in consultation with, and signed off by, the management groups at each of the underground mine sites, which comprise the General Managers and Safety Managers for each mine as well as the MCLT representatives, being Glen Britton (Head of Underground Operations) and Chris Gately (Acting Head of Safety). For those mines, we implemented 113 standard critical controls. An additional four controls were also introduced at Grasstree, because it is the only underground mine with a winder, which is a vertical shaft for access to the mine.
17. The implementation of these new critical controls is a large-scale and important piece of work that began in April 2019 and remains ongoing. The onset of the COVID-19 virus and corresponding restrictions has however caused a number of difficulties in advancing the remaining work to be completed and some delays have arisen as a result.
18. Further, in June 2019 Anglo American's external consultants, KPMG, undertook a Critical Control Assurance Review. The report noted an overwhelming commitment to safety and the critical control monitoring process. The review made a number of recommendations to improve the reliability and repeatability of critical control monitoring activities and improve processes including:
  - a. formalise a process that defines competency and capacity requirements for all validator and contributor roles;
  - b. set clear predetermined criteria to evaluate if the control integrity has been affected and its impact on the broader risk including stop criteria;

## CONFIDENTIAL

- c. begin to leverage data sources to enhance efficiency and effectiveness of monitoring activities; and
  - d. formalise a change management process to amend critical control monitoring activities.
19. As part of redefining critical controls during this review, we also reviewed and developed monitoring and management processes for each critical control.
20. The review by KPMG highlighted the need to utilise data and digitise the critical control processes so as to achieve real-time monitoring of risks. This was a key safety improvement measure aimed at supplementing the human element to those controls, so as to reduce the time it takes to become aware and to react to, as well as eliminate, where possible, the risk of potential human error. Implementation of this objective is ongoing through our MetCoal Technology and Automation Plan which we launched in June 2019 [[AAMC.001.029.0010]] and is under implementation in a number of areas. This focus has resulted in material improvement in safety with the implementation of Alertness Technology in the haul trucks and development of the cavity prediction system and longwall remote operations in undergrounds. These are an example of the suite of projects underway under the technology: [[AAMC.001.029.0028]]. This is reviewed, where appropriate, during monthly MCLT meetings.

**SAFETY MONITORING AND REPORTING**

21. The following are the key processes and information which assist me as CEO to set MetCoal's safety vision and goals, and be informed with respect to the MetCoal Group's safety performance:
- a. A safety workshop of the kind referred to in paragraphs 13 and 14 above will continue to occur each year. The purpose of the workshop is to review, amongst other things, the safety program and plan ahead accordingly. As described above, our safety program is primarily driven around the EoF initiative. Other streams of work run collaterally to that, but we seek to capture the safety work and objectives through EoF. The first session of that workshop is a reset where we look at what we are trying to achieve: how will it make an impact on the safety performance of the business? We then move on to look at how we can improve and take that performance to the next level. MetCoal keeps track of these goals and its safety record principally by way of the monthly performance reviews (MPRs) and quarterly performance reviews (QPRs), which are expanded on below.
  - b. As part of continual learning and engagement, a safety session was held in October 2018 with over 30 contractors to review the safety performance and collaborate on ideas as to how to make our business safer. The use of contractors for various work is common across all sites and the contractors are required to work under the safety practices of Anglo American.
  - c. Each year since my appointment, I have led the development of the MetCoal EoF Plan. The MetCoal EoF Plan for 2020 & Road Map to 2024 sets out the expectations and the activities for MCLT members and also for all sites. All sites also have an associated EoF program each of which define our plan for 2020 safety. The 2024 aspect of this plan sets out the journey we are on to improve continually our safety outcomes. It will be updated every year to check our progress against the plan and set the detailed priorities for the following year, at which time the longer term plan will also be updated. I do this in consultation with Seamus French and Ludo Le Cam. The EoF Plan 2020 and Road Map to 2024 came out of a

## CONFIDENTIAL

workshop I held on 10 and 11 December 2019 with the General Managers and Safety Managers from each site and the MCLT: [[AAMC.001.029.0028]].

- d. I am generally notified by telephone of all underground-related High Potential Incidents (HPIs), including where they are also Externally Reportable events (discussed further below), by the Head of Underground Operations when they occur.
- e. Ongoing Critical Control monitoring and monthly reporting with deviations are captured and action plans tracked. This ties into the MPR processes and is discussed at every meeting by the MCLT and the Site Leadership Team (SLT) from each mine. These are the MPRs attended by the MCLT and conducted separately with each SLT. The Heads of Underground and Open cut mining as well as the Head of Safety sign off on critical control monitoring every month noting actions for close out. We also do an MPR with Bulks, being Seamus French, Ludo LeCam and his team. This provides us with a comprehensive view that includes all critical controls monitoring across the MetCoal sites.
- f. Met Coal Operating Management Standard (OMS) reviews, during which we review the defined list of the operating standards that we have in place for each site. Their performance is scored against the standard by a team of MetCoal reviewers from outside the mine site. It is a way for us to check whether our standards are being followed throughout the business. This tests the alignment of the current practices to the MetCoal standards including those defined by Anglo American plc. These reviews occur every six months and are reported up through respective MCLT meetings.
- g. Group Operational Risk Assurance (ORA) audits are conducted on a cyclical basis to focus on PUEs and the associated critical controls. The results of these reports are elevated to the Anglo American plc Board sustainability committee. An audit plan is formulated and this is reviewed by the MCLT and Anglo American Business Assurance Services group (ABAS). The findings of those audits are then documented in Enablon and assigned relevant actions and dates. They are then reviewed and validated in an assessment the following year.
- h. The MetCoal EoF program and relevant workstreams as identified at paragraphs 55.f below.
- i. As mentioned above, we are moving to digitalisation and on-line monitoring of critical controls. We have set a target to achieve 20% digitalisation in 2020 to be online and real time. This project came out of the KPMG review and the workshop which set the 2020 targets. An example of this innovation is the digitalisation of the monitoring of underground geological movement. In many cases, underground movements are monitored and acted upon by mine site personnel. However, there is an opportunity to expand the monitoring of these movements and manage the risks they present through real-time digital reporting rather than relying on shift-based personnel. We have expanded the implementation of this at Moranbah North in February/March 2020.

## **OVERVIEW OF THE SITE TO CEO SAFETY STRUCTURE**

22. When an incident or injury occurs on site, the event is classified in accordance with:
  - a. The relevant site's Incident Reporting Investigation procedure;
  - b. Anglo's Incident Reporting Standard [[AAMC.001.004.0002]]; and

## CONFIDENTIAL

- c. Anglo American Risk Matrix [[AAMC.001.015.0010]].
23. That matrix cross-references the likelihood of the risk recurring against the seriousness of the consequences arising from the risk. The matrix produces a relevant risk rating that is assigned to the event. Under the Risk Matrix, incidents relating to safety are categorised in terms of their actual and potential consequences as follows:
- a. 1 – Insignificant – First aid case
  - b. 2 – Minor – Medical treatment case
  - c. 3 – Moderate – Lost time injury
  - d. 4 – High – Permanent disability or single fatality
  - e. 5 – Major – Numerous permanent disabilities or multiple fatalities
24. The significance of that rating attaches both to the actions to be taken in response and the reporting lines to MetCoal management.
25. An HPI under the Anglo Risk Matrix includes those incidents which are rated a 3 or lower in terms of actual consequence, but which are rated a reasonable worst-case potential consequence of 4 or above.
26. An HPH is a condition or situation which could materialise into an unwanted event with a consequence rating of 4 or higher under the Risk Matrix. HPIs and HPHs may also be classified as "Externally Reportable" where they satisfy the reporting criteria of the *Coal Mining Safety and Health Act 1999* (Qld) (**Act**) and the *Coal Mining Safety and Health Regulations 2001* (Qld) (**Regulations**) or, where the HPI/HPH relates to an environmental incident, the relevant environmental licence conditions. Externally Reportable incidents include, among other things, methane exceedances of 2.5% or more as per the Regulations (Department HPIs).
27. All Department HPIs are recorded as an external reporting event for the purpose of investigation, monitoring and reporting regardless of whether the event is a HPI or HPH pursuant to the Anglo Risk Matrix.
28. Further, irrespective of any particular classification given to an incident, an investigation in accordance with the Learning from Incidents procedures (described at 55.j below) is undertaken in each case. Anglo does not distinguish between level 1 to 3 incidents, Anglo HPIs, HPHs or Department HPIs for the purposes of a safety investigation. By way of relevant example, where the incident relates to methane exceedance underground, relevant actions from the safety investigation are tracked in Enablon to completion, including tracking of overdue actions and ensuring the required steps are taken. Both the Site Safety Executive (SSE) and Head of Underground Operations are required to sign off on actions before they are marked as completed in Enablon.
29. Anglo HPHs, HPIs and Department HPIs are reported to me, as applicable, in my capacity as CEO by the following methods:
- a. By telephone: I will be notified of Anglo HPIs immediately by the Head of Underground Operation or Head of Open Cuts operations as applicable or the General Manager of the relevant site if the heads of the operation are not available. Where urgent action is required, either the Heads of Operation or the relevant General Manager will contact me to discuss next steps and how the issue is to be addressed. The status of the investigation into the HPI and any action items which



## CONFIDENTIAL

arise from the incident or investigation is then reviewed and tracked through the MetCoal MPRs and the MPR meetings;

b. MPR Meetings for both of MetCoal and Bulks:

- i. the MetCoal MPRs occur monthly and are typically attended by the entire MCLT as well as the SLT for each mine site via teleconference. Their purpose is to review the safety, operational and financial performance of each individual mine for the month. Monthly Performance Reports (MPRs) are prepared in advance and discussed in those meetings, which generally last an hour and follow a standard structure. They begin with the review of safety performance of the relevant site in the previous month, followed by a review operational and financial performance of the site for that month. Next we take a forward look at forecast performance against budget for the remainder of the period. This forecasting process is known as the Mine Operating Plan (MOP) process. During the safety component of the meeting, we review the statistics on safety incidents for the previous month and discuss particular incidents which may have occurred. Depending on the issues to be discussed, this part of the meeting will usually take around 10 to 45 minutes of the hour long meeting;
- ii. the Bulks MPRs also occur monthly via teleconference and are typically attended by Seamus French (CEO of Bulks), Brent Waldron (CFO of Bulks), Ludo Le Cam, Executive Head of Technical (currently Dieter Haage), myself, and the rest of the MetCoal MCLT. Their purpose is to review safety, operational and financial performance for MetCoal for the month. Monthly Performance Reports relating to MetCoal as a whole are prepared and circulated in advance and discussed in those meetings. During these meetings critical issues are discussed from past performance and the resulting actions to address any of the challenges.

c. QPR Meetings for MetCoal and Bulks:

- i. prior to COVID-19, the MetCoal QPRs were held in person, at site on a quarterly basis. They are still held quarterly, but instead of being held in person, we have moved to an online Teams meeting. These meetings are typically attended by me, the rest of the MCLT and the SLT. Their purpose is to review and update staff on the safety, operational and financial performance of each individual mine for the quarter. They begin with a discussion about the safety performance of the site and any related issues. This typically involves:
  1. me and the other members of the MCLT and SLT going underground or to a designated workplace on the surface to conduct a Visible Felt Leadership (VFL) interaction, attending work areas, observing work being done and discussing work activities with the underground workers. The primary focus is to speak to team members directly about the hazards and risks associated with the work they are doing. If there has been an HPI in the QPR period, then I ensure I inspect for myself that part of the site where the HPI occurred as well. This part of the QPR generally lasts three to four hours;
  2. once back on the surface, we (the MCLT) share our observations with the full SLT and debrief on each area visited on what the individual team members had to say;

## CONFIDENTIAL

3. reviewing the year to date progress on safety and also trying to be forward looking through considering trends or discussing issues regarding a specific incident that is perceived to have significance beyond any individual site. Sites will report against a series of safety metrics that cover High Potential Incidents, High Potential Hazards and how they are performing against a series of so called 'lag' type indicators such as Total Recordable Incident Frequency Rate and Lost Time Injury Frequency Rate. Targets for TRIFR and LTIFR are set each year and are generally derived from taking the previous year's performance and adopting an agreed percentage improvement for the upcoming year. This is a process that is led by the Safety team in the Brisbane Corporate Office (BCO) in consultation with the Heads of Operations and the sites;
4. in addition, the site EoF program is discussed to track progress and review any opportunities or challenges with the program implementation.
  - ii. The Bulks QPRs also occur quarterly via teleconference and are typically attended by Seamus French (CEO of Bulks), Executive Head of Technical (currently Dieter Haage), Ludo Le Cam and Julian Beere (Head of Strategy, BD & Infrastructure). Their purpose is to review and present safety, operational and financial performance for MetCoal for the quarter to Mr French and the Bulks leadership. The QPR format is similar to the MPR formats but will generally expand the scope of the reviews into additional details as required.
- d. Enablon Daily Reports: Notification of all recordable injuries or incidents classified by Anglo policies to be high potential incidents (HPIs) or high potential hazards, and HPHs (which are addressed in further detail in paragraph 29.d below) and high potential incidents reportable to the Department of Natural Resources Mining and Energy (DNRME)(Reportable HPIs) are reported to me by way of a daily report that comes out of Enablon. Enablon is a software system that we use to track and manage risks and actions related to, for example, hazards, incidents, investigations, and VFL. It records the relevant events over rolling 7 day-periods. It is my practice to review the daily reports every morning. It is usually the first thing I review at the start of each day.
- e. MetCoal Serious Incident Teleconference (SITC): These take place monthly between the MCLT, Site General Managers, SHE Managers and, in some cases, other members of the SLT, safety professionals, BCO functional managers and relevant operational superintendents. The purpose of these teleconferences is to discuss and review all HPIs and HPHs as classified according to the MetCoal Incident Reporting Standard, occurring across the coal operations in Australia and Canada. They are designed so that learning and experience from those incidents can be communicated across the group, including any improvements or innovations that are being applied at particular sites.
- f. Monthly Bulks HPI Review: these take place on the telephone between myself, Glen Britton, Hans Hayes and Chris Gately for MetCoal, and Bulks leadership including Seamus French, Ludo Le Cam and the Executive Head of Technical (currently Dieter Haage), as well as the CEOs of the other Bulks Commodity businesses, Themba Mkhwanazi (CEO Kumba Iron Ore), Wilfred Brujin (CEO Brazil), and July Ndlovu (CEO Coal South Africa). Each CEO and the respective GM from

## CONFIDENTIAL

these businesses present every Anglo HPI that occurs in all of these sites and is discussed and learning shared across the entire Bulks businesses.

30. The learnings from HPIs and HPHs are shared across the business through the SITC referred to in paragraph 29.e above. HPIs are shared with the broader workforce through start of tour briefings, tool box talks, monthly crew safety briefing, in some cases crews are informed immediately after the event across the site.
31. Additionally, the QPR and MPR processes are channels through which this information can regularly be shared and communicated. All HPIs are also recorded in Enablon. Anglo HPIs are included in a monthly safety report, MetCoal Safety Analysis Summary, which I review every month: [[AAMC.001.031.0044]]. While they are not typically addressed through the QPR and MPR processes, incidents which are assigned a risk rating of 3 or lower according to the Risk Matrix are tracked at the site level and all actions are recorded in Enablon with completion dates. Sites then tracks completion of those actions within 30 days, normally at a daily meeting. They are also tracked to completion against due dates. The SSE and Head of Underground Operations also typically sign off on the DNRME HPI LFI Investigation reports.

### **GAS MANAGEMENT AT ANGLO**

32. A number of technical groups and reporting procedures cover the relationship between MetCoal and the individual mines around gas management issues. On a cyclical basis these issues are reviewed during our annual budget process. Gaining an understanding of, and evaluating the broader impacts of, those issues and the gas management strategy is part of that process.
33. Further, those issues are tracked, and performance assessed, through the MPR and QPR processes.
34. MetCoal launched a transformation program in 2019 to lift the business performance and achieve the strategic goals of the business. Gas management has been a necessary and important part of the transformation program: [[AAMC.001.029.0010]], [[AAMC.001.029.0012]], [[AAMC.001.029.0008]].
35. This program is built around 3 pillars of the AAOM (Anglo American Operating Model), Organization Model and Digitalisation. I launched this program in around June 2019 following a workshop held on 10 to 12 June 2019 with the MCLT in order to look at our business performance and consider where we wanted to get to from a strategic perspective. This involved a significant amount of work by the MCLT in looking at the five strategic pillars (as set out on MetCoal's strategy on a page, see background section of [[AAMC.001.031.0142]]) that underpinned this transformation, of which safety is one. The transformation program is our way of delivering the 5 strategic pillars. Specific tasks were set regarding gas management, strata management, longwall move optimisation and underground maintenance. These are the four strategic priority tasks we have underway right now. Each one has a member of the MCLT who has been assigned to progress it.
36. As part of this work, Gas Management has been selected for an in-depth analysis to assess the processes and organisation surrounding this complex issue: [[AAMC.001.031.0147]], [[AAMC.001.031.0152]], [[AAMC.001.031.0155]].
37. This included a Grosvenor Gas Management Workshop (2 days) which I attended on 25 March 2019. The purpose of the workshop was to:
  - a. share the current knowledge of the gas environment related to underground mining at Moranbah North and Grosvenor (including drainage by Arrow etc.);

## CONFIDENTIAL

- b. share the current gas management practices;
  - c. review the effectiveness of current gas management practices;
  - d. review specific gas management issues and challenges including methane exceedances;
  - e. review planned future gas management practices in line with future planned production levels;
  - f. make recommendations to improve the knowledge, effectiveness and predictability of gas management at Moranbah North and Grosvenor; and
  - g. make recommendations as to future workshops.
38. A further Grosvenor, Moranbah North and Grasstree Gas Management Workshop was held on 1 October 2019, which I attended. The agenda for the workshop is set out here: [[AAMC.001.029.0016]]. The purpose of the Workshop was to target specific gas management issues occurring across all 3 underground sites including:
- a. review the past, current and potential future gas management issues including methane exceedances;
  - b. understand the work and approaches (both successful and unsuccessful) that have been undertaken in the past to address the various gas issues;
  - c. consider industry experience in gas management issues and potential solutions/actions;
  - d. understand any data limitations and make recommendations on additional data collection/analysis requirements;
  - e. develop hypotheses as to the causes of the various gas issues identified;
  - f. identify multiple solutions/actions for the various gas issues identified; and
  - g. make recommendations on solutions/actions to be considered to address the various gas issues.
39. Since becoming CEO, I have been aware of the fact that the Grasstree and Grosvenor site had experienced regulatory gas exceedances, particularly the Grosvenor site. Management of gas regulatory exceedances including those the subject of the terms of reference were continually discussed with me by the Executive Head of Underground Operations (Glen Britton) and respective Grosvenor and Grasstree SLTs. These ongoing reviews were what initiated the Gas Workshops referred to above and the task assignment on gas management as part of our transformation program referred to in paragraphs 34 and 35. Gas at Grosvenor in particular was discussed in detail at every MPR that I have been to since I began in my role. The slide decks prepared in advance of these MPRs always had a section regarding gas management at Grosvenor.

**CORPORATE MANAGEMENT AND GOVERNANCE IN THE SAFETY CONTEXT**

40. The corporate structure for Anglo Coal (Capcoal Management) Pty Ltd, the operator of the Grasstree mine, as at the date of the HPIs the subject of the Terms of Reference is set out

## CONFIDENTIAL

in: [[ACM.002.001.0099]], [[ACM.002.001.0068]], [[ACM.002.001.0037]] and [[ACM.002.001.0001]].

41. The two senior management positions at Grasstree are the SSE and the UMM.
42. The senior managers (with descriptions of their responsibilities) who report to those two positions are:
  - a. Commercial Manager: development and delivery of effective strategies to ensure appropriate resources are secured to operate the mine at an acceptable level of risk.
  - b. Human Resources Manager: managing and influencing the organisation to achieve efficient use of business assets and human resources.
  - c. SHE Manager: as a delegate of the SSE carries management control over the safety and health management system (SHMS), also referred to as "SHEMS" in Anglo policy and operations documents, for the mine.
  - d. Operations Manager: development and implementation of effective strategies to achieve underground production and operational targets in the Longwall, Development and Outbye areas of the operation, and ensures that appropriate resources are secured to operate the underground mine at an acceptable level of risk.
  - e. Engineering and Maintenance Manager: development and implementation of effective engineering and maintenance standards at the mine.
  - f. Technical Services Manager: provision of technical advice, strategic technology and medium to long-term assurance of mine design and is responsible for the following Principal Hazard Management Plans (PHMPs):
    - i. Spontaneous Combustion;
    - ii. Gas Management;
    - iii. Methane Drainage; and
    - iv. Strata Control.
43. The corporate structure for Anglo Coal (Grosvenor Management) Pty Ltd, the operator of the Grosvenor mine, as at the date of the HPIs the subject of the Terms of Reference is set out in: [[AGM.002.001.2285]], [[AGM.002.001.2256]], [[AGM.002.001.2227]], [[AGM.002.001.2198]], [[AGM.002.001.2169]] and [[AGM.002.001.1199]].
44. The two senior management positions at Grosvenor are the SSE and the UMM.
45. The senior managers (with descriptions of their responsibilities) who report to the SSE are:
  - a. Commercial Manager: (as at Grasstree above).
  - b. Human Resources Manager: (as at Grasstree above).
  - c. SHE Manager: (as at Grasstree above).
  - d. Seamgas Manager: safe management of the Grosvenor surface-of-the-mine distribution system of methane gas and has responsibility for the Methane Drainage PHMP.

## CONFIDENTIAL

- e. Operations Manager: (as at Grasstree above).
  - f. Maintenance and Engineering Manager: (as at Grasstree above).
  - g. Technical Services Manager: provision of technical advice, strategic technology and medium to long-term assurance of mine design.
46. The Compliance Superintendent also has a direct reporting line to the UMM.
47. The SSE, UMM, SHE Manager and Engineering and Maintenance Manager each also carry responsibility for one or more PHMPs.
48. The corporate structure for Anglo Coal (Moranbah North Management Pty Ltd), the operator of the Moranbah North mine, as at the date of the HPI the subject of the Terms of Reference, is set out in [[AMN.002.001.0001]].
49. The senior management position at Moranbah is the SSE. The senior managers (with descriptions of their responsibilities) who report to the SSE are:
- a. UMM: controls and manages the mine pursuant to section 60(2) of the Coal Mining Safety & Health Act 1999 (Qld) ("the Act")
  - b. Commercial Manager: (as at Grasstree above)
  - c. CHPP Manager: controls and manages the coal handling and preparation plant at the mine.
  - d. Health, Safety and Environment Manager: (as at Grasstree above)
  - e. Contractor Management Superintendent: (as at Grasstree above)
  - f. Human Resources Manager: (as at Grasstree above)
  - g. Seam Gas Manager: (as at Grosvenor above)
50. The following senior managers (with descriptions of their responsibilities) also report to the UMM:
- a. Operations Manager: (as at Grasstree above)
  - b. Technical Services Manager: (as at Grasstree above)
  - c. Engineering and Maintenance Manager: (as at Grasstree above)
51. MetCoal is a subsidiary of AA Bulk Commodities and Other Minerals group: [[AAMC.001.007.0001]].
52. The corporate structure of MetCoal is set out in [[AAMC.001.012.0001]] which identifies the following key positions (with descriptions of their responsibilities) who report to me as CEO:
- a. Head of Transformation: Daniel Reynolds – accountable for two streams of work within the organisation:
    - i. Implementation of the group-wide Anglo American operating model; and
    - ii. Transformation and digitisation, which looks at the implementation of the Company's technology roadmap.

## CONFIDENTIAL

- b. Head of Geosciences Integration: Andrea Rutley – seconded into this role for 12 months to improve data collection, integration and interpretation across our exploration and resource evaluation work.
  - c. Head of Strategy, BD and JVs: Carlos Davila-Armas - accountable for joint venture relationships across all of the MetCoal joint ventures.
  - d. Head of Human Resources: Warwick Jones - accountable for the delivery of human resources services and strategic advice on people and organisation. Includes functional streams of Remuneration, Employee Relations, Talent Development, Operational and Technical training, Inclusion and diversity, and organisation design and effectiveness.
  - e. Head of Technical: Luca Rocchi - accountable for developing and maintaining technical, functional and operational excellence within MetCoal, which also incorporates governance of MetCoal and Group Technical Standards.
  - f. Head of Corporate Relations: Victoria Somlyay – accountable for strong stakeholder relationships, delivery of social performance and communications.
  - g. Head of Projects: Glen Robinson - supports operating site and dedicated project teams undertaking pre-feasibility/feasibility studies and deliver project services.
  - h. Head of Safety and Health (Acting): Christopher Gately - accountable for the MetCoal EoF strategy, as well as the annual plan development and implementation. Also ensures MetCoal has a comprehensive process for the management of critical risk identification and critical risk controls. Provides ongoing safety support, advice and research to sites. Facilitates high-level incident investigations and risk assessments.
  - i. Head of Finance and Business Performance: Adriaan Esterhuizen – accountable for developing and maintaining MetCoal cost management systems to manage costs in line with business plan and budget commitments through expenditure reduction, capital efficiency and revenue and margin improvement.
  - j. Executive Head of Open Cut Operations: Hans Hayes - manages the operating Open Cut Assets (Dawson Mine and Capcoal Mine) so that they are collectively operated in a sustainable, efficient, effective manner.
  - k. Executive Head of Underground Operations: Glen Britton - manages the three operating underground Operations (Moranbah North Mine, Grosvenor Mine and Grasstree Mine) so that they are collectively operated in a sustainable, efficient, effective manner.
  - l. Metallurgical Coal Marketing: Clive Robertson - develops and manage the MetCoal sales and marketing strategies to deliver highest margin outcomes for the various coal types across the operations. While this position does not report directly to me, it is a part of the MCLT.
53. These personnel constitute the MCLT.
54. Corporate governance structures between the group companies and the individual business units have been structured so as to ensure alignment and consistency between policies and standards across AA, while maintaining sufficient capacity for those standards to be necessarily flexible in accommodating specific safety and operational requirements between jurisdictions and individual mines. For example, Anglo American plc develops and

## CONFIDENTIAL

reviews the Group Technical Standards to apply across the business, which will specify that relevant standards:

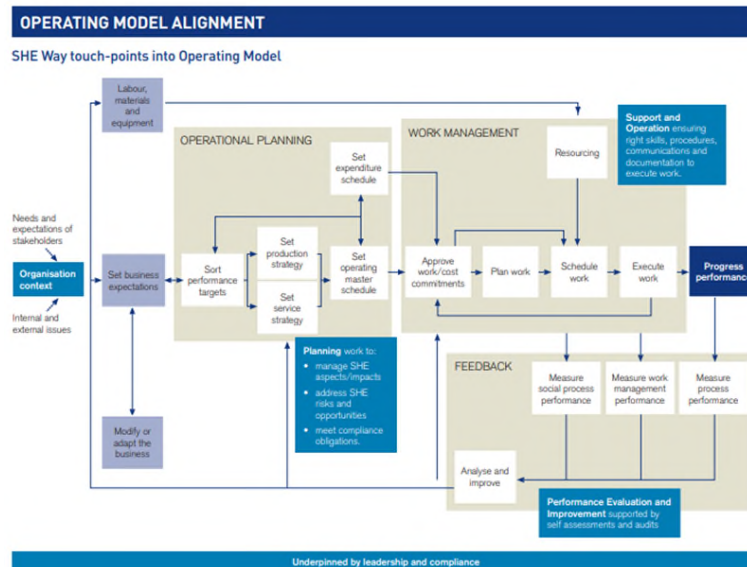
“... shall be assessed and optimised by a competent person at intervals stipulated by regulation, by operational procedures, codes of practice, risk assessment or Anglo American Group Technical Standards, whichever is more stringent”: See for example: [[AAMC.001.015.0001]].

55. The governance relationship in the safety context is established through a number of policy documents and work streams. Set out below is an overview of the Anglo American plc policies and standards and the corresponding documents in MetCoal and the Anglo operators:
- a. AA SHE Policy: This is the Anglo American plc master policy that sets out the vision, principles and policy that are to be applied across the Group:
    - i. MetCoal – the AA SHE Policy is implemented through the MetCoal SHE Policy, which specifies that the “managers of every Met Coal function or operation are responsible for the implementation of Group Technical Standards, the SHE Way, and their Safety, Health and Environment Management System procedures, guidelines and specifications”: [[AAMC.001.005.0092]]
    - ii. Mine Site – each mine site will also have their own individual SHE Policy: [[AAMC.001.029.0015]].
  - b. AA SHE Way: This is the group master document setting out safety, health and environmental standards and objectives to be applied across the group. The SHE Way conforms to the principle of “Plan-Do-Check-Act” and is auditable. It comprises seven complementary elements through which safety performance is managed and assessed – Leadership, Context of the organisation, Planning, Operation, Performance Evaluation, Improvement and Support.
  - c. The SHE Way: describes the Code of Conduct for the Anglo Group, in that “Anglo American plc owns and operates a wide range of businesses which, by virtue of their size, diversity of operations and geographical locations, pose significant safety, health and environmental challenges” (SHE Way at p4) [[AAMC.001.005.0093]]. As to this:
    - i. The Code of Conduct contains six values, one of which is Safety.
    - ii. Section 3 of the SHE Way describes the corporate governance framework and “defines the roles and responsibilities of the corporate centre and business units on the journey towards Zero Harm” (SHE Way at p8). The governance relationship is specified in these terms:
 

“The corporate centre defines, communicates and reviews requirements in relation to the vision, leadership, principles, policy and standards for SHE management. The business units implement and build the corporate requirements into business-specific programmes.”



CONFIDENTIAL



[[AAMC.001.005.0093]] at [[.0101]]

- d. The SHE Way governance framework includes an operating model which defines the structured approach to which it is to underpin the operations of businesses within the group, and includes the following requirements:
  - i. The SHE Way is mandatory and applies to all activities within Anglo American-managed businesses and operations.
  - ii. All Anglo-American SHE management systems, including for contractors, must be aligned with the SHE Way.
  - iii. The SHE Way is reviewed at least annually.
- e. Safety, Health and Environment Management Systems: Met Coal applies the SHE Way through its own Safety, Health and Environment Management System (SHEMS) so as to give practical application to those standards to be operations being undertaken by the business.
  - i. That management system is then incorporated into the SHMS for each mine, where an Organisational Management Plan sets out how the SHEMS is to be implemented: [[AGM.002.001.2285]].
- f. AA EoF: In 2018, Anglo American plc set up the global taskforce to address the elimination of fatalities across its businesses. The purpose of the taskforce was to “review our current leadership culture and styles, safety systems, work management systems, and use of technology, to eliminate fatalities in our workplaces and business”. The taskforce consisted of representatives from each of the Anglo American plc business units and functions as well as external representatives. The taskforce has conducted EoF audits for Met Coal business as described at [59] below.
  - i. MetCoal – The program has an annual plan for actions to be achieved each year in advancing the EoF objectives and incorporating the six key elements of the EoF: leadership, planning and scheduling, learning organisation, caring culture, risk and change management, monitoring and assurance. The Met Coal EoF program incorporates the Group EoF broader findings and programs.

## CONFIDENTIAL

- ii. Mine Site - Each mine site will also have a corresponding annual EoF plan aligned with the MetCoal EoF plan. An audit of each mine was undertaken in September 2019 by a specific Elimination of Fatalities Taskforce team assigned by Anglo American plc. That audit was then followed up by a verification assessment by that team who produce a report verifying that actions items from the audit have been completed. The plan will be individual to each site so that it is tailored to the specific risks arising from that operation: [[AAMC.001.017.0023]], [[AAMC.001.029.0021]], [[AAMC.001.030.0001]].
- g. The Anglo American Golden Rules: These are the nine golden rules to be applied group wide, and are included in the Met Coal and individual mine business both as a stand-alone document and incorporated by reference into training inductions, employment agreements, safety presentations and SHMS documents. An example of this includes: [[AGM.002.001.0190]].
- h. ORM Standards: Anglo American plc also developed a series of Risk Management ORM standards, which were implemented in MetCoal and corresponded to Four Layer ORM risks assessment undertaken at individual mine sites: Integrated Risk Management Standard (AA GTS 2) [[AAMC.001.028.0082]], Operational Risk Management Procedure (AA P 02 243) [[AAMC.001.028.0101]], Operation Risk Management Procedure (AA RD 02\_24) [[AAMC.001.028.0129]] and Operational Risk Management Procedure (AA P 02 244) [[AAMC.001.028.0113]]. In May 2020, these Operational Risk Management Procedures were superseded by the introduction of the Group ORM Standard [[AAMC.001.031.0165]]. The Integrated Risk Management Standard (AA GTS 2) was also replaced by the new Integrated Risk Management Policy [[AAMC.001.029.0001]]. The broader risk assessment for MetCoal operations is carried out every six months with findings recorded in Enablon and reports sent to Anglo American plc.
- i. Group Technical Standards: Anglo American plc has developed 21 Group Technical Standards (GTS) covering a range of key risk areas which are designed, amongst other things, to ensure consistent safety criteria are applied across the group's operations. Responsibility for each GTS is carried by a specific MetCoal department, who ensure operations are conducted in accordance with the relevant standard. Each mine site also has a nominated individual with responsibility for applying the specific GTS to the procedures at each mine. The GTS are implemented directly at each mine through the relevant PHMP, TARP or SOP: [[AAMC.001.028.0140]].
- j. The Learning from Incidents (LFI) Process: The LFI process is the process by which we closely examine and report on incidents. The procedures for the investigations of HPHs and HPIs are set out in the SSD Group Standard Learning from Incidents [[AAMC.001.004.1472]] and the Met Coal STD Incident Reporting Standard [[AAMC.001.004.0002]]. While actions to remedy these issues are set, recorded and monitored in Enablon to ensure completion, not all of them are able to be completed right away. Some take longer to implement for technical reasons and/or due the requirement for investment and budget approval.

**SAFETY**

- 56. In addition to the policy and procedure mechanisms by which technical and production objectives are made subject to safety requirements, there are also a number of workstreams and reporting meetings which give practical effect to those standards. The meetings which I attend include:

## CONFIDENTIAL

- a. Bulks monthly HPI meeting of Bulks leadership as described in 29.f above – this is a monthly meeting in which HPI investigations across the business are investigated, with resolutions discussed and decided in relation to them documented for action.
  - b. HPI Investigations – this is the review referred to in paragraph 28 above.
  - c. Global Safety Day – this is an annual day dedicated to safety across the business. Each MCLT member is allocated a site to attend and deliver interactive safety presentations, videos and activities. All of the workforce attends.
  - d. MPR meetings – these are the monthly meetings referred to in paragraph 29.b above.
  - e. QPR meetings – these are the quarterly site meetings referred to in paragraph 29.c above.
57. Set out below are the findings from the relevant reviews undertaken by the EoF Taskforce. The results of these reviews and the actions to be undertaken are tracked and monitored through the MPR and QPR processes. As demonstrated in the verification reports, implementation of the findings and recommendations are tracked and audited. The actions from the findings and the implementation of them are also achieved through the annual plans for MetCoal and the individual mine sites (as set out above at 55.f.ii).
58. In September 2019 the Taskforce completed reports into relevant potential fatal risk management at MetCoal mines following site visits and audits of the mines. Those reports contained a number of observations and recommendations, and are annexed as follows:
- a. Grosvenor – [[AAMC.001.011.1429]]
  - b. Grasstree – [[AAMC.001.015.0086]]
  - c. Moranbah North – [[AAMC.001.015.0124]]
59. In February 2020, the Taskforce completed verification reports from follow-up visits to each mine to assess the actions taken to address the observations from the September audits. Those verification reports are annexed as follows:
- a. Grosvenor – [[AAMC.001.005.0190]]
  - b. Grasstree – [[AAMC.001.005.0186]]
  - c. Moranbah North – [[AAMC.001.005.0193]]
60. The EoF Plan for MetCoal has been previously described above. Each mine also has a corresponding EoF Plan for 2020. Those plans set out the objectives or “end states”, key personnel with relevant responsibilities, and methodology for achieving goal of eliminating fatalities:
- a. Grosvenor – [[AAMC.001.017.0023]]
  - b. Grasstree – [[AAMC.001.029.0021]]
  - c. Moranbah North - [[AAMC.001.030.0001]]

CONFIDENTIAL

**RESPONSES TO INFORMATION REQUESTED BY THE BOARD**

61. In response to question 1 to 2 of the letter dated 22 June 2020<sup>1</sup> I can say I have set out at paragraphs 40 to 53 above the corporate structure of each relevant operating company and MetCoal, the division of responsibilities and reporting lines and the name and positions of those persons who directly report to me.
62. In response to question 3, I have set out the governance relationship existing between the Anglo Coal operating companies, MetCoal business and Anglo American PLC.
63. I have provided at paragraphs 21, 29 and 33 information identifying how HS&E objectives and strategies intersect with Anglo American's technical and production responsibilities and objectives in response to question 4.
64. I have set out at the following paragraphs 22 to 28 how the business classifies incidents and injuries (including as HPIs) and how it monitors and reports safety information and measures, and how learnings from HPIs are shared across the sites in response to questions 5 and 13.
65. I have set out at paragraphs 57 to 60 above the findings from the Elimination of Fatalities Taskforce and how the Elimination of Fatalities framework is monitored, reviewed and implemented to address questions 11 and 12.

The contents of my statement are true and correct to the best of my knowledge and belief.

Signed:

A black rectangular redaction box covering the signature of Tyler Mitchelson.

Tyler Mitchelson

Date: 28 July 2020

CONFIDENTIAL

**Schedule 1**

<b>Paragraph No.</b>	<b>Name</b>	<b>Role</b>
55a – 55e, 55i – 55j	Chris Gately	Acting Head of Safety and Health
37, 38	Luca Rocchi	Head of Technical

## CONFIDENTIAL

**Schedule 2**

<b>Glossary of terms</b>	
AAOM	Anglo American Operating Model
ABAS	Anglo American Business Assurance Services
Anglo American plc	Anglo American Group
BCO	Brisbane Corporate Office
Bulks	Anglo American Bulk Commodities & Other Minerals
DNRME	Department of Natural Resources Mining and Energy
EoF	Elimination of Fatalities
GTS	Group Technical Standard
HPH	High Potential Hazard
HPI	High Potential Incident
LFI	Learning from Incidents
LTIFR	Lost Time Injury Frequency Rate
MCLT	MetCoal Leadership Team
MetCoal	Anglo Metallurgical Coal
MOP	Mine Operating Plan
MPR	Monthly Performance Report
OMS	Operating Management Standard
ORA	Operational Risk Assurance
ORM	Operational Risk Management
PHMPs	Principal Hazard Management Plans
PUE	Priority Unwanted Event

## CONFIDENTIAL

QPR	Quarterly Performance Report
SHE	Safety Health and Environment
SHMS	Safety and Health Management System
SITC	Serious Incident Teleconference
SLT	Site Leadership Team
SMI	University of Queensland Sustainable Minerals Institute
SSD	Safety & Sustainable Development
SSE	Site Safety Executive
TRIFR	Total Recordable Incident Frequency Rate
UMM	Underground Mine Manager
VFL	Visible Felt Leadership