

**Practice-oriented leadership responsibility
in the field of occupational safety, health, fire and environmental
protection is an element of
modern management organization**



Dr. Gunter Baldermann - Director of Occupational Safety/Fire Department

















Content overview

- Where is MIBRAG?
- Who is MIBRAG?
- How is our work structured?
- Who are our partners?
- How is it set up?
- The approach and results.

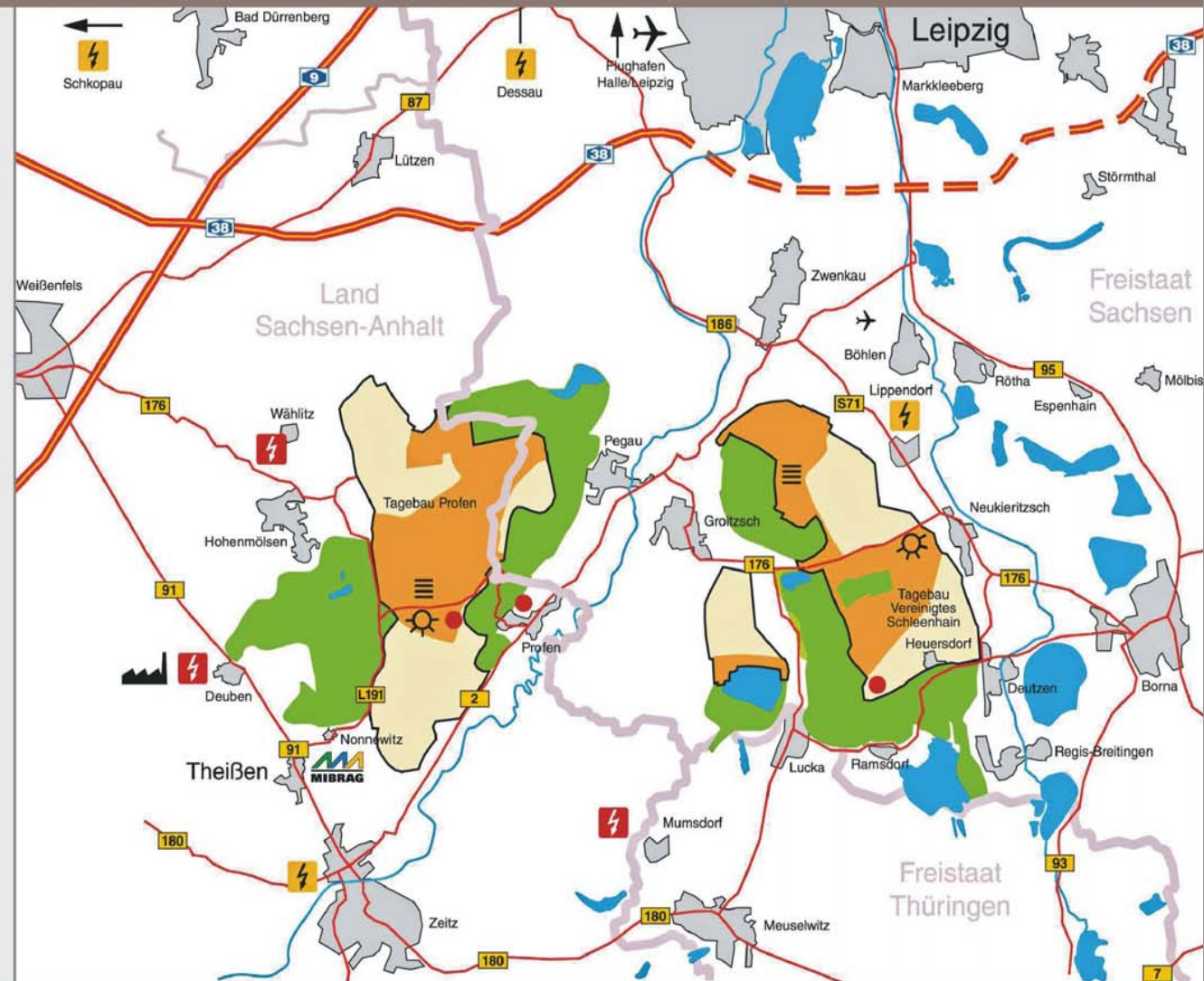


REVIERKARTE

Mitteldeutsche Braunkohlengesellschaft mbH

-  Hauptsitz
-  derzeitige Betriebsflächen
-  geplante und genehmigte Abbauflächen
-  Wiedernutzbarmachung
-  Kohlemisch- und -stapelplatz (KMS)
-  Staubfabrik
-  Industriekraftwerke
-  Kunden-Kraftwerke
-  Verwaltungsstandorte
-  Grenze Bundesländer
-  Autobahn
-  Autobahn im Bau
-  Bundesstraße/Landstraße
-  Gewässer
-  Flughafen
-  Aussichtspunkt

Stand: 01/06



Who is MIBRAG?

Basic MIBRAG mbH data (2006)

2 mines	overburden	72.7 million m³
1 dust plant	raw coal	19.9 million tonnes
	dust	207,300 tonnes
3 power plants	heat	4,408 GWh
	power	1,284 GWh
1,803 employees (active MIBRAG employees)	sludge	144,000 tonnes
	sales	321.0 million €
154 trainees/post-graduates	capex	62.2 million €

Our work must be in compliance with? (safety-wise)

EXTERNAL:



■ **Laws**

Federal Mining Law, Chemicals Act

■ **Ordinances**

General Mining Ordinance
Hazardous Substance Ordinance
Workplace Ordinance

■ **Regulations/ Directives**

Guidelines provided by the trade
association
EU VDU work

Our work must be in compliance with? (safety-wise)

INTERNAL:

- Corporate Handbook (leadership guidelines)
- Work Regulations
- Operating Instructions
- Programs (PAGS*)
- Intranet
- Investigation Reports
- Competitions
- Motivation Programs
- Annual talks to be held with employees
- Instruction sessions/training seminars

* PAGS - Program on Occupational Safety, Health, Environmental and Fire Protection

Who are our partners?

External:

- Mining and Quarry Trade Association
- Mining Authorities
- Corporate Regulatory Authority
- TÜV Technical Inspection Authority

Internal:

- All Employees and Leaders
- Safety Representatives
- Works Council
- WGI
- NRG

How is it set up?

- “It is true that profit and economic success are important and necessary, but common sense and the life and health of the employees are even more important“

David O. Snyder, 1994
1st American CEO of MIBRAG

- This maxim provides food for thought, particularly for those who think in abstract and rational terms.
- We must comply with laws and regulations. We should use them only as the basis and follow them accordingly.
- Can the best law, the best ordinance keep us from looking for other ways or solutions which we think are simpler or quicker?

NO

Our approach and strategy

- We must mobilize our minds.
We must really want it, and be willing to take ownership.
- We need people, employees who are willing to work together on this strategy.
- We need targeted and guided communication in all areas.

Is there anybody in this room who has never exceeded the speed limit before?

Why is it important for the employee?

- Those with this mind set will develop safe work practices, resulting not only in protecting themselves, but the life and health of others.

Why is it important for the company?

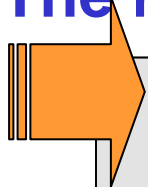
- Employees with an emotional mind-set realize right away that the company's value can be considerably increased. In today's world, highly qualified and healthy employees are a requirement for economic success.

I am proud to say:

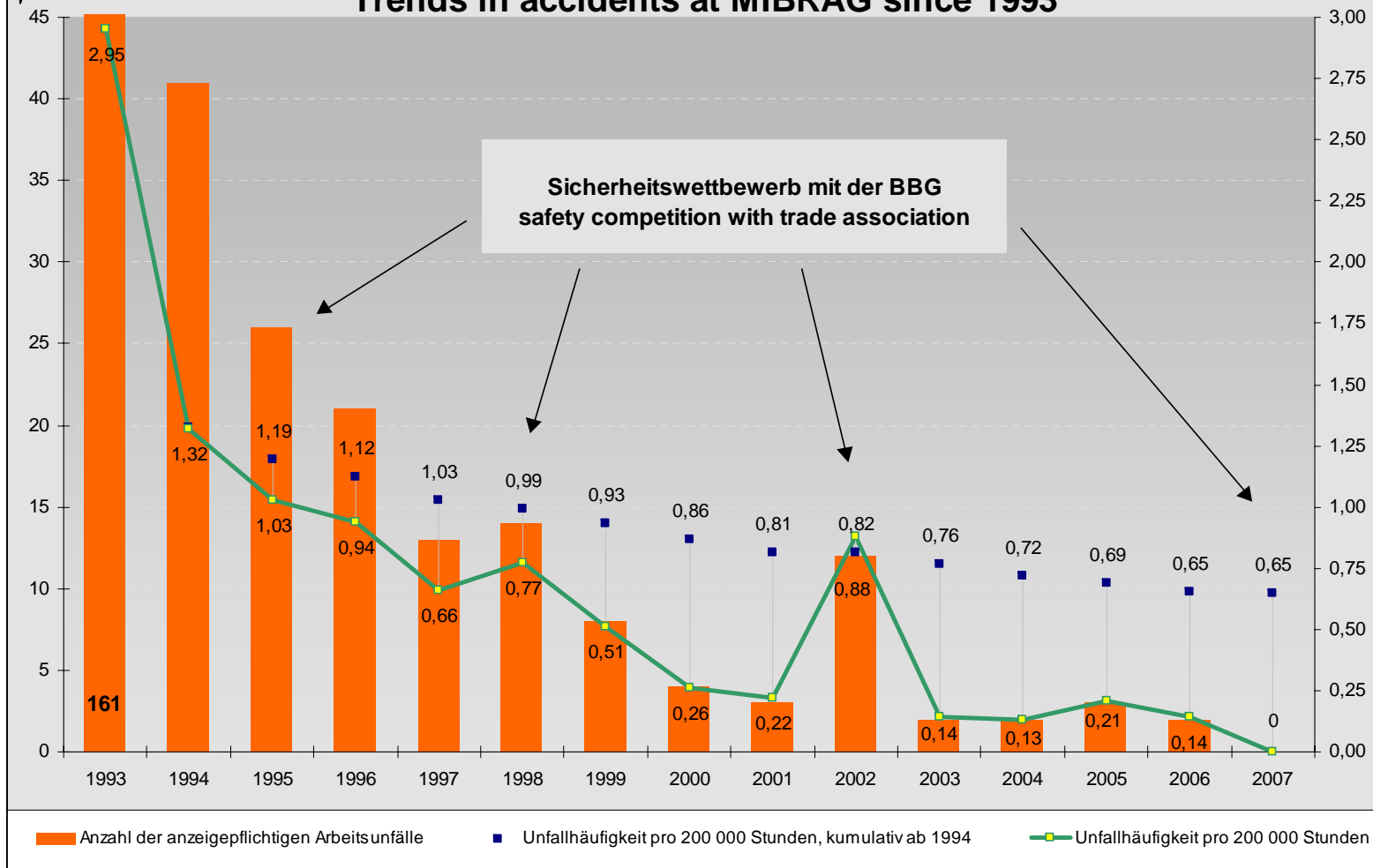


MIBRAG has been successful.

The results



Unfallentwicklung der MIBRAG mbH von 1993 bis heute
Trends in accidents at MIBRAG since 1993



The latest results

- A 2006 DEBRIV comparison of German brown coal companies shows that our approach has been successful :

Accidents per 1 million hours worked

BKB	1.0
Vattenfall	4.6
LMBV	4.2
MIBRAG	0.7
ROMONTA	6.0
RWE Power	5.6



- We have the **”vision of an accident-free company“**



The approach through the Corporate Handbook

It governs, e.g.,:



- Articles of Association/business objectives
- Leadership guidelines
- Organizational chart
- Responsibilities
- Representation of the company
- Company regulations
- Appearance
- Internal communication
- Investment controlling
- Risk management
- Payment transactions
- Regulations for business trips
- Information technology/data protection
- Security/safety on company territories
- Definitions and abbreviations

The approach through target-setting, e.g.:

Occupational safety

MIBRAG wants to be an accident-free company.

Competitiveness

MIBRAG wants to be the most competitive brown coal company in Germany.

Customer orientation

MIBRAG will always guarantee supplies that meet the customers quality requirements.

Employees

The employees are MIBRAG's most important asset. They are enabled to do their job in the best possible manner.

The approach through leadership guidelines

■ Working safely

In MIBRAG mbH, working safely has the highest priority for its supervisors, managers and employees. It is in the focus of their daily work and they take an active role by:

- Setting an example
- Respecting oneself and others
- Informing employees
- Bearing internal responsibility
- Making decisions
- Promoting cooperation
- Holding talks with the employees
- Setting objectives
- Supporting the employees



The approach through hazard assessments

Basic legal conditions and our aim

- The safety of the employees must be guaranteed.
- Necessary work safety measures shall be implemented - taking into consideration the circumstances and work hazards that affect work.
- The measures shall be regularly reviewed for their compliance with legal regulations and be adjusted accordingly.
- Make sure that the measures are always complied with and that the employees can fulfill their duty to cooperate.
- Appropriate organization must be guaranteed and the necessary work equipment must be provided.

The approach through personal responsibility specified in PAGS -

Program on Work Safety, Health, Environmental and Fire Protection

The basic principles of the program:

- Work safety is a matter of concern and an obligation for the company.
- Work safety is a leadership task.
- Work safety is an integral part of the employee's attitude.
- In PAGS, each employee with leadership responsibilities organizes his/her personal responsibilities as specified in the employment contract and the job description.
- He/she must not only meet requirements set forth by the supervisor, but also delegate tasks to subordinates.

Contents of PAGS



Organizational occupational safety:

- Discussion of safety issues
- Obtaining reports
- Safety tours of company facilities (findings and suggestions documented)
- Development of operational regulations
- Training and instructions
- Cooperation with the Works Council

Contents of PAGS



Personnel occupational safety:

- Appointment of people who have special knowledge and qualifications, e.g. persons responsible, entrepreneur's, supervisors, safety representatives, experts and specialists, authorized persons
- Occupational health prevention
e.g.: meet deadlines, evaluate the employee's job, implement requirements of the company doctor,
- Personal protective gear
e.g. provide hearing and skin protection, safety boots and protective and check that they are appropriately used

Contents of PAGS

Technical occupational safety:



- Hazard analysis and safety awareness
- Internal traffic and transportation
- Electrical plants and equipment
- Fire and explosion protection/first aid
- Tools, work procedures
- Machine, equipment and plant safety
- Hazardous and biological substances
- Ergonomic workplace design
- Building checks
- Environmental protection

Work with

PAGS

Regular updates

- Required in case of changes (accountabilities & responsibilities, extension or re-organization of tasks)

Duty to control

- Obtain feedback from the supervisor and check the execution of tasks delegated to employees.

**Our credibility is increased
when our employees know our personal goals
and targets.**

Ways of employee motivation

Successful and safe work pays off.

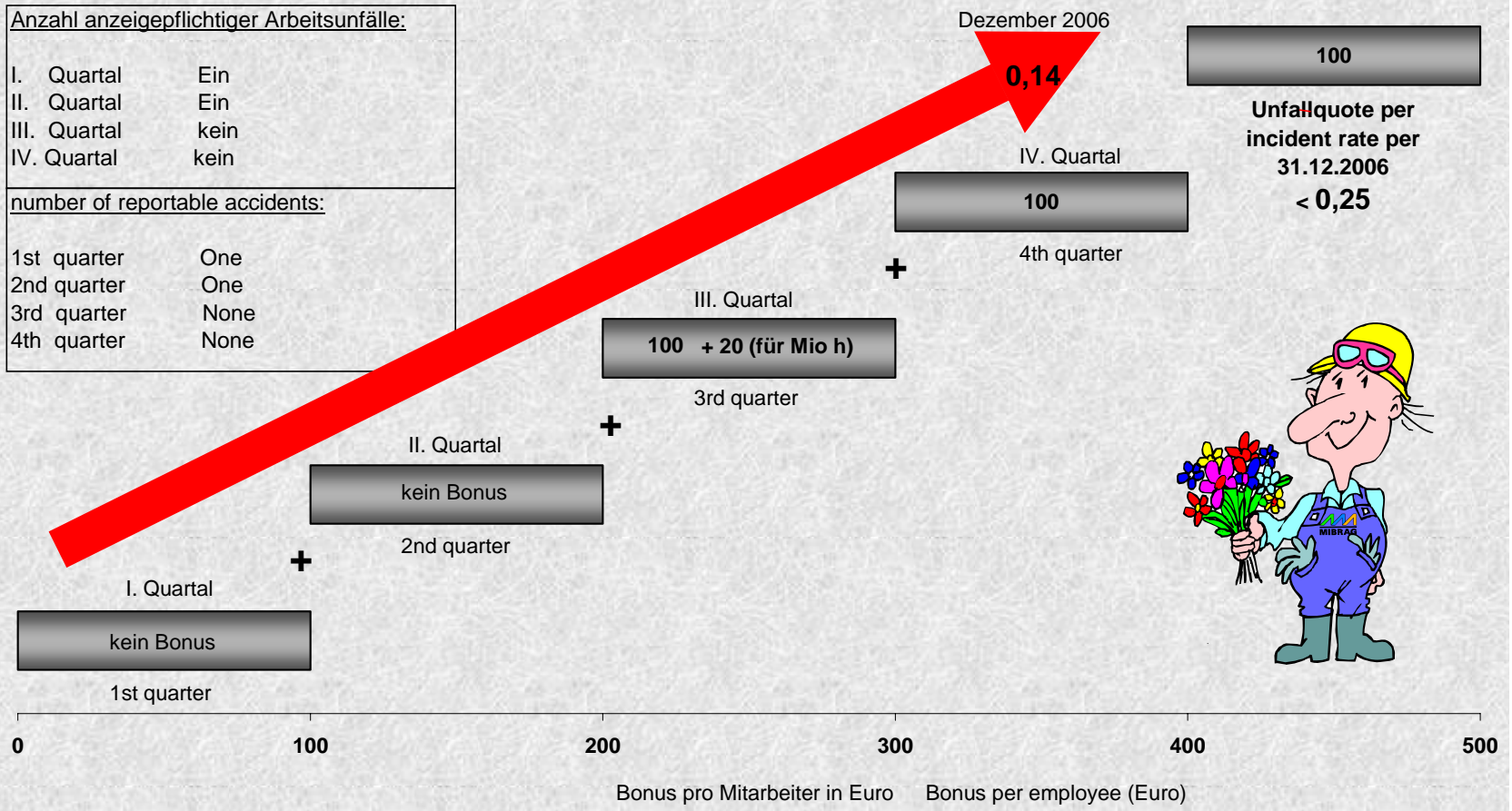
- A work-safety program defining targets and awards for accident-free work has been in place since the privatization of our company.
- It includes personal, group and company awards granted on a yearly basis and for working one and several million hours without reportable accidents.
- Throughout the years, the program has been adjusted several times to meet the needs of the employees and the company.
- We have a modern and up-to-date bonus system which combines direct motivation on-site with a long-term retirement program.

The 2006 bonus system

Erfolgsabhängiges Bonussystem zur Erhöhung der Arbeitssicherheit
Stufenweise Abrechnung der Quartale, Bonus bei keinem anzeigepflichtigen Arbeitsunfall
Success-related bonus system for an improvement of work safety
calculated by quarter of the year, bonus is granted if no reportable accidents occur



<u>Anzahl anzeigepflichtiger Arbeitsunfälle:</u>	
I. Quartal	Ein
II. Quartal	Ein
III. Quartal	kein
IV. Quartal	kein
<u>number of reportable accidents:</u>	
1st quarter	One
2nd quarter	One
3rd quarter	None
4th quarter	None



Final comments

- You cannot buy something like safety thinking, but you can make it part of the employees' attitude by appealing to their hearts and minds.
- Organization of occupational safety and health protection is important and necessary. However, it must be done together with the employees.

Control is necessary.

**But what is even more important:
Is a joint response and trust!**

Thank you for your attention



2005 - 2009