

The CORESafety® Interview with Frank Hanagarne

CORESafety® is the National Mining Association's (NMA) common safety and health framework that relies on a management system approach to improve safety and health performance at mining operations. The goal of **CORESafety** is to achieve zero fatalities and a 50 percent reduction in the rate of injuries in U.S. mining within five years – 0:50:5.

CORESSAFETY

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about the framework, visit
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Frank L. Hanagarne, Jr. is Senior Vice President and Chief Operating Officer at Coeur Mining, Inc., the largest U.S.-based primary silver producer and a significant gold producer. Prior to joining Coeur in 2011, Mr. Hanagarne was Chief Operating Officer of Valcambi, SA, a precious metal refiner in Switzerland, and before that was a Director of Corporate Development for Newmont Mining Corporation. His 17 years of service at Newmont included positions of increasing responsibility within key areas of Newmont's operations and business functions, as well as safety, health and environmental. He has a Master's degree in Business Administration from the University of Nevada, Reno, and a Bachelor of Metallurgical Engineering degree from the New Mexico Institute of Mining and Technology.

NMA: Frank, how did you get involved in the mining industry to begin with?

Frank Hanagarne: It all happened about 40 years ago. I had just completed my first year of college and was looking for work for the summer. My father, who had been working in the minerals industry for about 20 years at that point, was able to help me get a job at a mine and mill facility in southeastern Utah. It was a site that was producing uranium concentrates. With the exception of going off to college, and a very brief stint in private business, I've worked in mining continuously since that time.

NMA: How has the industry changed since you started your career?

Frank Hanagarne: It's changed significantly. I started before the 1977 Mine Act was enacted. You might imagine that, at that point in time, companies engaged in the minerals industry hadn't fully embraced all the compliance issues related to that regulatory oversight. The hazards were the same, but there was not much of a focus on those hazards.

I remember a lot of people were getting injured. I was able to work safely, and I think that's just because of a more personal focus, but I did notice a lot of my colleagues would be injured and miss work. Good things never come out of that.

Since that time, I've seen companies focus on compliance and even well beyond that. Because having good safety in industry is not just about compliance, it's about many other things.

NMA: What's your sense of where the industry might be 10 years from now in terms of safety performance?

Frank Hanagarne: I think we'll see the industry broaden the approach we've adopted, where compliance is still crucial, but also the recognition that exemplary performance requires going beyond what the law and regulations require. We need to continue to develop and embrace technology that helps our colleagues perform their work efficiently and safely. I expect the industry will continue to improve its compliance record, which has improved dramatically, but also implement additional measures like those embedded in **CORESafety** to improve our safety performance even further.

NMA: At Coeur, you've seen significant improvement in your safety performance. What do you attribute that to?

Frank Hanagarne: I think one of the key drivers was the adoption of a management system approach to health and safety performance. I joined the company when the National Mining Association's **CORESafety** health and safety

management system was being developed and disseminated to the members of the organization. We compared it to the management system approaches that had been independently developed and found that it embodied the leadership and cultural philosophy we believed were critical to drive improvement in our performance. Previously I had the opportunity to develop and implement management systems for health, safety and environmental performance with another company, and I found that **CORESafety** encompassed the structure, intent and scope necessary to drive improvement. We began implementing **CORESafety** in late 2011, and that's been a key factor contributing to the success we've experienced.

NMA: Companies across the globe, both in and out of mining, that demonstrate world class performance usually have one central attribute and that's strong leadership that fosters a strong, proactive safety culture across the organization. How does Coeur manage to foster that across the many different mining facilities operating in cultures that are far different than what we're accustomed to in the United States?

Frank Hanagarne: I think leadership is a key factor and at Coeur, after embracing the management system approach, we have stressed that leadership would be required from the top of our organization on down. We've focused on having people in our management groups dedicate more time to safety generating discussions with all employees about safety and demonstrating our commitment to the safety of our colleagues. This has fostered a shift in our safety culture.

What I've found is the same value system exists whether we're operating in the United States, Mexico, Bolivia, or other jurisdictions where we operate mines. Even with communication barriers we're finding that people will fully embrace these concepts, and are excited to participate.

NMA: As a member of the NMA, Coeur made the decision to voluntarily implement CORESafety. What role do you think that CORESafety will play in driving continuous safety performance improvement across the industry as a whole?

Frank Hanagarne: The key is in what you just said, driving continuous improvement. To do so, you need a structure that has well defined objectives, a clear scope, and encompasses the key elements that address the hazards that we face in this industry. That's the beauty of **CORESafety**. It makes sense and it's driven by common sense. The **CORESafety** structure is designed to enable us to audit our performance or have that done by a third party, so we always have the benchmark of where we are at today, and that leads into the discussion of how do we improve upon that. That drives continuous improvement.

NMA: One of the challenges we've heard is about integrating CORESafety into existing company safety programs. How did Coeur tackle that? Did they already have a program in place at the time that CORESafety was added?

Frank Hanagarne: We had safety programs at all of our facilities but they varied from one to the next. **CORESafety** provided a common framework so we can achieve consistency across our organization. When we began, the real key for us was to make sure that everybody understood what and why we were doing this – to overcome their fears that we were going to abandon all existing programs, wipe the slate clean, and literally begin all over again.

Of course, that wasn't the case. The key is: let people understand what the management system is in terms of the standards within it, and what is intended within those standards, and the objectives of those standards, and then shining a bright light on how these programs you're carrying out fit into the management system. What companies will find is that the lion's share of what they're doing already on a day to day basis will fit within this management system. **CORESafety** will improve the way you manage that part of the business.

The first step is to identify gaps in how you're currently managing safety and what **CORESafety** envisions. When we did that, we identified certain elements were missing and then developed a work plan to fill that gap. Having completed this process everyone now understands that this wasn't about scrapping the things we were doing right – it's about augmenting those to become better than we already were. We're at the point where we've gained acceptance, rather than resistance that stemmed from a lack of understanding about what it's meant to do.

NMA: What's your advice or recommendation to a company that might just be starting with CORESafety, or considering it? How do you get leadership buy-in for something like that, before everybody's fully on board?

Frank Hanagarne: You can describe the structure and the order that a management system approach brings to things; safety as we're talking about it today, compared to how things are going without it. This is usually a pretty simple contrast to make for people. Once you get that done and you have buy-in, you have to demonstrate how it's going to improve performance going forward.

It's important that everyone understand that this is a journey that never ends. It's going to require a lot of dedication and focus. You cannot allow that to waiver. If you do, then you're going to have setbacks, and you're going to have a delayed, if not derailed, implementation.

NMA: Do you have any tips on how to communicate an initiative like CORESafety to supervisors, superintendents, managers, line workers – the folks that will make this work?

Frank Hanagarne: Communication is the key and it's something we've spent a lot of time working on. At the beginning of the process, we conducted a leadership forum within the company and brought those with a management role to headquarters for a 3-day event focused on safety and environmental performance. This set the tone and provided direction for the general managers, and at least 1 to 2 layers of management below the general managers. That was just a starting point. Follow up is even more crucial and we continue talking about this at every single opportunity possible.

We go out to the mines, and we make this the first day of the visit – the first hour of the visit. We spend whatever time is necessary to listen and work to remove obstacles to better performances. We've really been persistent on this and I doubt there are any people at our sites that don't understand the importance of this and why we're doing it. We're seeing the results of it, which is the best testament of all to why we chose to start doing this.

NMA: In your view, has CORESafety made a difference in Coeur's safety performance?

Frank Hanagarne: I think it has. In 2010, 5 years ago, we had a lost time incident frequency rate that was pushing 1.0, and that dropped to a low of 0.23. We've crept up a little bit to a 0.26. That tells me that we're on the right path and our long-term trend will continue to improve as we stay committed to this approach.

NMA: Frank, to wrap things up, is there anything else about CORESafety or about the work being done at Coeur that you'd like to share with our readers and listeners, and make them aware of?

Frank Hanagarne: I guess I would close by saying that you can take my comments and view our actual performance results as a testament to not only what the management system approach can do for your organization, but what it can do to help shift the culture in the direction that you want it to go. We support and have adopted CORESafety. It's an industry-supported initiative that will enable us to continue to improve. It's quite similar to most management system approaches that you would find, but has the benefit of not being as bureaucratic or paperwork-driven as some other systems. I would maintain that because of this, it's more effective. The success that we're seeing right now is driven by people who support and see the value of what we are achieving. We're very, very happy with the results that have come through our association with the NMA and this CORESafety management system.

NMA: That's great. We can't thank you enough for taking the time to speak with us today. There's nothing better than having hands-on experience like you've had with CORESafety at Coeur, and to be able to share that with companies that may be considering putting it into use. Thank you so much for your time today.

Frank Hanagarne: You're very welcome. I've appreciated the opportunity to have this conversation with you, thank you.

To contact Frank Hanagarne, email him at phanagarne@coeur.com or find out more about Coeur Mining at www.coeur.com.