Alpha’s Running Right
Safety Culture

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Alpha’s Vision – Employee Safety and Health

Alpha will be an industry leader in protecting the safety and health of our employees – which is the core of our Running Right philosophy – by empowering every employee to personally champion the safety process with the underlying belief that all accidents are preventable.
What is Culture?

- The culture of an organization emerges as a function of the interaction between expectations and realities, between internal values and external demands.

- A total safety culture is driven by 3 components working independently but directly driving the other components:
Running Right Safety Culture

• Running Right refers to an entire culture, not a program. We Run Right in everything we do;

• Running Right Safety is following all procedures and not cutting corners for the sake of production, it is not taking chances with our own life or the life of others, it is being responsible for each other and being willing and empowered to speak up if one sees something that is questionable or not being done right, and being willing to listen to ideas from others on safer ways to do things.
Safety Culture Formula

Behaviors + Values = Culture

In a Total Safety Culture…people actively care on a continuous basis for the safety of each other and themselves.
Running Right Systems

• Management and safety systems are aligned with the Running Right Philosophy.

• Ideally, all systems are engineered in such a way that the choices employees make because of the environment the systems create do not compromise the values and expectations of Running Right.
Running Right Leadership

• Running Right is leadership. We use the golden rule as a template for how we treat one another. We work as a team, empowering our employees to make suggestions and be a part of the decision making process.

• We strive to give our front line leadership every tool possible to succeed – training, coaching, etc.

• Our focus is “Putting People First”!
Common Culture Failures

1. **Entrepreneur Culture**
   - No rules or insufficient rules

2. **Git-er-Dun Culture**
   - Places over-emphasis on production at the expense of safety & quality

3. **See-no-Evil Culture**
   - Turns a blind eye to the present reality

4. **No One Told Me Culture**
   - Management never gets feedback from employees on the issues and problems they see

5. **Poor Problem Solving Culture**
   - Lack of finding and fixing root causes to problems

6. **Backlog Culture**
   - Lack of implementing corrective actions to identified problems
Common Culture Failures

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4. No One Told Me Culture
5. Poor Problem Solving Culture
6. Backlog Culture

**RUNNING RIGHT CULTURE**

• Our People-Based Safety and Continuous Improvement Processes, which are aligned with the Running Right Philosophy, addresses all of these common failures through the many interrelated tools and processes each respected area utilizes:

  • Safety Policies and Running Right Procedures
  • Safety Observation Process
  • Operational Improvement Process
  • Employee Involvement Group Process
  • Performance Group Process
Alpha will conduct business the safe way, the right way, everyday. All our companies will provide and maintain a safe work environment. Our safety performance will be recognized as a model of excellence in the coal industry.

We believe:

*Business excellence is achieved through safety and continuous improvement;*

*All injuries are preventable;*

*Any task that cannot be performed safely will not be performed;*

*Working safely is a condition of employment;*

*Every person is accountable for his or her own safety and the safety of those around them;*

*Every person is expected to identify hazards and initiate corrective actions;*

*All levels of the organization must be proactive in implementing safety processes that promote a safe and healthy work environment.*
• Every employee is encouraged to identify At Risk Behaviors and hazardous conditions which can be corrected before they become injuries.

• Correcting the identified behaviors and hazards prior to causing injuries or becoming citations is part of Running Right!
Safety Observation Process

Starts with an employee, and an observation

- Observation Card Written
- Cards Placed in Observation Box
- Cards Reviewed Daily
- Actions Taken on Card at Mine
- Employee Involvement Group Discusses Card
- Positive Reinforcement
- Encourages Future Engagement
- Cards Shared in Performance Group Meetings
- Action Plans Formulated
- Improvements Implemented

Starts with an employee, and an observation.
Safety Observation Process

• Alpha’s safety process focuses on changing At-Risk behavior and the goal is to have all employees at all mine sites involved.

• Employees utilize “Safety Observation Cards” as a method to document and correct unsafe behavior and compliment safe behavior

• Reporting is anonymous and focuses on behavior not individuals.

• Hazards reported that deal with employee exposure are dealt with as soon as possible when received.
Every Employee has a Voice!!
Continuous Improvement Process

Identify

Plan

Refine Plan

Implement

1 2 3 4

Continuous Improvement Process
Employees utilize “Operational Improvement Cards” as a method to submit new ideas for safety, production, compliance, cost savings and efficiencies.

Follows the same process and path as Safety Observation Cards.

Best Practice Sharing between mine sites and across the entire organization.

Leveraging of significant ideas across all aspects of our business.
The EIG meetings are conducted at least monthly at each mine site. The meetings are fully supported by site management and designed to involve hourly employees at each operation to contribute to and share in our successes.

The group will discuss and analyze:
- Employee observations
- Citations
- Injuries
- Near misses
- Safety slogans

Formulate action plans
- Team is empowered to make decisions
The PG meetings are conducted at least quarterly within each Business Unit and is a roll-up of the EIG process. Representatives from each EIG team will summarize and discuss observations, accidents, citations and improvement efforts that have occurred at their particular mine site.

Group action plans, Lessons Learned, and Best Practices are developed to be shared across the entire Business Unit.
People-based safety requires a different approach

**From**
- Reactive
- Failure Oriented
- Rewards for Outcomes
- Top-Down Control
- Rugged Individualism
- Fault Finding (blame)
- Quick Fix

**A Priority**

**To**
- Pro-active
- Achievement Oriented
- Rewards for Behaviors
- Bottom-up Involvement
- Teamwork
- Fact Finding (investigate)
- Continuous Improvement

**A Value**
Critical Factors for Success

• Employee participation

• Effective Local Leadership to promote transparency and to demonstrate trust in the process, and encourage employees to get involved

• Executive Leadership, Commitment and Support

• Implementing Running Right without compromise
“When we talk about Running Right, the three pillars are really foundations. One is taking care of our employees, the second is taking care of our customers and the third is taking care of the communities where we conduct our business.”

Kurt Kost, President
Alpha Natural Resources, Inc.
“We do want to run the right way. Look Forward. We want to look down the road and be the best we can be.”
~ Kurt Kost~
“Doing the Right Thing when you are alone and no one would know if you didn't.”

“Running safe, legal, and productive. Running Right is a way of life – Not a motto.”

“Running Right is Doing things the right way when it means taking more time”
Leadership Commitment to Running Right
WE POWER

THE WORLD

THROUGH THE ENERGY OF

OUR PEOPLE
Returning Home, Safe and Healthy, Everyday