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Award to OPG of the IHSA Platinum Zero Quest Award

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NOTES FOR REMARKS

Good morning. It's an honour to receive the IHSA's Platinum Safety Award.

OPG has a passion for safety. I'm sure all of you share that passion. That's why we're here.

We're proud of our safety performance. But know we still have a long way to go to achieve our *ultimate* goal of zero injuries.

This is a continuous journey for us. It won't be reached tomorrow. It won't be reached next month. But we will reach it. And so will you and any company that really makes the commitment.

Today I want to talk to you about our journey to safety excellence.....

- Where we have come from;
- Where we are now; and
- Where we want to go

HOW WE GOT WHERE WE ARE

OPG's journey started many years ago – before we were even a company.

To give you an idea how far we have come, we need to go back to the early days of our predecessor companies the Hydroelectric Power Commission of Ontario and Ontario Hydro....during the first few decades of the 20th century.

Back then safety practices as we know them today were non-existent. Workers didn't wear hard hats. They didn't use fall protection. There was no lock-out/tag out. Confined space regulations were unheard of.

It was a different world.

Between 1918 and 1978, our predecessor companies experienced 470 on the job fatalities – an average of almost 8 per year.

In one year alone – 1921 – 48 people were killed on the job. Many of these were involved in the construction of the Beck 1 hydro plant in Niagara.

There were more fatalities during the great hydroelectric expansion following WWII. In the late 1940s, at least 15 workers died during the construction of the Des Joachims generating station on the Ottawa River. These included six riggers who drowned when the section of a Bailey bridge they were working on collapsed into the rapids below.

As for injuries, they were considered inevitable. So much so that during the construction of Beck 2 in the 1950s, Hydro had its own hospital and ambulance on site to take care of the injured. At the time, this was seen as progressive, marking Hydro as a humane and enlightened employer.

As late as the 1980s, it was considered exceptional at Hydro to go a full year without a fatality. In fact, 1983 was the first year in decades that there were no workplace fatalities. Hydro celebrated this fact with banner headlines in the employee newspaper.

That was only about 30 years ago. It might as well have been 300.

We have come so far since those times.

Since 1999, the year OPG was established, the number and severity of injuries has declined significantly.

In addition, OPG's safety performance has been within the Canadian Electricity Association's top quartile in six of the last ten years.

Not only has our safety performance changed dramatically. So have our attitudes toward safety.

We saw that injuries used to be considered inevitable. They came with the territory of being a large industrial company. We've reversed that attitude. We, like all of you, believe it's possible to achieve and maintain a workplace where all injuries are preventable. Not only do we believe it. We've made it a corporate goal – zero injuries.

What's more, we reinforce this message constantly. We also recognize and celebrate our safety successes with our employees. Whenever one of our sites has an extended period without a lost time injury, we tell employees about it.

Our Darlington nuclear station and its 2,400 employees, for example, recently achieved over 7 million hours without a Lost Time Injury. Knowing this fact makes it very clear to people that our road to "zero injuries" is not a pipe dream. It can be, and will be, a reality.

OPG's safety performance rests on three critical pillars:

- our safety culture;
- our safety management system; and
- the strong partnership we have with our unions.

Let me drill down a little deeper on those concepts.

SAFETY CULTURE

Our safety culture is strong. Every employee at OPG knows that safety is a fundamental value for the company. We use the word “value” rather than priority for a reason. Priorities can change. But values are permanent. They’re part of who we are.

Our goal is to have every employee practice safe attitudes and behaviours so thoroughly that they are second nature for them. We’ve made good progress over the years.

We’ve developed clear safety goals that include not only zero injuries but also the goals of continuous improvement, top quartile performance and safety leadership.

We also have total commitment from management regarding safety. OPG’s entire executive management team – myself included – are committed to setting clear safety expectations for employees.

What’s more, we walk the talk. We do this through face-to-face meetings; through site visits to our plants; and through any other means available that gets the message out about the importance of safety.

In addition to senior management involvement, we reinforce safety through posters, videos, presentations, programs and internal communications campaigns.

By using strong and consistent communications, we aim to create a culture that engages employees, making safety personal and encouraging them to take responsibility for their own safety and that of their colleagues.

SAFETY MANAGEMENT SYSTEM

Supporting OPG's strong safety culture is an effective safety management system. It's based on the internationally recognized British Standards Occupational Health and Safety Assessment Series (OHSAS) 18001 standard. Currently, every OPG site has aligned their safety management system to this standard.

The system is constantly self-checking and self-reviewing.

This afternoon, OPG's Mary Lou Sinclair will provide a presentation that outlines how this management system has been critical to our success in the ZeroQuest program.

The system helps ensure OPG not only complies with all safety legislation, but also exceeds it -- through continuous safety performance improvement. It also enables us to apply sound business management practices to safety issues and to properly identify, prioritize and manage safety risks.

Transportation, construction and electrical and utilities operations have work environments that are very unforgiving. These risks are a reality for us. OPG employees work in environments with pressurized steam; high voltages; and large, complex technologies.

Many of our employees and contractors commonly work at heights. They work outside -- sometimes in extreme conditions. They're around large, powerful bodies of water. They work with natural gas and coal. They move large volumes of material. They safely operate nuclear reactors. They operate powerful tools.

They also drive large, powerful motor vehicles and mechanized equipment. OPG operates over 2,100 motor vehicles and heavy equipment vehicles. Collectively, they covered a distance of over 25 million kilometres in 2009. They also accounted for 21 per cent of our serious "near miss" incidents in the same year.

All of these risks make our goal of achieving zero injuries that much more difficult. In environments like these, managing safety risk HAS to be a fundamental value. You live it and breathe it on a daily basis.

In addition to these major areas, our workers also experience a range of lesser risks. These include musculoskeletal disorders; impacts; slips and trips; and incidents involving sharp objects. These too can have a negative impact on our safety performance.

Maintenance of our robust safety management systems is critical to managing all our risks in a systematic manner.

It is a powerful tool for taking our safety performance to the next level of excellence.

TEAMWORK/PARTNERSHIP

A third factor behind our safety progress is the strong partnership we've established with our unions and other organizations. Our major unions are the Power Workers' Union and the Society of Energy professionals. The importance of safety is a common value. I appreciate that our unions continue to constantly engage us in improving safety.

From program development, to identifying risks, to incident reporting, to participation in incident investigation....our unions have been active partners with us in our quest for safety excellence. They're also key players in the Joint Health and Safety Committees that support our Internal Responsibility System and help ensure it continues to operate effectively.

I also want to acknowledge the contribution made by the many contractors whose services we use.

We hold our contractors to the same high standards we demand for ourselves and track their safety performance.

Over the last five years, our construction contractors' safety performance has shown significant improvement compared against the construction industry average in Ontario. We are proud to be partners with so many contractors, many in the audience today, who think very highly of safety.

I want especially to acknowledge Larry MacDonald of Black and McDonald who is here today. Like many of you, Larry and his company have a strong relationship with OPG. His company sets a very high safety standard that all of us respect and admire. Larry is also Co-Chair of the IHSA transition board. His participation in IHSA reflects his own strong personal commitment to workplace safety. Thanks Larry.

WE ARE NOT PERFECT

I don't want to leave the impression, however, that our safety journey has been easy. It hasn't. We have had failures, disappointments and challenges along the way.

The worst took place soon after I joined OPG in 2002. It was October 15 – a Tuesday. I'll never forget. On that day Thomas Roach, an OPG employee, at our Nanticoke plant, died after being trapped in a coal conveyor.

That one event shook OPG to its very core. Up until then, we had enjoyed a strong and improving workplace safety record. We felt good about ourselves. Then it all came crashing down. An employee had been killed on the job.

Not just an employee – a person. A human being. Because Thomas Roach was also a father and a husband. He had a family. He had friends. He had a life. Now that life was gone. And it happened on our watch.

We realized that being just “good” wasn't good enough. We had to be great. We had to aim for perfection....

That was when we redoubled our commitment to achieving Zero injuries. We haven't looked back since, because we still remember the shock and pain of that day. And I hope we always will remember. So that we never become complacent...and always stay vigilant.

Going forward, I'm sure we will continue to face other safety challenges.

We have an aging workforce, which increases our risk of certain injuries like musculoskeletal disorders.

At the other end of the spectrum, we have many new and younger workers who need to be trained and mentored in what is expected in our safety culture.

In addition, we will no longer burn coal in our Thermal units after 2014. We hope to repower many of these units with cleaner fuels like biomass. This is a fundamental and massive transition for OPG. At times like this, people can become distracted and take their eye off safety. Our safety focus must – and will -- stay especially sharp during this critical transitional period.

We're also undertaking a number of major capital projects – including new plant construction and planning for refurbishment. Additional safety training, safety programming and safety designs will be required to execute these initiatives.

We are extremely excited about these opportunities. But we won't realize our success unless we accomplish these projects safely.

These and other challenges will continue to test our safety performance.

CONCLUSION

But I'm also convinced our challenges will motivate us to do even better.

I see a bright future for OPG. It's a future grounded firmly on our total commitment to safety excellence.

We've come a long way on our safety journey. We have a long way to go.

This award is a wonderful recognition of our progress.

I want to say without a doubt we would not be where we are today without the support of many people in this room.

I would like to thank some of them now.

First, I want to thank Michael Delisle. As CEO of a new organization, you have a big challenge ahead of you, Michael. OPG has been a strong supporter of one of your predecessors -- the Electricity and Utilities Safety Association (E&USA). We will continue to be a strong supporter of the IHSA as well -- and of the work you do on our behalf in promoting workplace safety. Thank you especially for carrying on the ZeroQuest program and for your commitment to Zero injuries. Thank you as well for continuing to raise the safety bar for all of us in the electricity, transportation and construction sectors.

I also want to acknowledge leaders from OPG's two unions. Brad Carnduff, Vice President, of the Power Workers' Union is here. So is Rod Sheppard, President of The Society of Energy Professionals. We owe a huge portion of our safety success to the cooperation and participation of these two unions. Thank you, gentlemen.

I want to thank three people from OPG's human resources group. They are:

- Barb Keenan our Senior Vice President of Human Resources;
- Scott Martin, our Vice President of Labour Relations, Safety, Wellness and Corporate Security; and
- Mary Lou Sinclair, our Director of Corporate Safety.

Finally, I want to acknowledge our business leaders. They include John Murphy, head of our Hydro business; Wayne Robbins, our Chief Nuclear Officer; and Frank Chiarotto, head of our Thermal business.

My special thanks, of course, go to our more than 12,000 OPG employees. Our success is due to them. Their buy-in and their commitment to our safety culture....are THE reason why OPG is here today to receive this award. They make it happen, and I want to make sure they know that we recognize that.

In closing, let me repeat that I believe OPG can achieve Zero injuries.

I'm equally confident other companies can do the same.

I look forward to combining our expertise with yours to the advantage of all Ontarians. So that one day not just OPG, but every workplace in the Province, can say with pride that they are injury free.

Thank you.