

ANGLOGOLD ASHANTI LTD

Form 6-K

March 30, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 or 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

Report on Form 6-K dated

March 30, 2005

AngloGold Ashanti Limited

—
(Name of Registrant)

11 Diagonal Street

Johannesburg, 2001

(P O Box 62117)

Marshalltown, 2107

South Africa

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F:

Form 40-F:

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes:

No:

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes:

No:

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes:

No:

Enclosures:

ANGLOGOLD ASHANTI : 2004 REPORT TO SOCIETY

04

Report
to Society

1 Scope of the report

IFC

The group's 2004 Report to Society presents a review of the company's economic, social and environmental impact and obligations for the period 1 January 2004 to 31 December 2004. It has been prepared in conjunction with the Annual Report on the company's operating and financial performance for the same period. Through the combination of the Report to Society and Annual Report, AngloGold Ashanti seeks to report on these issues to a wide range of stakeholders, who include shareholders, employees, employee representatives and the communities in which it operates, as well as regional and national governments and other interested parties.

AngloGold Ashanti believes that the report presents a fair and balanced reflection of the group's operations and performance, its objectives, values and business principles and the major issues and challenges that it faces (outside of the operating and financial sphere). Efforts have been made to report on a wide range of issues from around the world. Because of the scale of the group's operations, reporting has been done on the basis that the group's principles and policies are illustrated rather than detailed in every case. This is done as far as possible, through practical examples or case studies.

Because the majority of the group's operations and employees are based in South Africa, there is more reporting on this region. Attempts have been made, however, to cover issues pertinent to individual operations through specific country reports.

To address the needs of the stakeholders who will read this report, the report has been compiled in such a way as to make it more accessible.

The primary reporting format is through a dedicated webpage on the company's own website at www.anglogoldashanti.com.

Copies of the entire report or portions of this report may be accessed, downloaded or printed from this website. This report is also available on CD-ROM or in a printed version from the persons listed on the back pages of the Report to Society and the annual report, or the website.

The report may be accessed from three vantage points:

- First: The report is structured in line with the various disciplines – safety and health, environment, labour, HIV/AIDS and malaria, and community and these are covered in terms of the company's own values and business principles;
- Second: Readers may access specific information in the main report or in country reports which present country specific information on the operations and case studies; and
- Third: The Global Reporting Initiative (GRI) format has also been followed in compiling this report and a GRI matrix (to be found in each section of the printed report or in the GRI section on the website) indicates the page numbers on which relevant discussions may be found.

While no generally accepted reporting guidelines exist for this type of report, the group believes that it has sought to follow good practice,

GRI guidelines and various other instruments (such as the Sarbanes-Oxley Act of 2002, and the guidelines of the King Report on Corporate Governance (2002), among others). AngloGold Ashanti has also asked auditors PricewaterhouseCoopers (PWC) to assist in developing a framework for reporting, and in providing assurance on certain sections of the report. The sections that have been assured have been selected in conjunction with PWC and are based on those areas that are most meaningful to the company and its stakeholders. The assurance letter from PWC may be found on page 6 of this report.

The most significant event of the past year was the business combination between AngloGold Limited and Ashanti Goldfields Company Limited, effective 26 April 2004. For reporting purposes, the effective reporting period for these operations begins on 1 May 2004. The former Ashanti operations are therefore reported in this report for an eight-month period only, that is, May to December 2004.

Throughout this document, dollar or \$ refers to US dollars, unless otherwise stated.

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Corporate profile

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AngloGold Ashanti, headquartered in Johannesburg, South Africa, has a global presence with a portfolio of differing orebody types in key gold producing regions.

The group's 22 operations are located in 10 countries (Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, South Africa, Tanzania and the United States of America), and are supported by extensive exploration activities. The combined Proved and Probable Ore Reserves of the group amounted to 79 million ounces, as at 31 December 2004.

AngloGold Ashanti was formed through the business combination between AngloGold Limited and Ashanti Goldfields Limited – effective 26 April 2004 – forming Africa's foremost gold producer, and one of the world's leading resources companies.

AngloGold Ashanti is listed on the following securities exchanges: Johannesburg (ANG), New York (AU), Australia (AGG) and Ghana (AGA and AADS), as well as the London Stock Exchange (AGG), Euronext Paris (VA) and Euronext Brussels (ANG).

The group employs 65,400 people, including both permanent employees and contractors.

U.S.A.

Great Nolig

gwa

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Mponeng

Mponeng

TauTona

TauTona

Savuka

Savuka

Kopanang

Kopanang

Tau Lekoa

Tau Lekoa

Moab Khotsong

Moab Khotsong

Ergo

Ergo

(in development)

(in development)

Geita

Sunrise Dam

Boddington

(care and
maintenance)

**Operations with
brownfields exploration**

Greenfields

exploration areas

Exploration alliance areas

Brazil
Peru
Colombia
Australia
Mongolia
A
rg
en
tin
a
Namibia
Tanzania
Republic of
South Africa
DRC
Philippines
Laos
China
Russia
Canada
Alaska
Mali
Ghana
Guinea
Morila
Yatela
Sadiola
Siguiri
Bibiani
Obuasi
AngloGold
Ashanti
Mineração
Iduapriem &
Cerro Vanguardia
Serra
Grande
Navachab
Cripple Creek
& Victor
Big Springs
Beijing
and offices

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ANGLOGOLD ASHANTI REPORT TO SOCIETY

Mission and values

AngloGold Ashanti's mission, values and business principles were developed in consultation with employees and are reviewed as part of an ongoing process to ensure that they more accurately reflect our purpose and the way in which the company does business. This process continued in 2004 and was the subject of an internal communications campaign during the year.

AngloGold Ashanti's mission:

Our business is gold. We consistently strive to create value for everyone with a stake in our company, by finding and mining gold and by developing the market for our product.

Our values

AngloGold Ashanti consistently strives to generate competitive shareholder returns. We do this by replacing profitable gold reserves and by continuously improving the performance of our key resources – our people, our assets and our product. We conduct ourselves with honesty and integrity.

We provide our employees with opportunities to develop their skills while sharing risks and rewards in workplaces that promote innovation, teamwork and freedom with accountability. We embrace cultural diversity.

Every manager and employee takes responsibility for health and safety; and together strive to create workplaces that are free of occupational injury and illness.

We strive to form partnerships with host communities, sharing their environments, traditions and values. We want communities to be better off for AngloGold Ashanti having been there. We are committed to working in an environmentally friendly way.

Our business principles

We live our values through our business principles. These principles are applicable across AngloGold Ashanti and in all the countries in which we do business.

They inform the way in which we go about achieving our mission, balancing key economic, social, environmental and ethical values. These business principles which will evolve over time as we interact with our stakeholders, both internal and external, are:

ethics and governance – *page EG2*

as an employer – safety and health – *page SH2*

as an employer – our labour practices – *page L2 and HM2*

the community – *page C2*

the environment – *page E2*

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The process of producing gold

Finding the orebody

AngloGold Ashanti's global exploration programme generates targets and undertakes exploration, on its own or in conjunction with joint venture partners.

Creating access to the orebody

There are two types of mining which take place to access the orebody:

.
underground – a vertical or decline shaft (designed to transport people and/or materials) is first sunk deep into the ground, after which horizontal development takes place at various levels of the main shaft or decline. This allows for further on-reef development of specific mining areas where the orebody has been identified; and

.
open-pit – where the top layers of topsoil or rock are removed in a process called 'stripping' to uncover the reef.

Removing the ore by mining or breaking the orebody

.
In underground mining, holes are drilled into the orebody, filled with explosives and then blasted. The blasted 'stopes' or 'faces' are then cleaned and the released ore is now ready to be transported out of the mine.

.
In open-pit mining, drilling and blasting may also be necessary to release the gold-bearing rock; excavators then load the material onto the ore transport system.

Transporting the broken material from the mining face to the plants for treatment

.
Underground ore is transported by means of vertical and/or horizontal transport systems. Once on surface, conveyor belts usually transport the ore to the treatment plants.

.
Open-pit mines transport ore to the treatment plants in vehicles capable of hauling huge, heavy loads.

There are six main activities in which the company engages in the process of producing gold:

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Processing:

Comminution, which is the breaking up of ore to make gold available for treatment. Conventionally, this process occurs in multi-stage crushing and milling circuits. Modern technology is based on large mills fed directly with run-of-mine material.

Gold ores can typically be classified into:

- refractory ores, where the gold is locked within a sulphide mineral and not readily available for recovery by the cyanidation process; or
- free milling, where the gold is readily available for recovery by the cyanidation process.

Refractory ore treatment – after fine grinding the sulphide materials are floated away from the barren gangue material to produce a high grade sulphide concentrate. The sulphide concentrate is oxidised by either roasting as at AngloGold Ashanti Mineração or bacterial oxidation (BIOX) as at Obuasi. The oxidation process oxidises the sulphide minerals liberating the gold particles making them amenable to recovery by the cyanidation process.

Free milling and oxidised refractory ores are processed for gold recovery by agitator leaching the ore in an alkaline cyanide leach solution followed generally by adsorption of the gold cyanide complex onto activated carbon-in-pulp (CIP).

The alternative process is the heap leach process. Generally considered applicable to only high tonnage, low grade ore deposits, AngloGold Ashanti has successfully applied this to medium grade deposits where the ore deposit tonnage cannot economically justify constructing a process plant. Here, the run-of-mine ore is crushed and placed on the leach. Low strength alkaline cyanide solution is applied, generally as a drip, to the top of the heap for periods of up to three months. The dissolved gold bearing solution is collected from the base of the heap and transferred to the carbon-in-solution (CIS) columns where the gold cyanide complex is adsorbed onto activated carbon. The stripped solution is recycled back to the top of the heaps.

Gold adsorbed onto activated carbon is recovered by a process of re-dissolving the gold from the activated carbon (elution), followed by precipitation in electro-winning cells and subsequent smelting of that precipitate into bars that are shipped to the gold refineries.

The retreatment of tailing stockpile from previous decades' operations is also practised by AngloGold Ashanti. The old tailings are mined by water sluicing followed by agitator leaching in alkaline cyanide solution and recovery of dissolved gold onto activated carbon.

At AngloGold Ashanti operations the major by-products produced are:

- silver, which is associated with gold in ratios ranging from 0.1 to 1 to 200:1 silver to gold
- sulphuric acid which is produced by scrubbing the off gases from the roasting plants; and
- uranium which is recovered in a process which involves initial acid leaching followed by recovery of the leached uranium onto resin and subsequent stripping with ammonium hydroxide and precipitation of crude yellow cake.

The tailings from the process operations are stored in designated Tailings Storage Facilities designed to enhance water recovery and prevent contaminant seepage into the environment.

Refining

The gold dust is then smelted into gold bars, which are transported to a refinery for further refining, to as close to pure gold as possible – good delivery status. This gives the assurance that the bar contains the quantity and purity of gold as stamped on the bar.

ANGLOGOLD ASHANTI REPORT TO SOCIETY

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To: The management of AngloGold Ashanti Limited

Introduction

We have been asked to provide assurance over certain selected performance statements, data and graphs (the "Selected Data") reported in AngloGold Ashanti Limited's Report to Society 2004 (the "Report to Society"). Selected Data are marked with the symbol . We did not attempt to provide assurance over all performance statements, data and graphs contained in the Report to Society.

The preparation and content of the Report to Society and the determination of Selected Data for our review are the responsibility of the management of AngloGold Ashanti Limited. Our responsibility is to express an opinion on the Selected Data, based on assurance work performed.

Opinion

In our opinion, Selected Data marked in the Report to Society with a symbol adequately reflect AngloGold Ashanti's performance in all material respects.

Basis of opinion

Our approach reflects emerging best practice, using a framework based on principles of financial auditing and reporting and International Standards for Assurance Engagements (ISAE 3000) prepared by the International Auditing and Assurance Standards Board (IAASB), under the auspices of the International Federation of Accountants (IFAC). We therefore planned and performed our work in order to obtain reasonable, rather than absolute assurance with respect to the reliability of the performance information. We believe that our work provides a reasonable basis for our opinion.

Assurance work performed

Our opinion is based on a test of the reliability of the Selected Data by way of:

.
conducting interviews and holding discussions with management, key personnel and/or stakeholders of AngloGold Ashanti Limited and assessing data trends;

.
obtaining an understanding of the systems used to generate, aggregate and report the Selected Data;

.
conducting site visits to test systems and data and inspecting premises where necessary;

.
assessing the completeness and accuracy of the Selected Data; and

.
reviewing and analysing collected information and effecting re-calculations where considered appropriate.

Considerations and limitations

Non-financial data are subject to many more inherent limitations than financial data, given both their nature and the methods used for determining, calculating or estimating such data. Our assurance did not constitute an audit in terms of generally accepted auditing

standards. We have not provided assurance over all contents of the Report to Society, nor have we undertaken work to confirm that all relevant issues are included in it. We have not carried out any work on data reported in respect of future projections and targets.

PricewaterhouseCoopers Inc.

Johannesburg, 8 March 2005

Report of the independent assurers

Dear stakeholders

Earlier this year the weekly journal, The Economist, published a supplement on corporate social responsibility. It was most unlike the average such supplement, scores of which are published in newspapers and journals around the world each year. These usually offer large companies the opportunity to tell readers about their 'good works' programmes, and invariably invite companies, in addition, to reinforce the 'positive message' about their commitment to socially responsible activity through the medium of a paid-for advertisement. Instead, The Economist put forward to readers a heartfelt attempt to reverse what it sees as the 'victory' of the CSR (corporate social responsibility) lobby. The publication believes that this lobby has forced business leadership to adopt an almost embarrassed attitude to the pursuit of profit, when in fact this pursuit – as Adam Smith said all those years ago – willy-nilly serves the public good. Rather, it worries, business executives are wont to say, at least in their public pronouncements, that their preferred priority is the pursuit of what the publication sees as a woolly, apparently heartwarming but ultimately destructive (of economic progress) notion of CSR.

To be sure, The Economist was not advocating the crudest form of the philosophy that 'the business of business is business'. It acknowledged that the pursuit of self-interest by enlightened means could well be the sensible thing to do. However, the bottom line was that any activity which does not grow the bottom line is illegitimate. At many levels, this view is correct. The primary purpose of any business must be to provide competitive returns to those who fund it – the shareholders. And we at AngloGold Ashanti seek to achieve this without any apology at all. That much is stated up front in the first paragraph of our business principles.

However, our business principles go further. They encompass commitments to fair economic reward and opportunity for employees, to their right to a healthy and safe working environment, to the communities living near our operations, and to the physical environment in and surrounding our operations.

We accept, and embrace, these commitments because we believe that, in order to operate, we need to do more than merely meet the minimum regulatory standards set by the government administrations in the countries and regions in which we operate. We also believe we need a moral licence to mine; a licence that has to be acquired, too, from our employees, from the communities in which we operate, and from other stakeholders. In its simplest terms, we take the view that communities, and others, "must be better off for our having been there".

South Africa is one country where these parallel licensing standards have been, to some extent, recognised by law through the mechanism of the mining charter.

That moral licence to mine is not something we seek in order to make us feel good. We do it for good business reasons. Without it, our ability to carry out our work, and improve the return to our shareholders would be compromised. Gauging its value to the bottom line is not easily measured. Indeed, by any normal accounting standards, it is impossible. But it is real, nonetheless.

It is not just AngloGold Ashanti's licence to operate which hinges on the benefits of companies' efforts being spread widely. Ultimately, the entire international market economy's legitimacy depends on it. It is because market economies have the capacity to achieve this that they survive.

This Report to Society is AngloGold Ashanti's latest attempt to assess how we meet these aspirations. As in the case of the Report to Society 2003, it is intended primarily as a user-friendly web-based document. It follows a similar structure to last year's, with key sections again assured by PriceWaterhouseCoopers. Where not, it is essentially because our systems have not yet been adequately developed, though we hope there will be no exceptions by this time next year.

One innovation is that we are also publishing operation, region or country-specific reports, to ensure a more focused examination is available to stakeholders local to specific operations.

We hope you find this document to be a useful and objectively presented assessment of AngloGold Ashanti's operations. We welcome your feedback.

Bobby Godsell

Chief executive officer

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ANGLOGOLD ASHANTI REPORT TO SOCIETY

Letter from the chief executive officer

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Stakeholder engagement

AngloGold Ashanti is committed to developing mutually beneficial partnerships with stakeholders throughout the lifecycle of its operations. The company has identified its principal stakeholders as:

- employees
- employee representative organisations and groups
- employees' families and communities
- communities surrounding its operations
- shareholders
- business partners, peer and professional organisations
- suppliers
- local, regional and national governments
- end users of its products

non-governmental organisations (NGOs) and community-based organisations (CBOs) who have an interest in the company

AngloGold Limited's first Report to Society 2003 was distributed to a wide range of stakeholders when it was published in 2004 in both its printed format and in electronic form on CD. The report was developed primarily as an interactive online report and its existence was publicised through the annual report, the quarterly report and a wide variety of other means. Very little feedback was received via the formal processes in place (a feedback form on the website and in the printed version) and very little of the informal feedback was documented. With hindsight, this has been acknowledged as a flaw in the Report to Society 2003 feedback process.

Prior to the compilation of the Report to Society 2004, a workshop to discuss stakeholder engagement processes and the identification of key issues was led by the independent auditors PWC. This workshop was attended by a wide range of representatives from the disciplines covered in the report. In addition, the compilation of the report, the perceived shortcomings of the previous year's report and the proposal for the 2004 report was discussed with the head of each region and designated responsible individuals. Internal champions for each of the identified disciplines – occupational safety, occupational health, labour practices, community, HIV/AIDS, malaria, ethics and governance, were appointed to lead the identification of key indicators and to oversee the compilation of the report. Due consideration was given to the various stakeholder audiences by both the discipline champions and the heads of the various regions.

Questionnaires were developed based on the company's business principles, and a specific part of each questionnaire was the identification of stakeholders and the engagement with them in respect of the 2003 report. While some regions had actively engaged with stakeholders specifically on reporting, others had not and have indicated that this will be a priority for the Report to Society 2004. A list of the stakeholders identified by the regions is available on the website at www.anglogoldashanti.com. Stakeholders themselves have the ability to register on this list by filling in the feedback form available on the website or on page 10 of this report. It is the company's intention to engage more formally with stakeholders following the publication of the Report to Society 2004. One shortcoming that has become apparent, however, is that local communities are not necessarily interested in a report on the group as a whole but would rather access information on the specific operation or country as a whole. It is for this reason that AngloGold Ashanti has developed country/regional reports which provide information relating to a specific operation or group of operations. The following reports are available:

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Australia

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Brazil

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Ghana – one for each of Obuasi, Iduapriem, Bibiani

.
Guinea

.
Mali – Morila and Sadiola/Yatela

.
Namibia

.
South Africa – Ergo, West Wits and Vaal River

.
Tanzania

.
USA

These reports draw on the information in the Report to Society 2004 but also report on additional issues and in local currencies. Where this is appropriate, these are translated into local languages.

Employees

**NGOs and CBOs with
an interest in the
company**

Suppliers

**End users of our
product**

Our stakeholders

Shareholders

**Employee
representatives**

**Government:
local, regional and national
Business partners
Employees' families and
communities, and
communities surrounding
operations**

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ANGLOGOLD ASHANTI REPORT TO SOCIETY

Dear stakeholder

We would be very grateful for any feedback that you might have on AngloGold Ashanti's Report to Society 2004. This feedback form is

available online at www.anglogoldashanti.com or you may email it to afine@anglogoldashanti.com or fax it to **+27 11 637 6399**.

Your details (optional)

Name:

Organisation:

Tel:

Fax:

E-mail address:

Postal address:

1. What is your interest in/association with AngloGold Ashanti?

Employee

Analyst

Shareholder/investor

Journalist

Government

Non-governmental or community-based organisation

Supplier or business partner

Student

Other – please specify:

2. Would you like to be added to our database as an organisational stakeholder?

Yes

No

3. Indicate your main areas of interest:

Safety and health

Environment

Ethics and governance

Community

HIV/AIDS and malaria

Economic performance

Financial performance/annual report

Other, please specify:

4. How did you access the report?

on the internet

Yes

No

in the printed version

Yes

No

on CD

Yes

No

5. How did you find the report?

Too detailed

Not enough detail

Other comment:

6. Did you use the Global Reporting Initiative (GRI) index?

Yes

No

7. Do you think that it is important that the report is independently assured?

Yes

No

8. Do you have any other comments on the report?

Thank you for your feedback.

Feedback form

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AngloGold Ashanti registered as an organisational stakeholder of the Global Reporting Initiative (GRI) in 2004, and is committed to reporting in accordance with GRI's principles. GRI identifies 11 reporting principles that are deemed essential to produce a balanced and reasonable account of an organisation's economic, environmental and social performance, and resulting contribution of the organisation to sustainable development; to facilitate comparison over time and across organisations; and to credibly address issues of concern to stakeholders.

These are:

.

transparency: full disclosure of the processes, procedures, and assumptions in report preparation are essential to its credibility

.

inclusiveness: the reporting organisation should systematically engage its stakeholders to help focus and continually enhance the quality of its reports

.

auditability: reported data and information should be recorded, compiled, analysed and disclosed in a way that would enable internal auditors or external assurance providers to attest to its reliability

.

completeness: all information that is material to users for assessing the reporting organisation's economic, environmental and social performance should appear in the report in a manner consist with the declared boundaries, scope and time period

.

relevance: relevance is the degree of importance assigned to a particular aspect, indicator, or piece of information, and represents the threshold at which information becomes significant enough to be reported on

.

sustainability context: the reporting organisation should seek to place its performance in the larger context of ecological, social, or other limits or constraints, where such context adds significant meaning to the reported information

.

accuracy: the accuracy principle refers to achieving the degree of exactness and low margin of error in reported information necessary for users to make decisions with a high degree of confidence

.

neutrality: reports should avoid bias in selection and presentation of information and should strive to provide a balanced account of the reporting organisation's performance.

.

comparability: the reporting organisation should maintain consistency in the boundary and scope of its reports, disclose any changes and re-state previously reported information

.

clarity: the reporting organisation should remain cognisant of its stakeholder groups and should make information available in a manner that is responsive to the maximum of users while still maintaining a suitable level of detail

.

timeliness: reports should provide information that meets users' needs and comports with the nature of the information itself

AngloGold Ashanti is an organisational stakeholder of GRI and, as such, has endeavoured to adopt and incorporate the GRI principles in this Report to Society 2004.

AngloGold Ashanti has endeavoured to present a fair and balanced reflection of the group's operations in 2004. The most notable feature of the past year was the business combination with

Ashanti Goldfields Limited and, as far as it has been possible, these operations have been included in reporting. However, there remains a bias in reporting towards the group's South African operations as this is where the majority of the group's employees are based and where the greatest material impact has been historically.

See Scope of the Report on the inside front cover, the Letter from the chief executive officer on page 7 and the Report of the Independent Assurers on page 6 for further information.

Global Reporting Initiatives (GRI) reporting principles

gold • market • competitive returns • responsibility • partnerships

Economic

Performance

AngloGold Ashanti's USA office, located in Denver, Colorado

EP1

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

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ECONOMIC PERFORMANCE

1 Mission and values

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They inform the way in which we go about achieving our mission, balancing key economic, social, environmental and ethical values. These business principles which will evolve over time as we interact with our stakeholders, both internal and external, are:

.

ethics and governance

.

as an employer – safety and health

.

as an employer – our labour practices

.

in the community

.

the environment

Sustainable development and economic contribution

The economic aspect of sustainability concerns the organisation's effect on the economic circumstances of its stakeholders and on the economic systems at local, national and global levels.

The economic contribution made by AngloGold Ashanti, which is far larger than just the financial profits generated by the company, includes the value of the money flows from its operations to employees and suppliers, and the taxes and royalties paid to governments. For a detailed Value Added Statement, see the Annual Report 2004.

.
Business combination between the operations of AngloGold Limited with those of Ashanti Goldfields Company Limited, effective 26 April 2004.

.
Total gold production up 8% to 6.05 million ounces (2003: 5.62 million ounces).

.
Total gold income of \$2,396 million for 2004 (2003: \$2,029 million).

.
Total cost of goods and services used to operate mines and produce refined metal, including market development costs and net of other income, was \$900 million in 2004 (2003: \$760 million).

.
Payments to employees, including salaries, wages and other benefits, totalled \$860 million in 2004 (2003: \$660 million).

.
Net \$40 million taxation utilised in the group. \$142 million distributed in 2003.

.
Dividends of \$147 million distributed to shareholders.

.
Financing costs and unwinding of decommissioning obligations of \$87 million in 2004. In 2003 this was \$53 million.

.
Capital expenditure of \$585 million in 2004 (2003: \$449 million)

(1)

.
As at 31 December 2004, Ore Reserves were up 25% to 79 million ounces and Mineral Resources were 3% higher at 218 million ounces.

(1)

2003 restated to reflect the change in accounting treatment of Ore Reserve development expenditure EP3

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

2 Key indicators and milestones

ECONOMIC PERFORMANCE

Key financial ratios

%

Return on net capital

7%

Return on equity

7%

Net debt to net capital employed 21%

Net debt to equity

27%

Cash operating margin

32%

EBITDA margin

28%

Interest cover

9 times

0

50

100

150
200
250
300
350
400

3 Review 2004

EP4

A full review of the 2004 financial year can be found in AngloGold Ashanti Annual Report 2004. The report is available in a printed format from the contacts listed on the back page or on the website at www.anglogoldashanti.com.

Adding value, creating wealth, generating income

The charts alongside illustrate the distribution of wealth generated by the company during 2004 as compared to 2003. A detailed value-added statement is presented in the Annual Report 2004.

Gold production

In 2004, AngloGold Ashanti produced 6.052 million ounces of gold from 22 operations in 11 countries. This was 8% up on 2003, largely as a result of the business combination between AngloGold and Ashanti. (Note that the Freda-Rebecca mine in Zimbabwe was sold during the year.)

Income/revenue generated by destination

Total gold income of \$2,396 million was generated in 2004 (2003: \$2,029 million). The chart (bottom right) illustrates the breakdown by market in which this income was generated.

* The Freda-Rebecca mine in Zimbabwe was sold during 2004.

ECONOMIC PERFORMANCE

Gold production by country (000 oz)

2004

2003

Argentina

211

209

Australia

410

432

Brazil

334

323

Ghana

485

–

Guinea

83

–

Mali

475

577

Namibia

67

73

South Africa

3,079

3,281

Tanzania

570

331

USA

329

390

Zimbabwe*

9

—

Total gold production

6,052

5,616

Distributions to employees

Distributions to employees (including executive directors) for 2004 amounted to \$863 million (2003: \$660 million) – 50% of the total value created by the group as compared with 44% of the value created being distributed to employees in 2003. The significant increase from 2003 to 2004 relates to the business combination between AngloGold and Ashanti.

Employee benefits (\$ million)

2004

2003

Salaries, wages and other benefits

(1)

742

86%

551

84%

Health care and medical schemes

(2)

64

7%

69

10%

Contribution to pension and provident plans

48

6%

36

5%

Retrenchment costs

9

1%

4

1%

Total

863

100%

660

100%

(1)

Including executive directors

(2)

Including post-retirement medical expenses

Gold market development

AngloGold Ashanti is the only gold company to dedicate resources to market development. During 2004, \$15 million was spent on market development (2003: \$19 million). (See the Annual Report 2004 for further details, as well as case studies: Brazilian Designer Forum becomes leading event in Brazilian jewellery market on page EP18 and Riches of Africa 2004 – six years on, on EP16.)

Distributions to shareholders – dividends

The dividends declared and paid during the 2004 financial year were as follows:

.

final dividend for the second half of 2003 financial year: a dividend of 335 SA cents (50 US cents) per ordinary share was declared on 29 January 2004 and paid on 27 February 2004; and

.

interim dividend for first half of 2004 financial year: a dividend of 170 SA cents (26 US cents) per ordinary share was declared on 29 July 2004 and paid on 27 August 2004.

Stock exchange listings

Trading symbol

Ordinary shares listed on:

JSE Securities Exchange South Africa (JSE)

ANG

London Stock Exchange

AGD

Euronext Paris

VA

Ghana Stock Exchange

AGA

Also quoted as:

International Depository Receipts (IDR) in Brussels

ANG

American Depository Shares (ADS) on the New York Stock Exchange

AU

CHESS Depository Interest (CDIs) in Australia

AGG

Ghana Depository Shares (GhDS) in Ghana

AADS

Finance costs

Finance costs expensed were \$79 million in 2004 (2003: \$49 million). This is after capitalising borrowing costs of \$11 million (2003: nil).

Capital expenditure

Capital expenditure during the 2004 financial year totalled \$585 million. Of this, \$329 million (56%) was for maintenance capital expenditure and \$256 million (44%) on new projects.

EP5

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

EP6

ECONOMIC PERFORMANCE

Review 2004

Outlook for AngloGold Ashanti in 2005

With the business combination of the operations of AngloGold Ashanti complete, overall production is forecast to rise by approximately 8% to 6.5 million ounces. Most of this increased production is expected to come from Obuasi in **Ghana**, Mponeng in **South Africa**, Geita in **Tanzania**, the **Malian** operations Sadiola and Yatela, and Siguiri in **Guinea**. In line with this, it has been estimated that capital expenditure will increase by 12% to \$655 million.

Exploration activities

The exploration programme is an integral part of AngloGold Ashanti's growth strategy and is aimed at sustaining or expanding existing operations (brownfields exploration) and discovering new gold deposits (greenfields exploration). Exploration expenditure totalled \$81 million in 2004 (2003: \$63 million).

Brownfields exploration was undertaken at most of the group's existing operations, while greenfields exploration was conducted in Australia, Mali, Canada, Alaska, Peru, the Democratic Republic of Congo (DRC), Colombia, China, Russia, Vietnam, Brazil and Mongolia.

The Annual Report 2004 contains a detailed review of exploration undertaken during the year.

(See case study: Generating new ounces – doing business in new places on page EP9.)

Attributable Mineral Resources and Ore Reserves (as at 31 December 2004)

Attributable Mineral Resources and Ore Reserves

(million ounces)

Mineral Resources

Ore Reserves

Argentina 3.5

1.6

Australia

11.6

6.2

Brazil

10.9

2.8

Ghana

34.3

11.8

Guinea

4.2

1.7

Mali

5.7

2.3

Namibia

5.2

0.5

South Africa

117.0

39.1

Tanzania

18.1

9.0

USA

7.7

3.9

AngloGold Ashanti

218.2

78.9

Preparing for closure

Mining activities by their very nature have finite lives. An important part of current mining activity is the provision for environmental rehabilitation/restoration. A detailed account of environmental liabilities may be found in the environmental section of this report on page E13. The socio-economic implications of closure are equally important and are addressed in the community and labour sections of this report. The Ergo operation in South Africa will close in 2005: see the website – www.anglogoldashanti.com – for the Ergo case studies relating to closure.

Core indicators

Additional indicators

Direct economic impacts

Customers

***EC1. Net sales**

Net sales (gold income) of:

2004: \$2,396 million

2003: \$2,029 million

EC2. Geographic breakdown of markets

See graph on page EP4

Suppliers

***EC3. Cost of all goods, materials, and services purchased**

EC11. Breakdown of supplier by organisation and country

2004: \$900 million*

Information not available

2003: \$760 million*

(*Cost of goods and services used to operate mines and produce refined metal, including market development costs, net of other income)

EC4. Percentage contracts that were paid in accordance with agreed terms, excluding agreed penalty arrangements

Information not available

Employees

***EC5. Total payroll and benefits (including wages, pension, other benefits, and redundancy payments) broken down by country or region**

See table on page EP5

Providers of capital

***EC6. Distribution of capital broken down by interest on debt and borrowings and dividends on all classes of shares, with any arrears of preferred dividends to be disclosed**

Distribution of capital in 2004 as follows:

Finance costs and unwinding of decommissioning obligation:

\$87 million (2003: \$53 million)

Dividends declared: \$147 million (2003: \$224 million)

See Annual Report 2004 for further details

***EC7. Increase/decrease in retained earnings at the end of period**

Retained income utilised in the group is \$66 million compared with \$88 million reinvested in the group in 2003

Public sector

***EC8. Total sum of all taxes paid broken down by country**

EC12. Total spent on non-core business infrastructure

Net \$40 million taxation utilised in the group. \$142 million

Information not available

distributed in 2003.

EC9. Subsidies received broken down by country or region

Information not available

EC10. Donations to community, civil society and other groups broken down in terms of cash and in-kind donations per type of group

See the community section of this report on pages

C1 to C20

Indirect economic impacts

EC13. The organisation's indirect economic impacts.

Quantitative information not available. See the community section of this report on pages C1 to C20 for further information

EP7

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

4 Reporting in line with GRI

Note: Significant increases from 2003 to 2004 are primarily as a result of the business combination between AngloGold and Ashanti.

Economic indicators

* *Monetary flow indicators*

EP8

ECONOMIC PERFORMANCE

Core indicators

Additional indicators

Customers' Health and Safety

**PR1. Description of policy for preserving customer health and
PR4. Number and type of instances of non-compliance with
safety during use of products and services, and extent to which
regulations concerning customer health and safety, including
this policy is visibly stated and applied, as well as description
the penalties and fines assessed for these breaches
of procedures/programmes to address this issue, including
monitoring systems and results of monitoring**

Not applicable

Not applicable

**PR5. Number of complaints upheld by regulatory or similar
official bodies to oversee or regulate the health and safety
of product services**

Not applicable

**PR6. Voluntary code compliance, product labels or awards
with respect to social and/or environmental responsibility
that the reporter is qualified to use or has received**

See environment and community section of this report

Product and services

**PR2. Description of policy, procedures/management systems,
PR7. Number and type of instances of non-compliance with
and compliance mechanisms related to product information
regulations concerning product information and labelling
and labelling
including any penalties or fines assessed for these breaches**

Not applicable

Not applicable

**PR8. Description of policy, procedures/management
systems, and compliance mechanisms related to customer
satisfaction, including results of surveys measuring
customer satisfaction**

Not applicable

Social performance indicators: product responsibility

EP9

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

5.1 Generating new ounces

– doing business in new places

It is a truism that mining companies must search for and exploit their minerals in those regions and countries where the orebodies have been deposited.

Says Gordon Wylie, executive officer responsible for the global exploration programme at AngloGold Ashanti, “Back in 2001 we took a long hard look at the world and noted that our global production profile would drop substantially after 2006 as our existing operations come closer to maturity. This was not unique to AngloGold Ashanti, but common to the industry as a whole.

“On top of that, our exploration projects had become distinctly mature. We asked ourselves the question: How do we fill the gap? Where should we be exploring or looking to acquire new assets which are of a sufficiently high quality to meet AngloGold Ashanti's economic criteria? It became obvious that new ounces must come from new areas with potentially higher risk profiles, and hence, our ‘New Frontiers Strategy’ was born.’

Geologically speaking, the world of gold is divided into two distinct areas – the ancient (Archaean or Proterozoic) terrains, which host orebodies such as those found in the Wits Basin, at Morila, and Sunrise Dam mines, and the younger plate margins where orebodies such as those mined at the Cerro Vanguardia and Cripple Creek operations are found (see map on page EP10). Generally, AngloGold Ashanti has been exploiting the Archaean terrains and is seeking to expand into the younger plate margin areas through its activities in the Andes, Alaska and South East Asia.

“Given that we know in broad terms where these regions are, the next step is to identify target areas that are likely to produce major long-life orebodies with reserves of at least five million ounces. During the process of looking for these so-called ‘elephants’ we will also identify smaller orebodies which will be mined if they promise good returns. Importantly, we are also looking at the junior exploration sector for opportunities which could meet these criteria,’ says Wylie.

“The next step in our process was to start identifying the potential risks involved with various prospective regions, countries and projects. While we are cautious of risk, we are not put off by it: once we have identified risks we then ask ourselves the question of whether we can manage them.

“There are four general areas of risk that the company looks at. These are included in a detailed risk analysis undertaken regionally, using local knowledge, and an external view. This is managed by Tomasz Nadrowski, our political analyst based in New York, who, using the relevant expertise, has expanded our methodology to become more comprehensive and more systematic. The key issue with ‘risk’ is that people’s views are in the ‘eye of the beholder’. Getting views from reliable, trusted and knowledgeable sources locally is important because these may in fact be quite different to an external view. Then, using a matrix, the relative risks associated with each country or part thereof are analysed and compared. Finally, a discount factor is calculated for risk which is added to the cost of capital to obtain an overall discount factor for discounted cash flow calculations to obtain value on existing projects in risky areas that we may be interested in acquiring.’

ECONOMIC PERFORMANCE

Case studies - Group

The broad categories of risks that are analysed are:

Prospectivity risk, which includes geological potential, the maturity of the region, the availability of ground and degree of difficulty involved in both exploration and mining. “If, for instance, the region is not rated as highly prospective, then no further

analysis is done.’

Operational risk, which includes security of tenure, the accommodation of repatriation of profits, tax and royalty structure, and existing infrastructure. “If we are not guaranteed to convert an exploration licence into a mining licence or if taxes and royalties are likely to diminish our profits significantly, or if the cost of constructing new roads and services is likely to be prohibitive, we will not invest in exploration.’

Environmental risk, which includes legislation, community issues, external pressures and the cost of compliance.

“If it is probable that, despite our commitments to upholding environmental standards and towards community sustainability, external pressures will make the project unworkable, then we will not invest in exploration.’

See next page

EP10

ECONOMIC PERFORMANCE

“Even once we have decided on a particular area, we can go quite a long way down the road on an exploration project before we start spending too much capital - significant capital injection usually occurs as we move from the feasibility study to the development phase. Another aspect which is in our favour is our policy to utilise locals, both as employees and contractors, and as recognised local experts. We firmly believe that it is important to involve the community from the start to understand what we can best put in place that will ensure some form of livelihood and sustainability once we have left again. An important part of the process however, is the management of their initial expectations because, statistically, most exploration projects do not develop into operating mines.

“An example of early stage involvement is sponsoring fêtes to raise funds for village schools or buying soccer jerseys for the school kids in Colombia where we have dedicated staff whose full time job is to interact with the community.

Our general policy is to use old drillholes as water boreholes; roads built for drill access are also of great value to the community. As the project advances we would encourage sustainable small industries such as vegetable farming or clothes-making. As the project moves through feasibility into production, in addition to supplying work and skills through our workforce, local industries will grow, which we hope will still be viable after our departure.”

Younger plate margin deposits

Ancient Archaean

& Proterozoic deposits

.

Political risk, which includes security and safety, corruption and bureaucracy. “If it is likely that our employees are at personal risk - which we cannot manage

- or we cannot work without indulging bribes, we will not invest in exploration.”

With R711 million (\$111 million) of total procurement spend at its South African operations in 2004 being attributable to companies with at least 25% historically disadvantaged South African (HDSA) ownership, AngloGold Ashanti has been able to raise its own HDSA procurement targets in line with its commitment to the spirit of the Broad-Based Socio-Economic Charter for the Mining Industry (the Mining Charter) and the accompanying Scorecard. Though the Mining Charter and Scorecard do not set specific targets, a key aspect is procurement from HDSA-affiliated companies. The intention is to encourage and promote growth and employment by businesses managed and owned by HDSAs. AngloGold Ashanti's Black Economic Empowerment (BEE) procurement policy is designed to comply with the principles set out in the Mining Charter.

The government's Scorecard has been designed to determine compliance with the Mining Charter and in terms of procurement asks:

do you give HDSAs preferred supplier status?

have you identified current levels of procurement?

have you indicated your progressive commitment to procurement of capital goods, consumables and services from HDSA companies over the next three to five years and to what extent has this commitment been implemented?

AngloGold Ashanti can answer yes to all three questions: HDSA companies are regarded as preferred suppliers. Those companies complying with the HDSA criteria are included in the preferred vendor list and receive preferred status should they be commercially competitive. The group has identified current procurement levels for spend on capital goods, consumables and services and has set targets for procurement from HDSA companies until 2012 (see table below). Furthermore, existing suppliers are encouraged to establish partnerships with HDSA companies. AngloGold Ashanti also promotes the development of HDSA procurement capacity by facilitating access to the Department of Trade and Industry's assistance programmes.

In 2001, the then AngloGold introduced its black economic procurement strategy which serves as a guide for the purchase of goods and services from BEE companies. At that time, total BEE procurement was 7.5% of total procurement of R3.4 billion (\$530 billion). Since then, this has increased steadily towards the target of 63.5% for 2012. (*See case study: Growing small businesses in southern Africa on page EP12.*)

EP11

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

ECONOMIC PERFORMANCE

Case studies - South Africa

5.2 Meeting the Mining Charter's

procurement targets

Year

Total %

Consumables

Services

Site works

Capital

2001

7.5

7.5

0

0

0

2002

8.0
10.8
3.2
84.1
0
2003
11.0
13.7
6.6
25.1
4.9
2004
22.0
38.7
12.6
31.1
6.9
2008
47.7
68.7
17.4
35.8
8.5
2012
63.5
98.7
22.2
40.7
10.1

BEE procurement and targets (%): 2001 - 2012

EP12

ECONOMIC PERFORMANCE

Case studies - South Africa

Since its formation, AngloGold Ashanti has been involved in stimulating economic growth by developing small business enterprises. The Small and Medium Enterprise Development Initiative (SMEDI) identifies people, mainly from an historically disadvantaged South African (HDSA) background, who have ability and potential, and enters into a partnership with them to provide education, capacity-building and funding with the long-term aim of creating self-sustaining businesses. The raising of venture capital is managed through Masakhisane (meaning 'Come Let's Build Each Other Together' in Zulu), which was established with an initial R10 million (\$1.6 million) capital in 1998. Since then, SMEDI has been involved in setting up 172 small businesses. These have a current average annual turnover of R696 million (\$109 million) and have created jobs for more than 3,289 people. There is a close link between SMEDI and AngloGold Ashanti's Black Economic Empowerment (BEE) procurement strategy, which serves as a guide in obtaining goods and services from suppliers in compliance with the Mining Charter's Procurement Scorecard. "We have made good progress in this area," says commercial services manager, Johan Coetzer. (*See case study: Meeting the Mining Charter's Procurement targets on page E11.*) "In 2003, BEE procurement amounted to R367 million (\$57 million), or 11% of the total; in 2004, this amounted to R711 million (\$111 million), or 21% of the total. We are confident that we will be able to meet our scorecard target, which is 63.5% by 2012.

"In many instances institutions will not grant finance unless the applicant can provide a certain percentage, usually around 30%. We first insist applicants establish their good faith by raising a small proportion of the required sum themselves. We lend the balance required at favourable rates, and then jointly approach the institutions to finance the full amount," says Coetzer.

While the growth of small business is an important factor in BEE procurement, the greatest impact is achieved through substantial suppliers who play a major part in the local economy. "We talked to our strategic suppliers, and sensitised them to the importance we attach to fulfilling the BEE requirements of the Mining Charter," comments Coetzer.

Most of the projects supported by Masakhisane are located in the areas surrounding AngloGold Ashanti's operations. The new Stone and Allied JV project is one of the exceptions, as it is situated in one of the company's major labour sending areas (see box). This also applies to the Ngezandla Zethu project ('with our hands' in Zulu), which is based in the KwaZulu Natal village of Kwa-Ngwanase. Using hard wood from fallen trees in the surrounding indigenous forests, the project team produces items ranging from tables to lamps to bedsteads. The Department of Nature Conservation supports the project, and the Council for Scientific and Industrial Research (CSIR) assisted with strategic planning, technical training and marketing.

Demand for Ngezandla Zethu's products increased substantially through these inputs but the project lacked the infrastructure to meet this. Masakhisane provided woodturning machinery and a delivery vehicle. "Their turnover for 2003 was about R60,000 for the year," says Coetzer, "while for 2004 it has averaged R68,000 per month."

Clean Shop, the brainchild of Trevor Mulaudzi, is an example of a successful project based in the mining operations. What began as a small operation employing two people who cleaned the hostel ablution blocks, has expanded to providing cleaning services to companies across Gauteng and the Limpopo Province. "We assisted by lending funds to Trevor Mulaudzi before he completed a job, thus eliminating cash flow problems," says Coetzer. "We also provided him with the training to cost his tenders more accurately. The project now employs some 320 people."

Looking ahead, the Masakhisane Board (which comprises representatives from AngloGold Ashanti and the Mineworkers' Development Agency (MDA), established by the National Union of Mineworkers to retrain retrenched mineworkers) has agreed that, where procurement suppliers embark on a transformation process to increase black employee ownership, Masakhisane will assist through education of employees in understanding the principles of share ownership.

5.3 Growing small businesses in southern Africa

Masakhisane and Stone and Allied

Many smaller AngloGold Ashanti SMEDI projects have reported significant successes. One of these is Stone and Allied Industries (a former AngloGold subsidiary now in partnership with a group of black entrepreneurs), in which Masakhisane has a 10% stake. Stone and Allied has recently entered into a joint venture (JV) with two women in the Eastern Cape, who have obtained a licence to quarry rock. This will be crushed to aggregate and used to resurface the national road in the area. “This is a first for the Eastern Cape, where there are currently no rock quarries,” says Coetzer. It is envisaged the project will provide employment for about 100 people. Masakhisane, through its link into Stone and Allied, has provided technical expertise and equipment.

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ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

ECONOMIC PERFORMANCE

Case studies - South Africa - Ergo

5.4 Ergo moves towards closure after 25 years

Since Ergo formally came into production on 25 February 1978, the operation had recorded a profit before tax of R2.4 billion (\$374 million) and a company tax contribution of R353 million (\$55 million) to the national fiscus - both in money-of-the-day terms. However, in the lead-up to closure the operation began moving into a loss-making status due to the declining gold production (arising from lower tonnage and reduced head grade), combined with increasing costs associated with the environmental rehabilitation process which is required in order to achieve final closure. For the two year period 2003/4 a total loss of R63 million (\$9.8 million) has been recorded and an additional operating loss of R142 million (\$22.2 million) is expected between 2005 and 2015. This number excludes additional expenditure from the closure rehabilitation trust fund of around R145 million (\$22.6 million). Nonetheless, the company has made a significant contribution to shareholders, employees and the local and national government over its 25 year income-generating life. In addition, it has played a role in 'cleaning up' tailings dams of the Witwatersrand, whilst developing two new state-of-the-art tailings disposal facilities, thereby improving the environmental conditions and facilitating urban development in the Ekurhuleni Metropolitan area. As at December 2004, total slimes treated was 870 million tonnes, yielding 254,811 kilograms of gold.

Ergo contributed to sustaining a number of private and public companies, as well as local municipalities, through the purchase of commodities and utilities which were required during the re-treatment of material from more than 50 reclamation sites. Communication has been ongoing with these stakeholders, who have been aware of Ergo's anticipated life span since the plant was commissioned in 1977 and, indeed, who have benefited from a number of life extensions (see box).

Suppliers preparing for closure

Sasol Polymers, a division of Sasol Limited, is one of four private companies that will be most affected by Ergo's closure. This company supplied approximately 1,000 tonnes of calcium cyanide per month to Ergo, which is the largest consumer of cyanide in the world. So high is the demand that Sasol Polymers has historically had a dedicated factory for the production of Ergo's calcium cyanide supplies which have a value of approximately R7.2 million (\$1.12 million) per month. Over the last seven years, Ergo has held annual workshops with Sasol to discuss mutual cost-saving synergies. This forum also discussed Ergo's closure and the expected economic impact on Sasol Polymers, who are now switching production from calcium cyanide to sodium cyanide which is a more marketable product. Besides retaining existing jobs, this move is expected to offset the company's loss in income from Ergo.

Daily communication is held with suppliers Fraser Alexander and West Rand Plant Hire, whose services at the slimes dams in the 1,500 km

2

area around Ergo operations are tapering off, as the daily tonnages of tailings from these sites decrease. Fraser Alexander supplies reclamation equipment and labour - approximately 603 contractors. However, the company's services are also used at reclamation sites at a number of other operations, for example, in the Rustenburg and Klerksdorp areas, so the company is gradually redeploying its labour component during Ergo's winding-up phase.

West Rand Plant Hire, which provides earthmoving equipment and labour of around 247 contractors also has other interests on the West Rand and has opened up a branch in Klerksdorp specifically to offset the impact of Ergo's closure. Midway 2, which supplies approximately 197 contractors at Ergo has also been aware of the closure programme and is making alternative business plans.

Longer than intended

Ergo was originally developed on the basis of a 15-year operational life. This was eventually extended to 25 years,

largely as a result of the installation of a carbon-in-leach treatment section, which enabled greater and more efficient extraction of gold. This allowed Ergo to exploit lower grade reserves in the area and extend the life of the operation by 10 years.

EP14

Municipality and utilities to feel impact

Electricity and water consumption is reducing gradually, impacting on contributions by Ergo to its suppliers. The main Ergo operation sources its electricity and water supplies from Eskom and Rand Water respectively, while utilities at the surrounding reclamation sites of Germiston, Boksburg, Benoni, Springs and Brakpan, are supplied by their local municipalities. Total monthly electricity consumption currently averages 24.6Mwh at a cost of R3.7 million (\$0.6 million). Total monthly water consumption averages 380,000 kilolitres at a cost of R1.5 million (\$0.2 million). Brakpan municipality which supplies 63% of Ergo's electricity demand will feel a significant financial impact on Ergo's closure, not least by dint of the fact that Ergo is a reliable customer, a huge advantage considering the bad debt faced by many municipalities. Ergo has been in regular communication with both the utilities and the municipality and is, through its social investment initiatives, trying to offset some of the negative impact on the municipal area. *(See case study on page C30 in the community section: Ergo programme focuses on maths and science education.)*

Communication with customers

Ergo's two main customers are Rand Refinery, to whom it sells approximately 500 kilograms of gold a month; and Chemical Initiatives, manufacturers and distributors of acid and oleum products, of which a combined total of 8,062,607 tonnes was supplied by Ergo from inception up to October 2004.

AngloGold Ashanti has been supportive of Rand Refinery's bid to increase its customer base, particularly in Africa, and Rand Refinery recently won a successful tender to conduct the refining of gold from AngloGold Ashanti's Malian and Ghanaian operations.

Production of sulphuric acid was stopped when the acid plant closed in October 2004, due to suitable pyrite dams being exhausted. Oleum production was also stopped in October 2004 when the acid plant closed but by that time Lever Brothers, Chemical Initiatives' main oleum customer had switched to an alternative sulphination source for its process.

ECONOMIC PERFORMANCE

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ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

5.5 Outsourced health care at Ergo

The Ergo occupational health clinic - now known as East Rand Occupational Health Surveillance (EROS) - was established as a separate entity on 1 September 2004. The clinic was previously manned by Ergo staff, with a medical officer appointed by AngloGold Health Service (AHS). The same staff now runs the clinic as an independent entity, in conjunction with a private occupational medical officer. The contract with AngloGold Ashanti provides for AHS to continue auditing service levels.

EROS was the brainchild of senior occupational health practitioner Bannie Grobler. "The idea began with Ergo's social plan. Johan Coetzer and the team from SMEDI (AngloGold Ashanti's Small and Medium Enterprise Development Initiative) were very helpful in drawing up our business plan and in conducting negotiations with Ergo management.

"It's business as usual at Ergo until closure," says Grobler. "Thereafter, we will occupy the same premises for a two-year period. What happens after that will depend on what is decided regarding the Ergo premises, as well as on our new clients and their demands."

The clinic's future target market is principally the smaller companies in the Ekurhuleni area who do not have the resources to provide for occupational health services in-house. Seven companies have agreed to retain the clinic's services. The clinic provides services in five principal areas:

- assistance to employees injured on duty;

- medical surveillance as required by COIDA (Compensation for Occupational and Industrial Diseases Act) and ODMWA (Occupational Disease in Mines and Works Act). This includes medical examinations on recruitment, after annual leave, and on exit and transfer;

- primary health care facilities including treatment for chronic conditions, such as diabetes and hypertension. This facility is regularly attended by over 400 employees or contractors;

- Ergo's HIV/AIDS programme, currently still integrated with the AngloGold Ashanti programme. Grobler and her team manage the Wellness Clinic and administration of anti-retroviral therapy (ART), while a counsellor visits the clinic twice per week to assist with the voluntary counselling and testing (VCT) programme. 67 people are currently registered at the Wellness Clinic; and

- the TB management programme.

While the clinic is currently fully occupied, the challenge will come after Ergo's closure during 2005.

"We need a patient base of at least 450 to break-even," says Grobler. "The seven clients we have retained so far are going to pay us on a per-visit basis: we are hoping to sign up future clients on a monthly retainer, which would provide some guaranteed income."

The clinic has entered into a partnership with Ambusave, a locally-based company that provides assistance to smaller employers in the Ekurhuleni area.

Says Grobler "It's been a steep learning curve, but we are looking forward to the challenge of going on our own."

Case studies - South Africa - Ergo

ECONOMIC PERFORMANCE

EP16

5.6 Riches of Africa 2004 – six years on

Now in the sixth year of its existence, AngloGold Ashanti's Riches of Africa Gold Jewellery Design Competition has become an annual highlight of the company's marketing initiatives. The company established the Riches of Africa competition with the objectives of stimulating demand for gold jewellery, promoting excellence and originality in design and developing the skills base of the South African jewellery industry.

While the fundamental goals of the competition have not changed, it is interesting to reflect on their development and growth. Alyson Horsley of AngloGold Ashanti Marketing comments, "We have learnt from experience each year. Looking back at the 1999 prizewinning pieces, for example, while they certainly showed talent and originality, they were primarily aimed at a consumer market and were smaller and more understated than the striking ramp pieces of later years." This is borne out by the increasingly imaginative and original designs and the ingenuity applied to create greater visual impact. The growing prestige enjoyed by the competition is demonstrated by the steady growth in the number of entries received, from just over 200 in 1999 to 1,899 in 2004.

"Over the lifetime of the competition, we have experimented with different gold caratages," says Horsley. "To promote high caratage jewellery, entrants were required to work in 22 and 24 carat gold for the 2000 and 2001 competitions. This proved to have a number of disadvantages, among others its softness, making it unsuitable for the rigours of fashion shows and exhibitions. As a result, from 2002, pieces submitted have again been required in 18 carat gold."

A noticeable development in recent competitions has been the shift from an exclusive focus on jewellery to designers creating gold product in a broad spectrum of objects from fashion to art. This development is in tune with international trends but has represented too much of a shift away from real jewellery. The organisers thus intend to refine the brief for 2005 in order to draw designs which produce statement jewellery as opposed to ramp pieces or fashion accessories.

Significant changes which have improved or enhanced the competition over the years include the introduction of white and rose gold allowing for greater expressiveness. The competition is also open to entrants from a wide range of creative disciplines, such as graphic design or fine arts. Importantly, the competition has gained additional credibility and greater international attention by including international judges on its panel in the last four years.

While unmistakably South African, the competition entries can hold their own internationally. Since its inception, Riches of Africa's winning collections have featured in more than 40 exhibitions in 12 countries. To celebrate South Africa's 10 years of democracy in 2004, pieces from various Riches of Africa collections were exhibited at shows in China and Brazil, and also in Belgium at the Antwerp Diamond Conference, the latter at the specific request of President Thabo Mbeki. Besides these displays, Riches of Africa has been showcased at the International Jewellery London exhibition for the past two consecutive years.

Fundamental to all of the Riches of Africa competitions has been a focus on providing career opportunities and development for talented young South Africans, particularly from the ranks of the previously disadvantaged.

ECONOMIC PERFORMANCE

Case studies - South Africa

As part of this approach, annual seminars are held for all entrants providing training in business and marketing as well as in design and goldsmithing techniques. In 2004, these seminars drew some 450 people and due to venue constraints some had to be turned away.

For the last two years, grants have been awarded to candidates adjudged the most meritorious. Grants are awarded following receipt of nominations by the various jewellery institutions. Whilst the value of the grants varies each year, the true worth of the contribution is often as simple as guaranteeing a student's future studies. Eight such grants (four to historically disadvantaged South Africans HDSAs) were awarded in 2003, and nine (six to HDSAs) in 2004. In 2003, a merit award was given to Technikon Pretoria (now the Tshwane University of Technology) as the institution that produced the most winners in the competition.

In another significant development, AngloGold Ashanti has been approached by QVC United Kingdom (a major television and internet-based shopping channel) to permit QVC to develop and sell ranges of commercial jewellery inspired by the 2004 collection. This will provide a major opportunity for Riches of Africa designers to benefit from part of these sales but, more notably, it will provide them with international exposure. Royalties will be payable to AngloGold Ashanti on all pieces sold, with a portion being credited to the designers.

Further noteworthy and exciting changes are in the pipeline. The formation of, AngloGold Ashanti has provided an opportunity for the reassessment and reinvigoration of a number of projects including Riches of Africa. The future competition will retain the name Riches of Africa but will now fall under the new banner of AuDITIONS, which will be used to brand all the jewellery design competitions in which AngloGold Ashanti is involved.

An important change is that Riches of Africa will be held every two years. Given the scale of the competition, it has become more and more difficult to gain maximum benefit on an annual basis.

The longer period will give the organisers more time for planning and it will make for a more streamlined process. Entrants too will benefit from the biannual format as their pieces will gain a longer period of exposure.

EP17

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

Case studies - South Africa

EP18

ECONOMIC PERFORMANCE

5.7 Brazilian Designer Forum becomes leading event in Brazilian jewellery market

The jewellery industry in Brazil reportedly earns revenue of \$1.5 billion per annum, (exports amounting to some \$600 million annually). To capitalise on this market, in 2002, AngloGold Ashanti launched the Designer Forum competition, making a commitment to sponsor a similar event every other year. Following the success of the 2004 event, the Designer Forum is now firmly positioned as the foremost jewellery design competition in the country, and is the only one sponsored by a mining company. AngloGold Ashanti has found this to be a valuable opportunity to market both the company and its product, gaining significant local and some international media attention. More importantly, it supports the group's marketing initiatives to make gold more accessible, innovative and interesting for newer and younger markets.

The 2004 Designer Forum was launched at the South African Embassy in April 2004 to coincide with the South African 10 years of democracy celebrations. In May, preliminary forums took place in Rio de Janeiro, Belo Horizonte and São Paulo with 525 participants entering – 80% more than in 2002. Designs were entered into one of two different categories: the Designers Category (for professionals) and the New Talent Category (for students and beginners). Technical judging took place over three days at the group's regional headquarters in Nova Lima where 120 finalists were selected. A second round of judging in July yielded 33 pieces for the 2004 collection - 28 pieces from the Designer Category and five pieces from the New Talent category.

The final event was held this year in Belo Horizonte, Brazil, with 'Roots and Form' as the theme. Top international model Ana Hickmann displayed the pieces to a gathering of 600 people. To support the event and collection still further, the final collection was shot on models underground and well-known model and actress Janaína Lince was photographed on a bed of gold bars.

Not only does the event promote AngloGold Ashanti and gold jewellery in particular, but the participant designers reported that the most valuable aspect of the Forum was the publicity and exposure they received in the media.

Case studies - Brazil

The winning piece, Volpi, was designed by Fernanda Barcellos. Her piece, a miniskirt made of flag banners of white gold, yellow gold and coconut discs, is named after Volpi, one of Brazil's renowned artists.

Roberto Carvalho Silva, Deputy COO International model and actress, Janaína Lince, at the launch of Designer Forum 2004 at the South African Embassy in Brazil.

disclosure • governance • evaluate risks • principles

Ethics and
Governance
Decline, Sunrise Dam, Australia

EG1

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

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ETHICS AND GOVERNANCE

1 AngloGold Ashanti

– a responsible and ethical corporate citizen

EG2

.

We will **comply with all laws**, regulations, standards and international conventions which apply to our businesses and to our relationships with our stakeholders. Specifically, AngloGold Ashanti supports the Universal Declaration of Human Rights, the Fundamental Rights Conventions of the ILO and those principles and values referred to in the United Nations Global Compact

.

Should laws and regulations be non-existent or inadequate, we will maintain the highest reasonable regional standard for that location

.

We will fully, accurately and in a timely and verifiable manner, consistently **disclose material information** about the company and its performance. This will be done in readily understandable language to appropriate regulators, our stakeholders and the public

.

We will **not** offer, pay or accept **bribes**, nor will we condone anti-competitive market practices and we will not tolerate any such activity by our employees

.

We **prohibit** our employees from **trading shares** when they have unpublished, material information concerning the company or its operations

.

We require our employees to comply with all money handling requirements under applicable law, and we further **prohibit** them from conducting any illegal money transfers or any form of ‘**money laundering**’ in the conduct of the company’s business

.

We will require our employees to perform their duties conscientiously, honestly and in ways which **avoid conflicts** between their personal financial or commercial **interests** and their responsibilities to the company

.

We will take all reasonable steps to **identify and monitor** significant **risks** to the company and its stakeholders. We will endeavour to safeguard our assets and to detect and prevent fraud. We will do this in a manner consistent with the international human rights agreements and conventions to which we subscribe

.

We will **promote** the application of our **principles** by **those with whom we do business**. Their willingness to accept these principles will be an important factor in our decision to enter into and remain in such relationships

.

We are committed to seeking out mutually beneficial, ethical **long-term relations** with **those with whom we do business**

.

We encourage employees to take **personal responsibility** for ensuring that our **conduct** complies with our principles. No employee will suffer for raising with management violations of these principles or any other legal or ethical concern. Although employees are encouraged to discuss concerns with their direct managers, they must, in any event, inform the Group Internal Audit Manager of these concerns. Mechanisms are in place to anonymously report breaches of this statement of principles

.

The company will take the **necessary steps** to **ensure** that all employees and other stakeholders are **informed of these principles**

If an employee acts in **contravention** of these principles, the company will take the appropriate disciplinary action concerning such contravention. This action may, in cases of severe breaches, include termination of employment. In addition, certain contraventions may also result in the commencement of civil proceedings against the employee and the referral of the matter to the appropriate enforcement bodies if criminal proceedings appear warranted

ETHICS AND GOVERNANCE

Business principle

AngloGold Ashanti's business practices and policies are in compliance with the values enshrined in the King Report on Corporate Governance (2002) and the US Sarbanes-Oxley Act. New governance requirements are addressed by management as and when they arise.

The most significant event of the year was the business combination between the former AngloGold and Ashanti operations. Several task teams were set up to manage the integration which was effectively achieved from an operating and reporting perspective by the second quarter of 2004.

Composition of the board

The board comprises 15 directors.

The chairman, who is independent, is Russell Edey, and the deputy chairman, who is also independent, is Dr James Motlatsi.

Directors retire by rotation every three years.

While the board has the power to appoint new directors, such directors must resign and stand for re-election at the next annual general meeting following their appointment. The appointment of new directors is screened by the nominations committee.

There are five independent directors namely, Frank Arisman, Elisabeth Bradley, Colin Brayshaw, Russell Edey and Dr James Motlatsi. They are classified as independent in terms of the JSE Securities Exchange (JSE) Listings Requirements and the US Sarbanes-Oxley Act.

There are five non-independent non-executive directors namely, Tony Lea, Bill Nairn, Simon Thompson, Tony Trahar and Lazarus Zim.

There are five executive directors namely, Jonathan Best (CFO), Bobby Godsell (CEO), Dave Hodgson (COO), Dr Sam Jonah (President) and Kelvin Williams (Marketing).

A board charter (approved by the board on July 2003 and amended on 27 October 2004) sets out the powers, responsibilities, functions, delegation of authority and areas of authority expressly reserved for the board.

EG3

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

2 Key indicators

3 Milestones 2004

EG4

.
Publication and distribution of AngloGold Ashanti's first Report to Society 2003. Produced in conjunction with the Annual Report to ensure a comprehensive understanding of all aspects of the group, the Report to Society seeks to explain and assess the economic, social and environmental responsibilities and performance obligations the company believes it has to its stakeholders, who include shareholders, employees, employee representatives and the communities in which it operates, as well as regional and national governments.

.
AngloGold Ashanti was admitted to the JSE Securities Exchange's first Socially Responsible Investment (SRI) Index. The index was launched in March 2004 (see box).

.
AngloGold Ashanti is a founding member of the International Council on Mining and Metals (ICMM) (see box on EG5) and became an organisational stakeholder of the Global Reporting Initiative (GRI) in 2004.

.
AngloGold Ashanti became a signatory to the United Nations' Global Compact following the business combination between AngloGold and Ashanti in April 2004. Ashanti had been a member since August 2001.

.
AngloGold Ashanti achieved third place on the Edward Nathan & Friedland Sustainability Index.

.
The company's annual report has once again won awards: a double award for best report in the mining and non-mining resources sector from the South African Institute of Chartered Secretaries and Administrators; also best Proudly South African report.

.
The evaluation of the board and board sub-committees was completed during the year.

.
A directors' induction policy was approved by the board on 30 January 2004 and a directors' induction pack – a file containing information for board members on the company's origins, activities and business, including an exposition of the directors' legal responsibilities – was completed during the year.

.
The establishment of a political donations board sub-committee comprising three non-executive independent directors, chaired by Dr James Motlatsi. The committee determines the funding of political parties in South Africa. The political donations policy is available on the website.

.
A disclosures policy to guide the communication of full, accurate and consistent reporting and communication with its stakeholders was approved by the executive committee on 6 December 2004. This policy is available on the company's website.

.
The adoption of a confidential reporting policy, which was approved by the board on 30 January 2004.

ETHICS AND GOVERNANCE

JSE Securities Exchange SRI Index

In March 2004, the JSE Securities Exchange South Africa (JSE) announced a list of those companies that had successfully achieved admittance to its Socially Responsible Investment (SRI) Index. The SRI Index was launched as a means to identify those companies listed on the JSE that integrate the principles

of sustainability into their business activities, and to facilitate investment in such companies. According to the JSE, the SRI Index has been structured to reflect the complex nature of social responsibility in South Africa with detailed criteria for each of the triple bottom lines. The SRI Index has been constituted from companies that form part of the FTSE/JSE All Share Index and which meet the criteria determined by the SRI Index Advisory Committee. These will be reviewed from time to time to reflect the continuous development of both the concepts and practices of SRI and sustainability.

The three pillars

The Index is structured along the three pillars of the triple bottom line, namely environment, society and economy. A company must address each of these pillars if it is truly to be said to have integrated sustainability into its business practices. In addition, the principles of fairness, accountability, responsibility and transparency are common to all three pillars of the triple bottom line. These principles are also the fundamental concepts that lie at the root of corporate governance. Successful governance, as advocated by the King Report on Corporate Governance (2002), and also for purposes of the Index, requires companies to adopt a more inclusive approach to business, with greater emphasis on the non-financial aspects of performance.

For more information see www.jse.co.za

EG5

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

AngloGold Ashanti subscribes to ICMM principles

AngloGold Ashanti is a founding member of the International Council on Mining and Metals (ICMM) and subscribes to the ICMM principles of sustainability.

ICMM sustainable development framework – ICMM principles

As members of the ICMM, or as companies that have otherwise agreed to adopt the same performance obligations as ICMM members, we seek continual improvement in our performance and contribution to sustainable development so as to enhance shareholder value. In striving to achieve this, we will:

- implement and maintain ethical business practices and sound systems of corporate governance.

- integrate sustainable development considerations within the corporate decision-making process.

- uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities.

- implement risk-management strategies based on valid data and sound science.

- seek continued improvement of our health and safety performance.

- seek continued improvement of our environmental performance.

- contribute to the conservation of biodiversity and integrated approaches to land use planning.

- facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products.

- contribute to the social, economic and institutional development of the communities in which we operate.

- implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.

ICMM corporate membership includes a commitment to measure corporate performance against these principles. In this report, AngloGold Ashanti also reports its performance against these principles.

About the United Nations Global

Compact

In an address to The World Economic Forum on 31 January 1999, United Nations' Secretary-General Kofi Annan challenged business leaders to join an international initiative – the Global Compact – that would bring companies together with UN agencies, labour and civil society to support principles in the areas of human rights, labour, the environment and anti-corruption. The Global Compact's operational phase

was launched at UN headquarters in New York on 26 July 2000 and the first Global Compact Leaders' Summit was held there on 24 June 2004.

Through the power of collective action, the Global Compact seeks to advance responsible corporate citizenship so that business can be part of the solution to the challenges of globalisation. In this way, the private sector – in partnership with other social sectors – can help realise the Secretary-General's vision: a more sustainable and inclusive global economy.

The Global Compact is a voluntary corporate citizenship initiative with two objectives:

- to mainstream the principles in business activities around the world; and

- to catalyse actions in support of UN goals.

The Global Compact is not a regulatory instrument – it does not police, enforce or measure the behaviour or actions of companies. Rather, it relies on public accountability, transparency and the enlightened self-interest of companies, labour and civil society to initiate and share substantive action in pursuing the principles upon which the Global Compact is based.

Information drawn from the United Nations Global Compact website – www.unglobalcompact.org

EG6

ETHICS AND GOVERNANCE

A comprehensive review of AngloGold Ashanti's corporate governance practices and risk management is included in the Annual Report 2004, which is available in print, and also in electronic format on the company's website, www.anglogoldashanti.com. At the highest level corporate governance is guided by the audit and corporate governance committee, a sub-committee of the board under the chairmanship of an independent non-executive director.

Key achievements in the field of governance and risk management for 2004 are listed in the milestone section on page EG4 of this report. During the year Mr Julian Ogilvie Thompson and Mr Nicky Oppenheimer retired from the board, and were replaced by Mr Lazarus Zim and Mr Simon Thompson. With the consummation of the business combination with Ashanti, Dr Sam Jonah KBE was appointed to the board, and is also president of AngloGold Ashanti. All new board members were reviewed by the nominations committee prior to their appointment as directors.

Following the intended retirement during 2005 of current executive directors Dave Hodgson (COO) and Jonathan Best (CFO) the nomination committee has proposed the appointment of:

.
Srinivasan (Venkat) Venkatakrisnan as CFO; and

.
Neville Nicolau and Robert Carvalho Silva as COOs respectively responsible for Africa, and the Americas and Australia. Neville Nicolau and Robert Carvalho Silva currently serve as deputy COOs. Their election to the board as executive directors will be proposed at the group's proposed board meeting in April 2005.

Six board meetings were held during the year. Details on attendance at these meetings, and board sub-committee meetings can be found in the AngloGold Ashanti Annual Report 2004.

Board sub-committees

To facilitate the activities and deliberations of the board, the board has established a number of sub-committees (see box), comprising members of the board. Each sub-committee has written terms of reference governing the powers, functions and activities of each sub-committee.

Members of the board and sub-committees have access to management and the records of the company, as well as to external professional advisors should the need arise.

Risk management and internal controls

The board has ultimate responsibility for the risk management process within the group. A detailed discussion on risk management and internal controls may be found in the Annual Report 2004. This includes discussions on risk factors relating to:

.
the gold mining industry generally;

.
AngloGold Ashanti's operations; and

.
AngloGold Ashanti's ordinary shares and American Depository Shares (ADSs).

To comply with the company's obligations in terms of the Sarbanes-Oxley Act and the King Code, and in the interests of good corporate governance, the company has adopted a code of ethics for employees, a code of ethics for senior financial officers, and a whistle-blowing policy that encourages employees and other stakeholders to confidentially report acts of an unethical or illegal nature affecting the company's interests. Both codes and the whistle-blowing policy are available on the company

4 Review 2004

Board sub-committees:

.
audit and corporate governance
committee

employment equity and
development committee

.

executive committee

.

investment committee

.

market development committee

.

nominations committee

.

political donations committee

.

remuneration committee

.

safety, health and sustainable
development committee

About GRI

AngloGold Ashanti became an organisational stakeholder of the Global Reporting Initiative (GRI) 2004. The GRI is a multi-stakeholder process and independent institution whose mission is to develop and disseminate globally applicable Sustainability Reporting Guidelines. These guidelines are for voluntary use by organisations in their reporting on the economic, environmental, and social dimensions of their activities, products, and services. The GRI involves the active participation of representatives from business, accountancy, investment, environmental, human rights, research and labour organisations from around the world. Established in 1997, GRI became independent in 2002, and is an official collaborating centre of the United Nations Environment Programme (UNEP) and works in cooperation with UN Secretary-General Kofi Annan's Global Compact. For more information see www.globalreporting.org

EG7

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

website. (See case studies: AngloGold Ashanti's response to the Sarbanes-Oxley Act of 2002 on page EG11, and Whistle-blowers programme – success or otherwise on page EG13.)

Global sustainable initiatives

AngloGold Ashanti is a founding member of the International Council of Mining and Minerals (ICMM) and actively participates in international debate as part of this organisation. AngloGold Ashanti became an organisational stakeholder of the GRI in 2004. In terms of this, the company is committed to:

.
active promotion of GRI's principles and its broader stakeholder constituency;

.
participation in the GRI process; and

.
in principle, preparing sustainability reports informed by the GRI guidelines and principles and which are available to the public.

AngloGold Ashanti became a signatory to the United Nations Global Compact following the merger with Ashanti. Ashanti had been a member since August 2001. In preparing the Report to Society 2004, AngloGold Ashanti has taken these principles into account.

10 principles of the UN Global Compact

The Global Compact's 10 principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

.
the Universal Declaration of Human Rights;

.
the International Labour Organization's Declaration on Fundamental Principles and Rights at Work;

.
the Rio Declaration on Environment and Development; and

.
the United Nations Convention Against Corruption.

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour standards

Principle 3: Businesses should uphold the right to freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.

5 Reporting in line with GRI

EG8

ETHICS AND GOVERNANCE

Governance structure and management systems

Governance structure of the organisation, including major committees under the board of directors that are responsible for

setting strategy and for oversight of the organisation

See the corporate governance section in the Annual Report 2004

Percentage of the board of directors that are independent, non-executive directors

See box on page EG3

Process for determining board members need to guide the strategic direction of the organisation including issues related to

environmental and social risks and opportunities

Not in place

Board-level process for overseeing the organisation's identification and management of economic, environmental and social risks and opportunities

See the corporate governance section in the Annual Report 2004

Linkage between executive compensation and achievement of the organisation's financial and non-financial goals

See the corporate governance section and the remuneration report in the Annual Report 2004

Organisational structure and key individuals responsible for oversight, implementation and audit of economic, environmental, social and performance, and states of implementation

See the directorate and management section of the Annual Report 2004

Mission and value statements, internally developed codes of conduct or principles, and policies relevant to economic, environmental, social policies and implementation status

See page EP2 of the economic performance of the Report to Society 2004 and corporate governance section of the Annual Report 2004

Mechanisms for shareholders to provide recommendations or direction to the board of directors

Informal process in place. See discussion on communication with shareholders in the Annual Report 2004

EG9

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

Core indicators

Additional indicators

Customers' health and safety

SO1. Description of policies to manage impacts on commu-

SO4. Awards received relevant to social, ethical, and nities in areas affected by activities, as well as description environmental performance

of procedures/programmes to address this issue, including monitoring systems and results of monitoring

See community section of this report

See the community and environment sections of this report

Bribery and corruption

SO2. Description of the policy, procedures/management systems, and compliance mechanisms for organisations and employees addressing bribery and corruption

See corporate governance section of the Annual Report 2004 and the case study on Whistle-blowers programme – success or otherwise on page EG13

Political contributions

SO3. Description of policy, procedures/management systems, SO5. Amount of money paid to political parties and institutions and compliance mechanisms for managing political whose prime function is to fund political parties or their lobbying and contributions candidates

Overseen by political donations committee of the board.

See company website

Policy available on the website

Competition and pricing

SO6. Court decisions regarding cases pertaining to anti-trust and monopoly regulations

None

SO7. Description of policy, procedures/management systems, and compliance mechanisms for preventing anti-competitive behaviour

Not applicable

Social performance indicators: product responsibility

EG10

ETHICS AND GOVERNANCE

6 Scorecard

Objectives for 2004

Review of 2004

Objectives for 2005

Development of strategy for

Strategy completed, as well as first appraisals.

Finalise roll-out of the conflicts of

board members' appraisals.

interest policy.

Development of a web-based

Completed.

Complete the Sarbanes-Oxley Section 404

corporate governance and

internal control requirements including the

compliance site for employees.

design, implementation, testing and

maintenance phases.

Formal adoption of terms of

Establishment of a disclosures committee, comprising

Develop a document retention

reference of a disclosures

members of the finance, risk, legal, compliance and

strategy for AngloGold Ashanti.

committee to oversee the timely,

secretarial functions, to ensure the reliability

accurate and reliable material

of information.

disclosure of company information

to regulatory bodies and other

stakeholders.

EG11

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

ETHICS AND GOVERNANCE

Case studies – Corporate

7.1 AngloGold Ashanti's response
to Sarbanes-Oxley Act of 2002

The Sarbanes-Oxley Act, introduced into law in 2002 by President George W. Bush, was the US government's response to an increasing number of corporate fraud scandals involving high-level executives of well-known companies, most notably Worldcom and Enron. Its introduction was also an attempt to restore public trust, but more importantly, to protect the financial assets of investors, many of whom lost vast sums of money in the wake of the misappropriation of corporate funds. The Act sets new standards for corporate boards and accountability standards and penalties for corporate management.

All companies listed on the New York Stock Exchange (NYSE) are bound by the Act; this includes South-African based AngloGold Ashanti, which listed on the NYSE in 1998, and which is classified as a foreign private issuer.

Consisting of 11 sections, the focus is primarily on the accounting profession, relating as it does to corporate governance, financial disclosure and the practice of public accounting within companies. In tightening financial controls, a Public Company Accounting Oversight Board (PCAOB) was established in terms of Sarbanes-Oxley to oversee and regulate a public company's auditors. The PCAOB looks at corporate responsibility and focuses on stricter regulations around the company's Audit Committee, financial reporting, and the improper influence over the external auditors.

Hester Hickey, group internal audit manager at AngloGold Ashanti, explains that when initiating compliance with Sarbanes-Oxley in early 2003, the company first analysed the requirements of the Act and reviewed current practices. AngloGold Ashanti was already compliant with a number of sections of the Act, but it was eager to ensure full compliance as soon as possible.

One of the key requirements with which AngloGold Ashanti was able to comply immediately was certification by the chief executive officer and chief financial officer of the Annual Report 2003, confirming its accuracy and reliability and testifying to the absence of fraud, errors or misstatements. Another requirement required of AngloGold Ashanti under Sarbanes-Oxley regulations was moving the responsibility for auditors from management to the audit and corporate governance committee, which comprises independent non-executive directors.

The most onerous requirement of the Act currently for AngloGold Ashanti is the one pertaining to Section 404 (Sarbanes-Oxley 404), which looks at the evaluation of internal controls with regard to financial reporting. A high level of detail is required in this section of the Act, to which each and every AngloGold Ashanti operation is subject. A Sarbanes-Oxley 404 Task Team was established at the beginning of 2004 to guide the process. Regional steering committees were established feeding into a corporate office steering committee, which reports directly to the audit and corporate governance committee. The corporate office steering committee meets monthly to review progress of the initial methodology documents which outlines four components to the delivery of internal controls – design, implementation, testing and maintenance. Key activities and deliverables have been identified in each area to ensure full compliance with Sarbanes-Oxley. The task team is currently in the second phase – implementation – which includes documentation of controls at all of the operations and evaluation thereof, to reveal any deficiencies in control mechanisms. Full implementation is expected to be complete by the end of 2005. Last but not least is maintenance, a critical aspect in ensuring continuation of internal controls once their effectiveness has been established.

Sarbanes-Oxley challenges going forward include ongoing compliance with current and new requirements of the law; ensuring that documentation processes are completed within given time frames; and timeous remediation where it is required.

EG12

ETHICS AND GOVERNANCE

Case studies – Corporate

A new position was created when AngloGold Ashanti saw the need for a compliance manager in July 2003, and there was someone ready to step into the role.

“The offer came at the right time,” says Bobby Barua, who had previously practised as an advocate for three years, and who was ready to make the move from court to corporate.

The position, a consolidation of duties previously carried out by a number of individuals, comprises general and corporate governance from an internal group perspective. Corporate governance encompasses, for example, compliance with legislation pertaining to the company's South African, United States and Australian stock exchange listings; the US Securities Exchange Commission and the Sarbanes-Oxley Act and the King Report on Corporate Governance (2002.)

General compliance relates to, amongst others, the South African Protected Disclosures Act aimed at the protection of whistle-blowers; the Financial Intelligence Centre Act (FICA) to eliminate money laundering and fraud at international level; the Access to Information Act which requires that business and government furnish information for the exercise or protection of any rights; and the Companies Act and, more specifically, proposed changes to the Act.

It also relates to company policy directed at employees and directors. Since his appointment last year, Barua has either amended or designed a number of policies directed at protecting the interests of the company by taking into account legislative and regulatory requirements of the various jurisdictions in which AngloGold Ashanti operates. Requests for policies come mainly from either the company secretariat, the board of directors or executive committee (Exco). A recent example was a request from Exco to design a policy that would require employees to disclose any conflicts of interest they may have between their roles as company employees and their private capacity. The policy is applicable to four categories of employees – senior management; everybody in the procurement department as well as other individuals not in the department who may from time to time procure goods or services; those individuals who are in a position to influence those who may procure goods and/or services; and any other individual identified by management.

One of his main challenges is the diversity of jurisdictional requirements in the 10 countries in which AngloGold Ashanti operates. He says that although people are generally fearful of change, it is important that they realise it is for the good of the company, which is committed to upholding company values. Since his position is still fairly new, it is difficult to gauge his success; suffice to say that people have been supportive of his role and his responsibilities.

Barua sits on the disclosures committee and the corporate office employment equity committee. He also liaises with each regional legal counsel individually to discuss legal and compliance issues. Under the auspices of the company's general counsel, Ms Merene Botsio-Philips, a global legal team has been established to help co-ordinate the legal discipline across regions. A charter for the global legal team has been drafted by Barua – a statement of principle of what the company's legal objectives are and how best to serve them.

7.2 Role of the compliance manager

– an interview with Bobby Barua

EG13

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

ETHICS AND GOVERNANCE

Case studies – Group

“The whistle-blowing programme is working,” reports AngloGold Ashanti's group internal audit manager Hester Hickey, a year after its introduction. Its establishment followed the Protected Disclosure Act of South Africa (2000), the King Report on Corporate Governance of South Africa (2002), and the Sarbanes-Oxley Act of 2002, intended to tighten up corporate governance following a spate of international corporate frauds. Shareholders, the public, employees, suppliers, contractors and any other interested parties, at any of AngloGold Ashanti's global operations, now have a conduit through which to channel reports of not just criminal acts, but also of unethical behaviour and practices, without any fear of reprisal. Because whistle-blowers world-wide tend to be victimised and ostracised, and are often under pressure to leave their place of employ, AngloGold Ashanti has now established an anonymous email system to circumvent accusations of this nature. This is in addition to the other reporting methods via telephone (through a toll-free number within South Africa), fax, intranet or letter. However, the drawbacks to anonymous reporting are that complaints cannot be verified, the investigative process takes longer and the department cannot give feedback. 90% of reports currently received are anonymous. Twenty two reports (20 from South Africa, one from Mali and one from Australia) were received between January and November 2004, of which 15 were anonymous. Ten related to fraud concerning mainly impropriety with regard to internal or external suppliers; eight to human resource issues where the complainant was unwilling to follow grievance procedures, fearing victimisation; and four to minor issues such as fraudulent leave. One report was received from a supplier regarding anti-competitive tendering. Since the supplier had identified himself, he was given subsequent feedback and was satisfied with the outcome in that there had been a genuine error in the tender. The supplier was also satisfied that the future tenders would not prejudice any suppliers.

All whistle-blowing reports are investigated where possible and, if substantiated, are followed by a full grievance and disciplinary process, and where applicable dismissal, and criminal or civil action. To date there have been no dismissal or court cases. Most investigations are dealt with internally but external consultants may be employed, depending on the nature of the complaint and the availability of appropriate resources.

Blank emails are received, as well as a number of nuisance and malicious calls – not uncommon, says Hickey, following discussions with other companies which have a whistle-blowing process in place. However, the benefits of the reporting process, at this stage, outweigh the obstructive behaviour of some individuals. Other common areas of complaint, Hickey discovered, are around labour, race and moral issues. Although AngloGold Ashanti has received reports of unethical behaviour, there have been none yet regarding financial reporting, a key focus of Sarbanes-Oxley.

Hickey, who is an appointee of the audit and corporate governance committee, reports regularly to the chief executive officer, the executive committee and the audit and corporate governance committee on the current status of cases, and the manner in which they are being dealt with. Formal reports are also received from the human resources, internal audit and asset protection departments.

AngoGold Ashanti's whistle-blowing policy is covered comprehensively in a recent ‘values and business principles’ booklet, and provides contact numbers and addresses for those wishing to report criminal offences or unethical behaviour.

7.3 Whistle-blowers programme – success
or otherwise

compliance • responsibility • standards • employee involvement
• surveillance • protective equipment
Serra Grande, Brazil
Occupational
Safety and Health

SH1

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

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OCCUPATIONAL SAFETY AND HEALTH

1 AngloGold Ashanti as an employer

– safety and health

SH2

.
The company is committed to **complying** with all relevant occupational health and safety laws, regulations and standards. In the absence of such standards, leading practice will be adopted.

.
We are committed to providing a working environment that is conducive to **safety and health**.

.
The management of occupational safety and health is a prime **responsibility** of line management, from the executive level to the first line supervisory level.

.
We strive for **employee involvement** and consultation with employees or their representatives to gain commitment in the implementation of these principles.

.
The company is committed to providing all necessary **resources** to enable compliance with these principles.

.
The company will not tolerate or condone deliberate **breaches** in standards and procedures.

.
We will implement safety and health management systems based on internationally recognised **standards** and we will assess the effectiveness of these systems through periodic audits.

.
We will conduct the necessary **risk assessments** to anticipate, minimise and control occupational hazards.

.
We will promote initiatives to continuously **reduce** the safety and health **risks** associated with our business activities.

.
We will set safety and health objectives based on comprehensive strategic **plans** and will **measure** performance against these plans.

.
We will **monitor** the effects of the company's operational activities on the safety and health of our employees and others, and we will conduct regular performance reviews.

.
We will provide all necessary personal **protective equipment**.

.
We will establish and maintain a system of **medical surveillance** for our employees.

.
We will **communicate** openly on safety and health issues with employees and other stakeholders.

.
We will ensure that employees at all levels receive appropriate **training** and are competent to carry out their duties and responsibilities. We will require our **contractors** to **comply** with these principles and we will seek to influence joint venture partners to apply them as well.

OCCUPATIONAL SAFETY AND HEALTH

Business principle

Safety:

32 employees lost their lives in work-related accidents in 2004, 31 of these at the South African operations and one at the Morila mine in Mali. In 2003, 43 employees lost their lives in work-related accidents.

The group's Fatal Injury Frequency Rate (FIFR) was 0.19 per million man hours worked, which is a 34% improvement on the previous year's rate of 0.29. This reflects an improvement of 51% on the FIFR of 0.39 achieved in 1998.

The FIFR was 0.29 per million man hours in the South Africa region (which employs 66% of the workforce), an improvement of 16%.

The group's Lost Time Injury Frequency Rate (LTIFR) also declined by 26% to 6.56 per million man hours, the lowest ever in the group, from 8.83 the previous year. This reflects a 54% improvement on the LTIFR of 14.52 achieved in 1998 (when AngloGold was established).

The LTIFR for the South Africa region was 9.11, an improvement of 12% on the previous year.

Health:

51,084 occupational medical surveillance examinations (initial, periodical, transfer and exit) were performed in the South Africa region during 2004 in accordance with the requirements of the Mine Health and Safety Act. Medical surveillance is also undertaken at other operations.

285 new cases of noise-induced hearing loss (NIHL) were compensated in the South Africa region during 2004, which is a rate of 7 per 1,000 employees. This is a decrease of 61% on the previous year's rate of 18 per 1,000 employees.

319 cases of occupational lung disease (OLD) were compensated in the South Africa region during 2004, which is a rate of 8 per 1,000 employees, double the rate of 4 reported last year.

HIV, silica exposure, TB and an ageing workforce all play a role in OLD.

1,386 new cases of pulmonary tuberculosis (TB) were detected and treated during the year, which is a rate of 35 per 1,000 employees, up from a rate of 33 last year. The rates are increasing despite intensive efforts to both detect and treat TB. This is because of an increasing incidence of HIV and AIDS amongst a silica-exposed workforce. It is estimated that over 80% of individuals detected with TB are HIV-positive. TB in silica-exposed employees, who do not have concomitant silicosis, is not classified as an occupational disease outside of South Africa and is therefore not reported.

Dust (silica) control on the South African mines improved. No Homogenous Exposure Group (HEG) above the Occupational Exposure Limit (OEL) of 0.1mg/m

3 was recorded in 2004.

100% of underground rockdrills and 98% of all critical fans have now been silenced.

SH3

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

2 Key indicators

Our opinion is based on a test of the reliability of the selected data by way of:

In relation to selected data marked with the , on which we have provided reasonable assurance:

conducting interviews and holding discussions with management, key personnel and/or stakeholders of AngloGold Ashanti limited and assessing data trends;

.

obtaining an understanding of the systems used to generate, aggregate and report the selected data;

.

conducting site visits to test systems and data and inspecting premises where necessary;

.

assessing the completeness and accuracy of the selected data; and

.

reviewing and analysing collected information and effecting re-calculations where considered appropriate.

3 Milestones 2004

SH4

Group

The alignment of safety and health statistics between AngloGold and the former Ashanti operations was completed during the first quarter and consolidated safety statistics were reported for the AngloGold Ashanti group as a whole from the second quarter. This follows an agreement to adopt common safety standards and definitions.

AngloGold Ashanti Mineração, formerly Morro Velho, was awarded the third Dick Fisher Global Safety Award for excellence in safety in 2004. The award was made in recognition of a 23% improvement when compared to the operation's best ever previous performance since 2002. This operation (comprising the Cuiabá mine, the Queiroz plant and surface infrastructure) recorded only eight lost-time injuries in 2004 (LTIFR of 1.56 per million hours worked). The board committee on safety, health and sustainable development acknowledged that AngloGold Ashanti Mineração had made significant improvements in respect of risk management, and this has manifested in extremely high compliance to support standards, best in class ramp and roadway conditions and many other safety improvements. The Savuka mine in South Africa and the Cripple Creek & Victor mine (CC&V) in the United States were also commended for achieving significant improvements in safety management performance.

South Africa

The South Africa region held a safety re-launch on 7 April 2004. During the re-launch, each general manager committed his team to improved safety performance.

The shaft mine overseer section at Tau Lekoa mine achieved one million fatality-free shifts on 21 June 2004. It took the section, comprising about 250 people, 12 years and 10 months of safe operations to reach this milestone.

Great Noligwa reached one million fatality-free shifts on 31 March 2004, after 5.5 months.

Savuka mine won the South African Safety Shield Competition for 2004. The mine showed an 8.34% improvement in its Serious Injury Frequency Rate, compared to its best performance over the previous four years.

On 10 July 2004, the Kopanang mine achieved one million fatality-free shifts. It took 4,900 employees 8.5 months to attain this.

Aurum Health Research, a wholly-owned subsidiary of AngloGold Health Service (AHS) has been granted \$14 million for a major HIV-TB research project over five years. The grant is part of a larger award to the international Consortium to Respond Effectively to the AIDS/TB Epidemic (CREATE) to research strategies for TB control, by the Bill and Melinda Gates Foundation.

Australia

The Sunrise Dam mine in Australia region won the Mineral Council of Australia's Minex award for excellence in health and safety.

The Australia region attained second place in the Western Australian Chamber of Minerals and Energy's (CME) Safety and Health Innovation awards for the Hori Board, an innovation designed to reduce hand injuries in core yards.

Sunrise Dam Gold mine performed well in the Australian Chamber of Minerals and Energy's Surface Mine Emergency Response Competition. Sunrise Dam took top honours in the vehicle extraction scenario. The competition tests teams with realistic scenarios to evaluate knowledge and skills in fire fighting, first aid, vehicle extraction, hazardous chemicals, rope rescue, breathing apparatus, team skills and theory.

OCCUPATIONAL SAFETY AND HEALTH

2003

2004

Australia

Sunrise Dam

0.00

0.00

Ghana

Bibiani

–

0.00

Iduapriem

–

0.00

Obuasi

–

0.00

Guinea

Siguiri

–

0.00

Mali

Morila

0.31

0.32

Sadiola

0.31

0.00

Yatela

0.00

0.00

Namibia

Navachab

0.00

0.00

South Africa

Ergo

0.00

0.00

Great Noligwa

0.32

0.26

Kopanang

0.41

0.06

Moab Khotsong

0.00

0.22

Mponeng

0.33

0.37

Savuka

0.47

0.73

Tau Lekoa

0.09

0.19

TauTona

1.10

0.86

South America

AngloGold

Ashanti Mineração

0.20

0.00

Cerro Vanguardia

0.00

0.00

Serra Grande

0.00

0.00

Tanzania

Geita

0.00

0.00

USA

CC&V

0.00

0.00

Group

0.29 0.19

Fatal injury frequency

rate (FIFR) per million man hours

Ghana

.
Obuasi mine achieved one million fatality-free shifts on 17 June 2004 and two million fatality-free shifts on 30 October 2004.

.
On 25 September 2004, the Iduapriem mine was recognised by Nosa for achieving 4 million hours without a disabling injury. Both Bibiani and Iduapriem were acknowledged with Nosa 5 star ratings during 2004.

.
AngloGold Ashanti has budgeted \$1.2 million for facilities and equipment upgrading at the Edwin Cade Memorial Hospital in Obuasi.

Namibia

.
The Navachab mine in Namibia maintained its Nosa four star status, achieving an 84% audit result, an improvement on the previous year.

Mali

.
The Morila mine's power plant shared the 'Best Overseas Operation' award by Rolls Royce Power Ventures Limited with respect to Health, Safety and Environmental management. The \$1,000 prize money has been donated to a charity in the local village of Sanso.

Tanzania

.
An annual Nosa audit was conducted at Geita in June 2004, covering all areas of health, safety and environment. The site retained its four-star rating, achieving an increased percentage score of 83.4%.

SH5

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

4 Review 2004
SH6

Good progress was made towards the group's long-term objective of eliminating accidents during the year with all the major safety indicators improving on the previous year and reaching their best ever levels. From a health perspective, some progress is reported along with some negative statistics, the latter particularly in respect of occupational lung disease (OLD) and tuberculosis (TB) on the South Africa operations. This is largely because of the increasing impact of the HIV/AIDS epidemic in southern Africa.

Safety performance

Safety performance at AngloGold Ashanti was the best ever for the company, with all major safety parameters indicating an improving trend. In fact, the group has achieved a 57% improvement in LTIFR and a 51% improvement in FIFR over the past six years.

Regrettably, however, 32 employees lost their lives in work-related accidents during the year, 31 of these at the **South African** operations. The single non-South African fatal accident was at the Morila mine in **Mali**.

As a result, the group's Fatal Injury Frequency Rate (FIFR) was 0.19 per million man hours worked, improved by 34% on the rate of 0.29 achieved last year. The Lost Time Injury Frequency Rate (LTIFR) also declined significantly, by 26%, to 6.56 per million man hours from 8.83 the previous year. The latter exceeds the company's objective of achieving a 20% improvement in the LTIFR. Both the LTIFR and FIFR statistics represent record lows for the company.

Causes of fatal accidents

The primary causes of fatal accidents were falls of ground (60%), with seismically-induced falls of ground accounting for 58% of these. Other primary causes were: machinery (13%), trucks and tramming (6%), and vertical transport (6%).

Fatal accident reviews

AngloGold Ashanti has a policy of investigating all fatal accidents independently of mine-based and statutory investigations using a team convened by the corporate office, and followed up by a formal executive review conducted at the corporate office. The group believes that this methodology not only indicates the seriousness with which the board and executive view fatal accidents, but reveals important risk issues and lessons learnt.

Health performance

AngloGold Ashanti continues to provide comprehensive health care services to employees either through AHS (in South Africa), overseen by AHS (elsewhere in Africa) or through mine-based and external health care service providers (elsewhere in the world).

Medical surveillance at the **South African** operations is conducted in line with the Mine Health and Safety Act: 51,084 occupational medical surveillance examinations (initial, periodical, transfer and exit) were performed in 2004. Medical surveillance is also undertaken at other operations, in line with specific needs and local legislation.

In **South Africa**, noise-induced hearing loss (NIHL), occupational lung diseases (OLD) and tuberculosis (TB) are categorised as occupational diseases and are therefore compensable by law. In 2004:

285 new cases of NIHL were compensated during 2004, which is a rate of 7 per 1,000 employees. This is a decrease of 61% on the previous year's rate of 18 per 1,000 employees.

319 cases of OLD were compensable in the South Africa region during 2004, which is a rate of 8 per 1,000 employees.

1,386 new cases of TB were detected and treated during the year, which is a rate of 35 per 1,000 employees. The rates are increasing despite intensive efforts to both detect and treat TB. This is because of an increasing incidence of HIV and AIDS amongst a silica-exposed workforce.

OCCUPATIONAL SAFETY AND HEALTH

2004

Australia

Sunrise Dam

31

Ghana

Bibiani

0

Iduapriem

0

Obuasi

496

Guinea

Siguiri

74

Mali

Morila

42

Sadiola

76

Yatela

150

Namibia

Navachab

122

South Africa

Ergo

944

Great Noligwa

9,746

Kopanang

6,134

Moab Khotsong

1,268

Mponeng

5,343

Savuka

3,008

Tau Lekoa

5,369

TauTona

3,444

South America

AngloGold

Ashanti Mineração

491

Cerro Vanguardia

575

Serra Grande

107

Tanzania

Geita

149

USA

CC&V

244

Number of shifts lost due to injuries

Governance and structure

The safety, health and sustainable development committee of the board has as its brief the evaluation of social, economic, environmental and health impacts of the company's operations on both local and global communities and to achieve a sustainable balance between economic and social development with due regard to:

.
the safety of its employees;

.
the health of its employees; and

.
the impact of its operations on the environment.

One of the stated primary objectives of this committee is to ensure the elimination of all work-related accidents and diseases, and the committee conducts on-site inspections on matters of serious concern.

The committee comprises two non-executive directors, Bill Nairn (chairman) and Dr James Motlatsi, and the chief executive officer Bobby Godsell. Members of management, including chief operating officer, Dave Hodgson, are invited to participate, as well as John McEndoo (Safety), Dr Dave Barnes and Dr Brian Chicksen (Health), Andrew Mackenzie (Environment) and Paul Hollesen (Community Development). The management of safety and health issues at an operational level falls under the auspices of the chief operating officer, who is supported by line management. In the case of health services in **South Africa** and, to some extent, in the rest of Africa, these are guided and provided by AHS under the direction of Dr Brian Chicksen.

Responsibility for safety and health has been devolved to operational line management, down to the level of first line supervisor. The actual operational structure varies from operation to operation. At the Geita Mine in **Tanzania**, the environmental manager, safety manager and health services manager all report to the general manager. At the Obuasi mine in **Ghana** each underground section and the surface operations have a safety engineer dedicated to them. These safety engineers play a co-ordinating role and support the line managers, who are also supported by safety and health representatives appointed from amongst the workforce.

Safety and health policies

The group's values and business principles on safety and health and accompanying safety and health policy are minimum guidelines for the group in respect of safety and health. Regions and operations are encouraged to develop their own specific principles, guidelines and policies in line with local conditions and legislation. (*See Tau Leko occupational health and safety policy and Geita Gold Mine values on the Report to Society 2004 website.*)

The **Australia** region has a signed health and safety policy in line with the AngloGold Ashanti health and safety policy and objectives. This policy was reviewed by employees and a group of external stakeholders in 2003 with a positive response received and will be reviewed again by external stakeholders in 2005. (*See Australia region safety and health policy on the Report to Society 2004 website.*)

The Sadiola and Yatela mines in **Mali** have developed a code of conduct with three parts, dealing with safety and health, and the environment. Because these are applicable to local employees and communities they are available in English and French. (*See Sadiola/Yatela safety and health policy on the Report to Society 2004 website.*)

Safety and health agreements

The **South Africa** region has safety and health agreements and policies in place at all mines and business units that have been negotiated with representative unions as prescribed by the Mine Health and Safety Act.

At Navachab in **Namibia** a health and safety agreement was concluded with the representative union in 1997 and, as a consequence of this, union and other employee representatives attend safety meetings on a regular basis.

Where no formal agreements are in place at the other operations, participation by employees is encouraged as it is a fundamental philosophy of the group that safety and health is the responsibility

of each individual, as well as that of management.

SH7

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

2003

2004

Australia

Sunrise Dam

6.05

3.73

Ghana

Bibiani

—

0.00

Iduapriem

—

0.00

Obuasi

—

2.53

Guinea

Siguiri

—

0.94

Mali

Morila

3.78

1.94

Sadiola

0.31

1.13

Yatela

2.92

0.76

Namibia

Navachab

3.60

0.90

South Africa

Ergo

1.75

1.90

Great Noligwa

9.83

10.04

Kopanang

14.08

12.96

Moab Khotsong

7.11

6.70

Mponeng

9.81

9.50

Savuka

17.57

12.91

Tau Lekoa

25.96

15.43

TauTona

8.24

11.40

South America

AngloGold

Ashanti Mineração

4.04

1.56

Cerro Vanguardia

7.95

6.66

Serra Grande

1.94

1.21

Tanzania

Geita

0.79

1.00

USA

CC&V

3.22

0.00

Group

8.83 6.56

Lost time injury frequency

rate (LTIFR) – per million man hours worked

Review 2004

SH8

Complying with laws, regulations, standards

AngloGold Ashanti is committed to complying with all relevant laws, regulations and standards applicable to the countries in which its operations are located. In the absence of appropriate laws, regulations or standards, or where these are perceived to be inadequate, the company will adopt standards reflecting good practice.

Enforced stoppages by regulatory authorities, non-compliance with legislation or fines imposed by regulatory authorities

A total of 13 withdrawals/partial withdrawals and/or stoppages were instigated by the South African Department of Minerals and Energy (DME) in line with section 54 of the Mine Health and Safety Act during the year. (See table bottom right.) Two stoppages resulted in a significant interruption to business (of more than three days):

.
on 18 August 2004 work was stopped for three weeks at Great Nologwa mine while the mine instituted remedial safety measures, following a multiple fall of ground seismic-related fatal accident; and

.
work on the reef horizon was suspended for five consecutive Sundays following a fatal accident at Tau Lekoa mine.

A fine of R200,000 was imposed by the DME relating to a gas explosion that took place at Mponeng mine on 29 June 1999 and in which 19 employees lost their lives. The investigation conducted by the DME after the accident highlighted a number of procedural shortcomings at the mine, although these were found not to relate directly to the accident.

At the Obuasi mine in **Ghana**, two breaches of the mining regulations resulted in reprimands from the Department of Mines:

.
on 5 April 2004, a fire in the No 2 compartment of the Sansu Shaft occurred after shaft repairs using an oxy-acetylene cutting device. No injuries occurred. Remedial action has been put in place; and

.
on 3 May 2004, an eight-year old girl drowned while swimming in a defunct slurry trench. This and all similar trenches in the area have been filled and the area is being rehabilitated for eventual hand-over to the community.

No other breaches to, or violations of, the various legislation or regulations were reported during 2004, and no further non-compliance fines were paid in respect of safety and health.

OCCUPATIONAL SAFETY AND HEALTH

Review 2004

Safety and health management in
North America: top-down and
bottom-up

For the North America region's CC&V mine, health and safety is approached from top-down and bottom-up. Health and safety issues start with Ron Largent, vice president and general manager, who relies on Larry Snyder, manager, safety and security, for overall programme administration as well as each departmental manager for implementing health and safety policies and programmes.

The DuPont STOP (See Report to Society 2003) for Supervisors and Employees programmes have been implemented and are in use. The STOP programme promotes safety observations and positive remedial measures for observed unsafe acts and conditions on all levels, from the vice president and general manager to hourly employees. The programmes have been proven to be most valuable for hourly employees by enabling them to correct unsafe acts and conditions directly and immediately without having to go to a supervisor with a report of an unsafe act or condition.

Full

Partial

withdrawals withdrawals

Accidents

1

0

Environmental
conditions

0

2

Fatalities

0

2

Ground
conditions

2

4

Total

3

8

DME-initiated withdrawals – South Africa – 2004

Laws, regulations and standards applicable to safety and health

Australia

Mines Safety and Inspection Act (WA) 1994 (MSI Act)

Mines Safety and Inspection Regulations (WA) 1995 (MSI Regs)

Argentina

Argentinian Constitution, Law 19587/72 – National Conditions of Hygiene and Safety for Organisations and Mining, Law 24557/95 – Work Risk Law

Brazil

Constitution and labour legislation. Regulatory Norm 22 – Occupational Health and Safety in Mining

Regulatory Norm 7 – Occupational Health Medical Control Programme, Mining

Decree 237, October 2001 Regulatory Norm – National Department of Mineral Production (DNPM)

Ghana

Mining and Explosives Regulators, 1970 (Legislative Instruments 665 & 666)

Radiation Protection Regulations, 1993 (Legislative Instrument 1559)

Environmental Protection Agency (EPA) Regulations

Mali

The primary laws governing safety and health in Mali are Code de la Sécurité Sociale du Mali (Social Security Code), Convention Collective (Collective Agreement) and Code du Travail du Mali (Mali Labour Code) The International Finance Corporation (IFC) is a partner of the SEMOS SA joint venture. As a partner, the IFC requires that SEMOS SA adhere to IFC and World Bank guidelines, including those guidelines covering health and safety. Thus, additional applicable IFC guidelines for SEMOS SA include:

- Environmental Guidelines for Health Care Facilities, May 2003 - IFC Environmental Guidelines for Occupational Health and Safety, June 24, 2003

- World Bank Environment, Health and Safety Guidelines – Mining and Milling - Open Pit, August 1995

- Environmental, Health and Safety Guidelines for Precious Metal Mining, Draft July 2004

Namibia

Health & Safety Regulations Act 6 of 1992

Hazardous Substance Act 15 of 1973

Mineral and Ordinance Act

Environmental Act 10 of 1998

Namibia Water Corporation Act no 12 of 1997

South Africa

Occupational Health & Safety Act N0 85 of 1993

Mine Health and Safety Act 26 of 1999 & Regulations

Compensation for Occupational Injuries and Diseases Act 130 of 1993

Occupational Diseases in Mines and Works Act 78 of 1973

Minerals Act 50 of 1991

Minerals and Petroleum Resources Development Act 28 of 2002

National Nuclear Regulator Act 47 of 1999 Hazardous Substances Act 15 of 1973

Atmospheric Pollution Prevention Act 45 of 1965

National Building Regulations and Building Standards Act 103 of 1977

Explosives Act 26 of 1956

Tanzania

The United Republic of Tanzania Mining Act 1998

The United Republic of Tanzania Mining Regulation 1999

The Industrial and Consumer Chemicals (Management and Control) Act 2003

The Factories/Chemicals Management and Control Act 2003

The Employment and Labour Relations Act 2004

The National Environmental Management Bill (currently before Parliament)

United States Mine safety and health is administered via the Mine Safety and Health Administration (MHSa), under a programme that is separate of safety and health requirements that are applicable to other industries in the United States as addressed under

Occupational Safety and Health Administration

SH9

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SH10

Risk assessments

Risk assessments are conducted at both group and operational level, right down to working places. This is to understand the potential safety and health risks that exist so that they may be removed or reduced to tolerable levels. A detailed discussion on risk analysis within the group can be found in the Annual Report 2004.

Risk assessment may be conducted by or with the assistance of external consultants, by the group's corporate office, by underwriters (for insurance purposes) or by the operations themselves. An important development that has taken place in recent years has been the extension of basic hazard identification into the front line supervisory ranks and to employees themselves.

At Geita in **Tanzania**, for example, many supervisors, safety officers and representatives have been trained to conduct risk assessments.

An example of a risk assessment that draws on the broad base of experience and expertise within the group was recently conducted at the South America region's Cerro Vanguardia operation in **Argentina** to ensure that these open-pit operations are managed in line with world best practice. (*See case study: Towards best practice in open-pit mining on page SH22*). Yet another example are the Hazop studies that were undertaken during 2004 as part of the process of constructing the Hanna Cyanide recovery plant at Sadiola and Yatela in **Mali**.

The **Australia** region uses the SafeGold risk management system as the basis for risk management. All employees are trained in hazard identification and risk assessments. Risks are managed through the hierarchy of control and there is demonstrated use of the high levels of control including elimination of hazards and engineering out the hazards rather than relying on personal protective equipment.

At Sunrise Dam a formal process of identifying potential hazards and defining control processes for the underground operation was recently undertaken. This process identified some 1,600 hazards which were subsequently assessed and addressed. At present the mining contractor is reviewing this list of hazards and controls that are in place. During the Mineral Council of Australia's Minex evaluation, the application of the rigorous risk management process was identified as a principal strength in the safety management programme. (*See case study: Sunrise Dam awarded prestigious Minex trophy on page SH23.*)

This process has been extended to exploration activities, such as the Tropicana project, where risk was assessed by the team working on the project prior to the project commencing. An external party was used to educate the team in the principles of risk assessment and assist in the process. Major risks identified were reviewed and action plans developed to reduce their impact. Having undertaken this process before the project commenced, all personnel were made aware of the hazards, resulting in no incidents and injuries occurring to date.

The Australia region has also made good progress in its transition to using leading rather than lagging indicators. For example, three positive indicators used to measure safety performance include corrective actions completed, scheduled inspections conducted and a number of green (or incident-free) days achieved.

In South America (**Argentina** and **Brazil**), annual Hazard Identification and Risk Assessments (HIRAs) are undertaken by company teams, and these are subject to internal and external audits. The HIRA is conducted for each activity, identifying risk factors, consequences, existing and proposed risk measures. The final result is a matrix indicating a Residual Risk Profile and respective controls, which has brought about a significant reduction in the number of lost-time accidents.

Audits

Both internal and external audits are conducted on a regional and operational basis. Many operations outside of South Africa have adopted the National Occupational Safety Association (Nosa) systems and were audited during the year.

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Communications media used in the Australia region

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Electronic – intranet, email, internal television/video system, presentations, and Aura newsletter.

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Hard copies – notices, bulletins, posters, and quarterly site newsletters.

.

Notice boards – distinctive notice boards in offices, cribrooms, meeting rooms, and training rooms.

.

Oral communication – daily morning meetings, weekly managers' meetings, quarterly department presentations, monthly safety strategy meetings, monthly safety meetings

Monthly MD meetings on safety at Geita

Issues relating to safety and health form an important component of the monthly meetings held between the managing director, Peter Turner, and both Geita and contractor senior staff. These meetings form a valuable means of directly communicating important information dealing with all aspects of the operation and its effect on other stakeholders. There is an opportunity to exchange ideas, ask questions and propose changes. Any significant or potential safety incidents are discussed.

It has been AngloGold Ashanti practice to engage the services of recognised safety experts to undertake a high-level safety audit, with recommendations made to the board committee. Retired state mining engineer (Western Australia) Jim Torlach, undertook a second audit of the operations in late 2004, including the South African, Malian and Australian operations. His brief was to review the progress made on, and compliance with, certain of the recommendations made in his previous report from 2002/2003. (*See case study Australian expert evaluates AngloGold Ashanti's safety risks on page SH27 of this report.*)

The assessment of the group's adherence to the international Cyanide Protocol (*See case study: Developing and implementing best practice for cyanide implementation on page E33 in Environment section*) uses a novel approach of creating expert teams drawn from different regions to work with a local team in undertaking what is essentially a detailed risk assessment and audit.

Both the South Africa region Occupational Health Centres were audited during the year by an external auditor using Anglo American plc guidelines. Both centres achieved more than 95% in all audit elements.

Employee involvement and communication

AngloGold Ashanti encourages both employee involvement in matters relating to safety and health, and communication with employees in this regard. This is necessary to understand and arrive at the best outcomes, and to gain commitment in the implementation of safety and health programmes.

Effective communication is an important adjunct to safety management, not only to disseminate knowledge, but also to ensure that employees are aware of their own responsibilities.

The group uses the intranet, mine-based newsletters, safety newsletters and a monthly safety letter from its chief operating officer to communicate about safety and health issues and ensure that they remain a priority. Operations are required to report on monthly, quarterly and annual safety performance in respect of both leading and lagging indicators. Coaching to interpret these indicators through these media is ongoing.

In **South Africa**, employee involvement is specified by law. In line with the Mine Health and Safety Act, 2,500 workplace and 60 full time safety and health representatives have been trained, designated and appointed. These cover all South African production employees and all working places.

In **Ghana**, article 16 of the collective bargaining agreement between the company and union allows for safety and health representatives to be appointed from within the workforce. The union is represented on a panel of investigators during enquiries into incidents and is actively involved in safety and health campaigns coordinated by the safety, health and environment department. One of the challenges that remains in Ghana, and elsewhere, is to obtain employee support for, and participation in, the various programmes.

At Sadiola and Yatela in **Mali**, safety representatives are elected (most recently in February 2004) and form part of the team that drives both safety communication and management.

In **Tanzania**, both Geita and the contractors' employees are represented by a health, safety and environment (HSE) representative committee. These representatives are appointed by the various departmental heads. In this capacity they attend regular training sessions on their roles and responsibilities and are part of a group that is accountable for accident and incident investigations. They also play an important role in developing and implementing new safety and health systems and programmes, or raising employee concerns.

Although there is no formal union representation at the **Australia** operations, site management encourages teamwork and ownership in safety and health initiatives. Employees are encouraged to take responsibility for safety and to report risks and hazards before an incident can occur. This is reinforced through pre-shift instruction meetings and the ACTSAFE programme. The general manager is active in the promotion of safety and health on the site through the weekly safety and health meetings involving all employees and contractors. At the CC&V mine in the **United States**, the general manager conducts quarterly all-hands meetings that present an open forum to discuss safety, health and production status, and issues concerning the workforce.

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ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

2004

Injury

only

Argentina

Cerro Vanguardia

3.61

Serra Grande

1.49

Australia

Sunrise Dam

0.02

Ghana

Bibiani

0.00

Iduapriem

0.00

Obuasi

0.03

Guinea

Siguiri

0.01

Mali

Morila

0.01

Sadiola

0.02

Yatela

0.06

Namibia

Navachab

0.05

South Africa

Ergo

0.20

Great Noligwa

0.51

Kopanang

0.39

Moab Khotsong

0.27

Mponeng

0.39

Savuka

0.37

Tau Lekoa

0.51

TauTona

0.27

South America

AngloGold

Ashanti Mineração

0.10

Cerro Vanguardia

0.35

Serra Grande

0.46

Tanzania

Geita

0.02

USA

CC&V

0.32

Group

0.23

Absentee rate

SH12

Examples of forums for joint safety and health committees comprising management, employees and/or employee representatives.

Operation

Forums in place

Australia

Joint safety and health committees are in place

Ghana

Safety and health representative appointed in line with legislation

Mali

Elected safety representatives

Navachab

Committee in place and safety and health representatives in line with agreement

South Africa

Joint safety and health committees in place at every operation, in line with the Mine Health and Safety Act. All working places covered by such agreements

South America

Committees in place

Tanzania

HSE representatives made up of employees and contractor employees

USA

Employee participation encouraged

Training

The provision of appropriate training is essential to ensure that employees are competent to carry out both their duties and responsibilities in a safe manner.

In **South Africa**, occupational environment, health and safety training is a particular priority for the company and is incorporated, in the first instance, into all technical training programmes and learning material with reference to the workplace and work-related hazards for each and every occupation and associated tasks. In 2004, 3,424 employees attended formal occupational environment, safety and health training, which took 7,833 shifts.

An important development in recent years has been the changes to legislation that have facilitated the empowerment of first line supervisors, both in examining and making safe their work areas, and in withdrawing from working areas should these be thought to be unsafe.

In the **Australia** region, safety and health training begins with induction which is competency based and then progresses to an area-specific induction. A 'buddy' system has been set up where an experienced person works with a new employee. Basic safety and health training is undertaken in areas such as hazard identification, risk assessment, job hazard analysis, working at heights, emergency response and fatigue management. Each area of the plant has its own safety and health training package. Safety and health and lifestyle topics are discussed regularly at safety meetings. Most of this training is formal and competency-based.

At CC&V in the **USA**, eight to 24 hours of safety and health training is conducted immediately following hiring. Eight hours of refresher training is conducted annually for all employees. Task training in the safety and health aspects of a task is conducted whenever an employee is assigned to a new task. Equipment operator skills training is conducted on an ongoing basis for mine operators.

Navachab mine in **Namibia** undertook a range of training programmes during the year: safety induction (annually for all employees), Nosa-related courses, incident investigation training, risk assessment training, cyanide basic awareness and intermediate training, safety representative training and defensive driving training.

In **Ghana**, safety related training has largely been informal and on-the-job for the majority of employees, while selected employees – who have a significant role to play in respect of safety and

health – have enjoyed full time, formal training courses.

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Some of the training that has taken place in **Mali** includes employee health and safety training courses (Levels 1 and 2), basic and intermediate cyanide training, fire fighting training, hazard recognition and hazard hunt training, as well as first aid training.

At Geita in **Tanzania**, all employees attend a health, safety and environment induction on their first day on site. Area-specific induction is then carried out by area supervisors before the employee may commence work. Other training is conducted on a needs basis and includes specific operator training, fire-fighting training, hazard identification, first aid training, cyanide awareness and response training. The on-site emergency response team (which includes two artisanal miners) trains twice a week after hours and one full day per month. They also receive training in all aspects of emergency response from external service providers.

At AngloGold Ashanti Mineracao in **Brazil**, each employee spends between six and 10 hours each year on refresher safety training. This follows induction training (of 16 hours in total) on safety at work, firefighting, first aid, risk management and the handling of cyanide.

Safety programmes

A Safety Summit was held in March 2004 where five strategic thrusts for the **South African** safety programme were identified. This was followed by a re-launch of the South African safety programme involving a symbolic ceremony where the various business unit managers committed themselves and their business units to the implementation of the five strategic thrusts. (*See box on page SH14*).

Discussions on some of the initiatives undertaken on the South African operations may be found on the following pages:

.
From lagging to leading indicators – Tau Lekoa rises to the challenge on page SH35

.
Mponeng's safety strategy focuses on behavioural change on page SH36

.
Safety interventions at depth at TauTona on page SH37

SH13

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

Safety training in South Africa

The following structured formal courses relating purely to occupational environment, health and safety are also presented on a regular basis in accordance with the prescribed course schedule.

.
Business unit induction and annual refresher programmes.

Risk assessment:

i. Risk assessment level 1 (designed for and presented to all non-supervisory categories). The focus is on hazard identification.

ii. Risk assessment level 2 (designed for and presented to supervisory categories – miner/artisan level).

The focus is on hazard identification but includes practical exercises on observation and inspections.

iii. Risk assessment level 3 (designed

for and presented to supervisory employees). The focus is on issue-based risk assessment.

.

Enterprise-wide risk management (designed for and presented to supervisory employees).

.

Advanced principles of safety management (designed for and presented to safety practitioners, learner officials and management trainees).

.

Safety representative course (designed for and presented to all safety representatives).

.

Hazard identification techniques (needs-based).

SH14

Five strategic thrusts underpin South African safety drive

The South Africa region's 2004 safety summit resolved to follow five key strategic thrusts for safety management during 2004/2005. These are:

Mindset change

A phased and structured behaviour change process is in progress to gradually change individual, team, section and ultimately the entire operation's mindset. 90% of employees down to team

leader category were trained in behaviour auditing techniques and principles during the year. The aim is to embed these principles at this level before commencing with the remainder of employees. A complete behavioural safety implementation status review is planned for 2005.

Risk management

A simple yet technically sound approach to enterprise-wide risk management process was instituted in 2003. 'Risk owners' for each risk were identified and are following a structured approach to identifying risks facilitated by each operation's risk manager. The aim is to be able to assess risk controls through a continuous pro-active management process which will bring together all assessments, inspections and observations giving a clear indication of the risk status. This process is continually being improved and it is envisaged that the OHSAS 18001 system will be adopted within the region's risk management process. Audits are already being conducted and will eventually be used in OHSAS 18001 certification audits.

Fall of ground management

Further research is being conducted into rock-related injuries in relation to the depth at which they occur. Another issue being looked at is the delegation of relevant fall of ground management components to each level in the mining ranks.

Five elements of fall of ground management have been audited on a regular basis since 2003 to identify where remedial action needs to be taken, and positive results have been noted during fall of ground management analysis as a result. These five elements are:

- .
design of mine layout;
- .
design of support systems;
- .
human factors involved in falls of ground;
- .
monitoring systems, verifying sufficiency of designs and implementation; and
- .

problem solving and technological development. (*See case study: Employee attitudes to safety in Mali on page SH30.*)

Horizontal and vertical transport

A competition to motivate safety performance in these areas was initiated during 2004 and awareness has since increased significantly. The implementation of a quarterly report on horizontal and vertical transport issues using a causational model to identify leading indicators as well as a report on lagging indicators, has increased this awareness even more and is yielding positive results and much interest.

Other initiatives include horizontal and vertical transport group meetings, a third round of region-wide horizontal and vertical transport audits, the implementation of enhanced track maintenance protocols, and improving design specifications for cage (vertical transport) arresting devices.

Wellness in the workplace

The wellness in the workplace thrust recognises that safety and health are integrally related. This thrust will primarily address the working environment, health care and medically affected employee programmes so as to enhance manpower management.

Wellness in the workplace embraces the following: recruitment and selection, dust management, TB control, noise management, thermal management, radiation management and HIV/AIDS workplace initiatives.

OCCUPATIONAL SAFETY AND HEALTH

Review 2004

The **Australia** region recorded a number of achievements during the year. Among these was the successful implementation of the ACTSAFE programme at Sunrise Dam that has resulted in improved employee acceptance of responsibility for personal health and safety within the workplace.

Another achievement was the effective implementation of exploration drilling equipment improvements which has seen the implementation of automatic break-out tools on all drill rigs. Breakout-tools are used for breaking the joints between drill rods. The rod string comprises a series of rods of three or six metres each, that are screwed together and added as the drill hole gets deeper. These joints become very tight as a result of the tremendous torques involved. Manually breaking the joints has long been recognised as a very hazardous task and the source of frequent hand and back injuries.

Two areas of concern remain, and will receive increased focus during the year ahead:

.
the need for improved contractor management and, in particular, the need to review and increase contractor commitment to safety; and

.
the high turnover of personnel in the mining industry and the implications this has for safety training.

In addition, the region will be undertaking a safety culture survey during the year ahead.

A primary challenge at the **Ghanaian** operations, and indeed elsewhere, is to reinforce the commitment of supervisors towards safety and health, in the same way that they have assumed responsibility for production. This accountability is now being incorporated into the formal responsibilities for senior employees at the time of their appointment. To ensure that all employees recognise their own responsibilities in respect of safety and health, a behaviour-based safety programme is planned for 2005. Another area of concern has been the negative impact that budgetary constraints have placed on the provision of personal protective equipment and safety facilities and this is being addressed.

At the Sadiola and Yatela operations in **Mali**, major challenges ahead include the further development of full time safety and health representatives, the inculcation of safety as a fundamental value within the company, improved vehicle controls, and the fostering of a risk control mindset. At Morila, a near-miss reporting system has been implemented, along with increased communication in local languages, in an effort to improve safety performance. Some success has been achieved, but this was negated by the relatively poorer performance by contractors during the Plant Expansion Project, which was completed in October 2004. Plans for the year ahead include:

.
better supervision of contractors undertaking atypical work; and

.
the implementation of a Behaviour-based safety programme for all employees. (*See case study: Employee attitudes to safety in Mali on page SH30.*)

In the **USA**, at the CC&V mine, the DuPont STOP for Supervisors and Employee programmes continue to yield significant improvements in reported injuries and equipment damage incidents. A significant portion of the 2004 annual refresher training was devoted to programme skills and requirements. Overall, programme feedback has been positive both in reduction of accident occurrence and in changing attitudes to reflect positive methods of remedial measures. Continuing to improve the STOP programme and ensuring utilisation of STOP principles and observations will be a major focus during the year.

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ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

AngloGold Health Service (AHS) –
providing health care to more than
40,000 employees and many more
dependents

AHS is a wholly-owned subsidiary of
AngloGold Ashanti and provides health

care services to the group's 40,000+ South African employees and growing numbers of their dependents.

AHS comprises two world-class hospitals, community-based clinics and on-mine medical stations as well as two occupational health centres.

AHS employs some 1,300 people, 60% of whom are health care professionals.

Each AHS hospital has medical, surgical and maternity wards, an intensive care unit, operating theatres, casualty and outpatient facilities, as well as radiography, occupational therapy and physiotherapy services.

Employees have unlimited access to these facilities.

SH16

Current safety priorities for Geita mine in **Tanzania** include:

- . the development and training of safety representatives;
- . ensuring compliance with site driving rules (especially wearing of seat belts);
- . increased drug and alcohol awareness programmes and substance abuse testing;
- . risk assessment training;
- . implementation of behaviour based safety system;
- . reducing worker fatigue; and
- . succession planning and localisation of safety skills.

Health programmes

The provision of health care in South Africa continues to be made under the auspices of AHS, which has undergone a change in strategic direction this year. A key strategic objective during 2004 was to align health care provision at other African operations with that of AHS facilities and this has largely been achieved. Three such facilities are discussed in this report. (*See the case studies: Model mine medical facility at Iduapriem on page SH26, Upgrade planned for the Edwin Cade Memorial Hospital at Obuasi on page SH25, and State-of-the-art x-ray facilities at Geita on page SH41.*) The first two operations are in Ghana and the latter is in Tanzania.

Occupational health threats

NIHL and OLD, as well as TB in South Africa, are the most significant occupational health threats faced by employees in the gold mining industry and the various operations have programmes in place to address these. Other threats are excessive fatigue and poor lifestyle and nutrition. The major health threat at the Mali, Ghana and Guinea operations remains malaria and this is dealt with separately on pages HM10 to HM11 of the HIV/AIDS and Malaria section. Indeed, one of the issues related to being a global group is both extensive travel and secondment. (*A case study: Setting up tropical travel protocols as global travelling increases on page SH28.*)

Noise induced hearing loss (NIHL)

In South Africa baseline audiograms in terms of new compensation regulations were completed for all employees during 2003. The decreased NIHL levels recorded in 2004 do not represent a significant downward trend but are consequent upon this legislative change. In light of this first-ever accurate baseline survey covering all employees at one time, and the increased levels of compensation that may be awarded in the future for NIHL, reducing noise levels at source and preventing hearing loss is an occupational health priority.

In this regard the muffling of all rock drills and noisy fans has been completed with the result that ambient noise levels have been significantly reduced. In addition to these engineering efforts, specifically selected hearing protection devices (HPDs) are available to employees. Increased education and training efforts on the need to wear HPDs, and the nature and consequences of NIHL, will be undertaken during the year ahead.

OCCUPATIONAL SAFETY AND HEALTH

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Occupational lung disease (OLD)

Also in **South Africa**, exposure to silica dust remains one of the major contributing factors to the development of OLD. Silica exposure plays a role with HIV in the development of TB. Initiatives to eradicate dust and improve methods of control have continued. (*See case study: Controlling dust levels underground remains a focus area on page SH34.*)

Silicosis

A legacy issue of both the South African and Brazilian mining industries is that of silicosis. Silicosis is an occupational lung disease caused by the inhalation of free silica dust which is present in mining areas where quartz concentrations are high, as is frequently the case in deep level mines. In South Africa the follow-up treatment and compensation systems set up in the past under the Occupational Diseases in Mines and Works Act, especially for ex-employees, do not seem to be functioning as well as intended. AngloGold Ashanti is working with the state, unions and other mining companies in developing solutions. (*See Report to Society 2003.*)

Pneumology Reference Centre – focusing on the health of former employees in Nova Lima
Medical surveillance results at AngloGold Ashanti Mineração indicate that the incidence of silicosis is now rare as a result of the risk management programme, mining technology and manpower training schemes that have been implemented in recent years to limit employees' exposure to silica dust in the workplace. Only four cases have been detected during the past five years.

This has not always been the case, however. The company's Brazilian origin – Nova Lima – has been a mining town for 170 years; in the past, the Morro Velho mine, located in Nova Lima, employed thousands of people. Less was known than today about the effects of dust on the health of employees and fewer measures were in place to protect employees' health as a result, and the disease was frequently undetected and untreated.

On the closure of Morro Velho Mina Grande mine in 1995, AngloGold Ashanti contributed \$

198,000 to the establishment of the Reference Centre for Pneumology, for the treatment of, and research into, lung diseases. This was particularly aimed at ensuring a better quality of life for former employees afflicted by silicosis.

Inaugurated in May 2003, the Reference Centre was the result of a partnership with the Nova Lima Town Authorities and the local hospital – Nossa Senhora de Lourdes. It may also be used by community members who require diagnosis and treatment of lung diseases not associated with the mining industry.

The 1,570 current registered users of the facilities are treated by a team of pulmonology specialists, a thoracic surgeon, a lung physiotherapist, nutritionists, social workers and nursing aides. The company currently contributes \$

188,000 per year to the Centre's running costs.

(Former employees who are found to have silicosis are also eligible for compensation. A number of such claims (2,568) have been tested in court and compensation has been paid by the company, the average claim being in the region of \$ 12,000.)

The Centre aims to achieve the rehabilitation of patients, so – in addition to medical care – assistance is also given to employees and their families in dealing with the illness, and with financial and social issues.

In 2004, the Centre contributed \$

3,500 and provided technical support for the first Symposium for Work-Related Respiratory Diseases in the State of Minas Gerais bringing together a range of professionals working towards combating these diseases.

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SH18

Tuberculosis (TB)

TB in silica-exposed employees remains a compensable disease in South Africa. The higher rates recorded in 2004 are a result of HIV/AIDS, silica exposure and an ageing workforce. More attention is being paid to the early detection of TB by using Digital Diagnostic Radiography (DDR), and this has also had an impact on TB rates. During 2004, a R5 million (\$ 0.8 million) budget was approved for the purchase and equipping of two mobile DDR units. These will move from shaft to shaft and facilitate more frequent x-raying of employees in an effort to detect and treat TB infection earlier, thereby preventing its spread and the severity of impact.

Another milestone in 2004 was the granting to Aurum Health Research, a subsidiary of AHS, of \$ 14 million over a five-year period by the Consortium to Respond Effectively to the AIDS/TB Epidemic (CREATE). The money will be used to research strategies around TB control in the South African gold mining industry. The grant, which is part of a larger award of \$ 45 million to CREATE by the Bill and Melinda Gates Foundation, was announced in July 2004 at the X V International AIDS Conference in Bangkok. In addition to Aurum, members of CREATE include, among others, the Johns Hopkins University Centre for Tuberculosis Research, the London School of Hygiene and Tropical Medicine, the University of Stellenbosch and the World Health Organization. *(See case study: Aurum's battle against TB gains momentum on page SH31.)*

The research being conducted by Aurum, is being done after extensive consultation, and collaboration, with several South African gold mining companies, including AngloGold Ashanti, Gold Fields and Harmony, the departments of Health, Labour, and Minerals and Energy; and various labour unions and associations. The aim of the research is to determine the effects of community-wide preventive therapy on TB rates in the South African gold mining industry. As mentioned above – the rates of TB among employees in the South African gold mining industry have risen sharply, coinciding with the onset of the HIV epidemic.

Heat and physical fitness

Deep level mining is often accompanied by exposure to heat; the deeper the mine, the hotter the rock temperatures. AngloGold Ashanti employs a heat stress management programme to promote the health and well-being of its employees and to meet the requirements of legislation. *(See case study: New heat tolerance centre at West Wits on page SH33 of this report.)*

A related issue is the operation of the Functional Work Capacity (FWC) test battery developed by AngloGold Health Service and featured in last year's report. The use of this test battery has been extended to assess the fitness of women for work underground, which is particularly important in light of the South African mining industry Charter requirements.

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Review 2004

Other issues

In **Australia**, lifestyle choice is a health challenge, and programmes are in place to assist employees in improving their personal health, for example, quitting smoking, eating balanced nutritious meals and encouraging personal fitness. A further area of activity during the year ahead is fatigue education and management.

CC&V in the **USA** has a limited number of health issues to manage. Despite elevated airborne concentrations of silver in the refinery, blood sampling of refinery personnel has not detected any problems. Nonetheless, reducing silver exposure to refinery personnel to less than a threshold limit value is the major health challenge for 2005 and significant engineering controls have therefore been implemented. Compliance with MSHA regulations relating to silver exposure is pending health sampling conducted by MSHA inspectors. A baseline risk assessment was performed in December 2004. The assessment will be verified with operating groups in early 2005, and a safety plan developed to address significant risks.

At Sadiola and Yatela in **Mali**, a major epidemiological baseline study has been initiated, along with the yellow fever inoculation programme. A programme to reduce and manage worker fatigue, along with a vitamin A distribution, is underway.

Malaria remains a major health threat in the African operations. This is dealt with in a separate section on HIV/AIDS and Malaria. Similarly, a review of activities relating to HIV/AIDS – also in the African operations – can be found in this section.

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OCCUPATIONAL SAFETY AND HEALTH

5 Reporting in line with GRI

Social performance indicators:

Labour practices and decent work

Core indicators

Additional indicators

Health and safety

LA5. Practices on recording and notification of occupational

LA14. Evidence of substantial compliance with the ILO diseases and how they relate to the ILO Code of Practice guidelines for Occupational Health Management Systems on Recording and Notification of Occupational Accidents and Diseases

Recording and notification of occupational diseases and Compliance is assessed through internal and external assessment. injuries in line with AngloGold Ashanti safety and health guidelines. See discussion on pages SH7 to SH8 of this document which are informed by ILO guidelines. See discussion on pages SH7 to SH8 of this report

LA6. Description of formal joint health and safety committees

LA15. Description of formal agreements with trade unions comprising management and worker representatives and or other bona fide employee representatives covering proportion covered by any such committees health of workforce and safety at work and the proportion of the workforce covered by any such agreements

Joint health and safety committees exist at all operations, Agreements in place at the South African operations covering some less formal, and others such as at the South African operations, all workplaces. Agreements or, alternatively, employee are required by law representative committees in place at all operations

LA7. Standard injury, lost day, and absentee rates and number of work-related fatalities (including sub-contracted workers)

All statistics available on pages SH1 to SH18 of this document

LA8. Description of policies or programmes (for the workplace and beyond) on HIV/AIDS

See separate discussion related to regional health threats, HIV/AIDS and malaria on page HM5 of this document

SH21

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

6 Scorecard

Safety

Objectives for 2004

Review of 2004

Objectives for 2005

Long-term objective

Significant achievement towards this objective with

Long-term objective remains to eliminate

to eliminate all accidents

the fatal injury frequency rate declinin

g by 34%

, and the

all accidents

lost time accident rate falling by 26% during 2004

Reduce the LTIFR by 20%

LTIFR declined by 26% from 2003 to 2004

Reduce LTIFR the by 20% year-on-year

year-on-year

Transition across the group

Progress made with many operations implementing

Much work remains to be done to move

to using leading indicators

a process to monitor leading indicators

to using leading indicators (as opposed to

(as opposed to lagging indicators)

lagging indicators) as a management tool

as a management tool

Further implementation of the

Good progress was made in 2004.

Further implementation of the fall of

fall of ground campaign

(See case study: Control of mining-induced seismicity

ground campaign

in South Africa

in the South Africa region on page SH38)

Further implementation of

Some 9,000 employees trained on SMAT

Peer-on-peer SMAT approach to be

Du Pont SMAT system at

techniques, with 6,000 audits in 2004

implemented in 2005

the South African operations

Health

Objectives for 2004

Review of 2004

Objectives for 2005

Continue to provide medical

South African medical surveillance remains state-

Improved medical surveillance to be

surveillance examinations in
of the-art. Increasingly medical surveillance under-
implemented in Ghana
South Africa, and improve on
taken at other operations
those currently undertaken in
East and West Africa
Continue efforts to minimise noise
All rockdrills on SA operations now silenced as well
Establish leading indicators to manage
in the workplace and further reduce
as 98%
of critical fans
progress in meeting the South African Mine
the number of new cases of NIHL
Health and Safety Council's targets on NIHL
and silicosis. These targets are:
Continue to improve dust
Improvements in dust measurement and control being
measurement and control, and
implemented. Improved measurement has resulted in
reduce the incidence of OLD
better understanding and allowed controls to be
by 50%
implemented. There is still a past legacy of high
silica exposure
Monitor and manage the incidence
Efforts to monitor and manage the incidence of TB
Continue to monitor and manage the
of TB, including undertaking
continued. However, increased levels of HIV and
incidence of TB. Mobile DDR clinics to be
far-reaching research projects
earlier detection have exacerbated TB levels
commissioned in 2005. Aurum to lead
through Aurum
to the highest levels detected yet
Gates Foundation on TB prophylaxis
.
OLD:
– by 2008, 95% of all silica exposure
measurements will be below the
occupational exposure limit of
0,1mg/m
3
– by 2013, no new cases of silicosis will
occur, in previously unexposed
employees
.
NIHL:
– by 2013, noise emissions of all

equipment will be below 110dB(A)
– by 2008, no deterioration in hearing,
greater than 10%, will occur in noise-
exposed employees

7.1 Towards best practice in open-pit mining

SH22

Cerro Vanguardia, situated in the Santa Cruz province in Argentina, is unique among AngloGold Ashanti's surface mines because of the nature of the ore occurrence. The gold-bearing ore occurs in vertical veins up to 10 metres thick, which average 3.5 metres with near vertical dip. Separation of the multiple veins by barren country rock dictates that mining is carried out in multiple small open pits, with relatively steep walls: slope angles are around 65°.

To ensure that risk identification and management across the open-pit operations of AngloGold Ashanti are in line with world best practice, the company established Geotechnical Review Boards (GRBs) in 2003. These boards have a multi-disciplinary membership, including specialists from the disciplines of mining, rock mechanics, hydrology, safety as well as regional and site representatives. Their terms of reference cover all regions outside South Africa.

Dave Worrall, manager – surface mining (corporate technical group), was responsible for establishing the GRBs, whose mandate is to provide a tool to ensure best practice is implemented; and to perform detailed geotechnical risk assessments to quantify and manage risks for individual operations.

Carl Brechtel (corporate technical group) assisted in the Cerro Vanguardia risk assessment and comments, “The steep walls of the Cerro Vanguardia pits, and their relatively small size, means that there is limited room at the bottom of the pits, with consequent risk to people working there. We therefore carried out a detailed geotechnical risk assessment of Cerro Vanguardia operations, spanning a three-year period.” The steep pit walls presented two main risks: major slope failure, and loose rocks falling into the pits.

“Through a rigorous computer simulation process, our geotechnical consultants modelled the risk of slope failure in terms of a number of variables,” says Brechtel. “They applied block kinematics models to assess the risk of single rockfalls, taking into account gravity, velocity and range of movement on impact.” Once quantitative risk levels have been established, overall risk is evaluated by assessing the effectiveness of measures in place to manage risk and mitigate the impacts of any event. This process examines five key areas, to establish:

- what systems are in place to monitor pit walls, in order to gain early warning of any instability;

- whether effective evacuation procedures are in place;

- the numbers of people present in at-risk areas at any given time, and the duration of such exposure;

- the differing exposure levels applicable to various occupations; and

- appropriate safety awareness and training.

A number of issues were highlighted at Cerro Vanguardia. “Catch-berms created in previous mining were below the specified width, leading to increased rockfall risk,” explains Brechtel. Catch-berm construction designs and pit access ramps have been redesigned to reduce this risk. In addition, two-state-of-the-art electronic instruments – a laser imaging scanner and a digital stereo-photography camera system – have been purchased by the mine to improve reconciliation between design and actual geometry of the walls.” Ground water is a major component of pit stability, as the presence of water tends to reduce weight-bearing capacity for a given friction. John De Souza, a specialised hydrologist, has been seconded from the Africa region to supervise the installation of a de-watering system, which is planned to run for the life of mine. The system has been in operation since July 2004 and has lowered the ground water elevation by 14 metres in the largest pit, Osvaldo Diez. John McEndoo, group manager – safety, participated in the risk assessment and is assisting Cerro Vanguardia to develop pit evacuation procedures. “These will be fully integrated with the pit slope stability monitoring systems to ensure the safety of all personnel required to work in the pits at Cerro Vanguardia. The safety management programme is also being reviewed to ensure optimal employee awareness and training,” comments McEndoo.

OCCUPATIONAL SAFETY AND HEALTH

Case Studies – Argentina – Safety

Sunrise Dam Gold Mine's commitment to health and safety was recognised in August 2004, when it received the National Minerals Industry Safety and Health Excellence Award (known as the MINEX trophy), acknowledged as the Australian mining industry's highest award for safety and health excellence.

Sunrise Dam Gold Mine, situated in Western Australia, produces 400,000 ounces of gold per year. Known reserves from the open and underground pits extend the likely life of mine to 2012 and beyond. The mine employs some 500 people, who are accommodated at the Sunrise Dam Village about eight kilometres from the mine's operations. This includes a significant number of contractors including Roche Mining (open cast pit), an indigenous mining company, Carey Mining and Barmenco (underground operations) and ESS (catering).

The mine's commitment to health and safety has previously been recognised, when it received the Dick Fisher Global Safety Award, AngloGold Ashanti's annual international safety award, for their outstanding performance in 2003.

Health and safety efforts at the mine are steered by the Site Strategy Group, comprising key members of the management team and of contracting companies Roche, Barmenco and ESS. ACTSAFE, which is the behavioural aspect underpinning the mine's current health and safety initiatives, was the brainchild of the Safety Strategy Group. ACTSAFE is based on a daily safety focus, which requires employees to check procedures, equipment and conditions, assess and report risks, hazards and incidents, attend safety meetings and perform or discuss an Act of Safety. Comments general manager Graham Ehm, "ACTSAFE's adaptability is a key part of its effectiveness. Departments and contractors have been empowered to interpret ACTSAFE and apply this in their own unique work environment. What is not allowed to change is the employees' unremitting focus on safety."

A cycle is followed in each of these areas, whereby intents and the necessary resources to achieve them are articulated, results are measured and possible future improvements agreed.

An audit of the mine's Site Safety Plan is conducted each year through SafeGold, a 36-element risk management system introduced in 2001 by an external certified auditor. Sunrise Dam's improvement can be seen in the continuous improvement results from the audit. In 2004, the score was 81%, up from 76% in 2003.

A feature of the mine's approach is the emphasis given to the participation of contractors in all aspects of health and safety. Contractors' safety management systems are extensively reviewed as part of the tendering phase and during operations, and all contractors are evaluated on safety and health issues. Management on site has been known to suspend the operations of contractor companies for poor safety compliance. Contractors working with ACTSAFE at Sunrise Dam have found the system so effective that they have adopted it within their wider operations both nationally and internationally.

Safety and health are included in the job descriptions of all employees, permanent and contractor, and the annual performance appraisal reinforces people's understanding of their roles and responsibilities. All job advertisements refer to the importance of safety.

Continuous improvement is part of the equation. Each year's Site Safety Plan incorporates improvement targets for the next twelve months. All departments report, in quarterly reviews and presentations, on the progress of their safety initiatives against plan. "The ACTSAFE behavioural tool works to turn plans into performance," says Ehm. "It engages employees in our positive safety culture that includes no-blame reporting and encourages open communication."

SH23

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

7.2 Sunrise Dam awarded prestigious Minex trophy

Case Studies – Australia – Safety

ACTSAFE

Assess and

Check conditions before a

Task

Sustain a positive
Attitude
For the
Environment and safety
OCCUPATIONAL SAFETY AND HEALTH

7.3 Overcoming the challenges to working safely in
Mongolia
SH24

Not only is Mongolia a country steeped in history and cultural diversity, but it is also a land of extreme climates and terrain which create significant challenges to undertaking safe exploration. AngloGold Ashanti established an office and began exploration in Mongolia in May 2003 and currently has 23 employees (including contractors) based in that country.

The company has committed to a set of best practice safety initiatives, adapted to Mongolian conditions; these are captured in a comprehensive bilingual Standard Operating Procedures document. To ensure that exploration is undertaken safely in local conditions (see box), the company has brought in experts to educate staff on such diverse topics as cold weather survival and snow driving, map-reading and navigation, and search and rescue techniques. Appropriate clothing, equipment and vehicles are essential to efficient and safe working procedures in this environment.

Says Mike Hawkins, exploration manager, “The ability to explore safely can be complicated by the remote location of many projects and the lack of local and regional infrastructure. This lack of infrastructure forces a greater reliance on internal company resources to ensure a safer work environment. Evacuation procedures, regimented scheduled communication and training have been implemented to counter the lack of infrastructure. To complement this, the company liaises with an international medical provider for emergency medical advice and med-vac facilities.

“At least 15 distinct ethnic groups co-exist in Mongolia, many of whom speak their own dialect and have their own cultural sensitivities and customs. An awareness of these is critical to working harmoniously in the Mongolian countryside. As part of the rigorous induction process, all employees and contractors are familiarised with these issues and the need to respect this cultural diversity, and employees are encouraged to learn both Mongolian and English. These skills become particularly useful in dealing with emergency situations apart from day-to-day exploration activities.”

In April, May and June, a series of navigational, survival and search and rescue exercises were conducted using local and expatriate exploration personnel in co-ordination with local and central government authorities. The exercises were overseen by independent search and rescue consultants. Included among the exercises were overnight survival practicals, during which staff were required to build shelters such as snow caves and to co-operatively pool their resources to enable them to survive the night in temperatures that fell below -10°C . Search and rescue exercises were also conducted on AngloGold Ashanti exploration tenements in a variety of terrains, ranging from forested, mountainous areas with late-season snow cover, to the arid Gobi desert. Each of the terrains offered different challenges to the participants, and valuable lessons were learnt about how terrain can influence the requisite search area and methodology. Additionally, the long hours put into the programmes showed how fatigue can adversely influence decision-making. The search and rescue exercises also enabled participants to put into practice some of the specialist driving and vehicle recovery techniques that they had been taught, as the challenging terrains necessitated numerous real vehicle recovery actions.

A commitment by all staff to ongoing training, and adoption of safe work practices specifically tailored to local conditions, enabled the Mongolian team to successfully complete the field season without recording a single lost time injury.

OCCUPATIONAL SAFETY AND HEALTH

Case Studies – Exploration: Mongolia – Safety Conditions in Mongolia

Terrain in Mongolia varies from rugged mountain ranges to harsh desert. The high Altai, which dominates the western reaches of the country, has mountain ranges in excess of 4,000 metres in height, where flash floods and snow are common. In contrast the harsh Gobi

desert in the south is deeply incised with numerous steep gorges and mountain ranges, making driving difficult and time-consuming. Winter temperatures across the entire country can fall below -40°C.

The Edwin Cade Memorial Hospital at Obuasi, which has been open for some 70 years, has played a crucial role in health care in the vicinity of the Obuasi mine. The hospital, which has a capacity of some 170 beds, caters for about 70,000 patients per year, currently drawn predominantly from the non-employee community.

The hospital has five doctors (two of whom are specialists), two medical assistants, 16 senior nurses, 50 junior nurses, and 10 support staff in other medical disciplines. It caters for some 14,000 out-patient visits and 500 admissions per month, with an average length of stay of five days. About one third of the patients are drawn from the community, with a recovery of only 25% of costs. (The policy has always been that community members should pay, but this has not been enforced. Even though there is a government hospital in Obuasi, many community members prefer to use this mine hospital, which also receives referrals from the government hospital.)

In recent years, the burden of a large, non-paying community and ageing equipment and infrastructure have led to reduced levels of service for employees and their dependents. This has resulted in some of the more senior employees making use of private health care providers. Another burden for the hospital is the malaria pandemic, with between 6,000 and 7,000 new cases diagnosed every month. Employees comprise 27% of malaria cases, while their dependents and the community make up 40% and 33% respectively.

A recent review of service levels and facilities has precipitated a review of hospital policies and procedures to ensure:

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that the same level of care is accessible to all employees and their dependents;

.
that this will be provided at the company's facilities in the first instance (prior to referral to an external service provider should this be required); and

.
that employees will have preference, in terms of access and hospitalisation, over private, non-employee related patients. A costing structure to provide health care at reasonable cost levels for the community is being devised.

A \$1.235 million upgrade of facilities and infrastructure is planned over a three year period, alongside the appointment of additional medical practitioners, nursing and other staff (including a malaria laboratory technologist). A number of immediate remedial actions has been taken although the upgrade is likely to only be completed in 2007. In addition a major malaria campaign is being embarked upon. (*See case study: A scientific approach to malaria control at Obuasi on page HM14 of the HIV/AIDS and malaria section of this report.*)

Included in the upgrade are the planned refurbishment of the casualty and maternity sections; new kitchen facilities; the setting up of an in-service training facility; a staff room; and malaria laboratory. Plans are also in place to improve the medical information and reporting system. An important part of this plan is refurbishment of the radiology facility and the occupational health department, to enable the establishment of an occupational health service. Audiometry facilities will also be installed, and additional training will be provided to existing medical personnel in occupational health. Increased attention is being focused on HIV/AIDS programmes including peer educator training, condom distribution, and voluntary counselling and testing. In addition, an emergency response/mass casualty plan is being developed as well as a cyanide response plan.

SH25

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

7.4 Upgrade planned for the

Edwin Cade Memorial Hospital at Obuasi

OCCUPATIONAL SAFETY AND HEALTH

Case Studies – Ghana – Health

7.5 Model mine medical facility at Iduapriem
SH26

OCCUPATIONAL SAFETY AND HEALTH

Case Studies – Ghana – Health

The Iduapriem mine in Ghana is one of the smallest in the group, with an employee complement of just 710 people. The mine is located in the western region of Ghana, some 70 kilometres north of the coastal city of Takoradi, and 10 kilometres south west of Tarkwa. The mine's on-site clinic – named the Sam Jonah Clinic – was upgraded in 2004 to a model medical facility.

The clinic provides 24-hour primary health care and occupational health services for employees as well as their registered dependants, while contractors are treated for work-related conditions. The clinic services about 7,000 people in total.

The clinic is staffed by one medical officer, two registered nurses (one of whom is qualified in occupational health), and two enrolled nurses. The clinic has adopted the AHS model where the registered nurses screen patients prior to consultation with the medical officer.

Between 30 and 50 out-patient consultations are processed daily. Current occupancy of the 12-bed in-patient section (for general medical and minor surgical conditions) is low, and the acuity levels of the cases admitted to the wards is also low. The well-stocked pharmacy fills approximately 30 prescriptions a day, and there is a fully equipped medical laboratory on site.

No obstetrical service is currently available at the clinic, but a feasibility study is underway to determine whether this service will be cost-effective. A theatre for minor procedures will be commissioned in February 2005, while radiology investigations are performed at the local Tarkwa hospital. An ambulance is available for emergency response.

In the occupational health section, pre-employment, routine and exit medical examinations are performed, as well as medical surveillance, informed by occupational hygiene data. Audiometric assessment, lung function testing and electro-cardiometry are performed. A code of practice is in place to deal with possible cyanide exposure.

Says Dr. Piet van Wyk, health service manager, AHS, responsible for facilities in Africa, “The clinic provides a high quality of health service and can serve as a model for similar ventures in East and West Africa.

“The major health care challenge at the mine remains malaria – this is the single most significant driver of health service costs and medical absenteeism at Iduapriem, not to mention the local community. AngloGold Ashanti is reviewing a potential integrated approach to malaria control in the area in conjunction with other mining companies, and the experiences being gained at Obuasi will be an important contributor to this.” *(See case study: Scientific approach to malaria at Obuasi on page HM14 in the HIV/AIDS and Malaria section of this report.)*

Shift workers face considerable challenges when compared to their day-working colleagues. Not only can a shift worker's health be affected, but people who work night shifts for long periods are at odds with regular sleep patterns. They thus often become uncontrollably drowsy during their work period and may suffer insomnia when they do try to sleep, exacerbating the problem. This contributes to an increase in the number and severity of occupational accidents during the night shift.

International research indicates that falling asleep on the job amongst shift workers is a common occurrence. In confidential surveys conducted, 80% of shift workers interviewed admitted to 'nodding off' during the night shift. Further studies found that night shift workers are twice as likely to make mistakes as their day shift colleagues. Not only do shift workers face a higher risk of injury during their working hours, they are also involved in more domestic (off-the-job) accidents than their day-working colleagues. It has also been established that extreme fatigue is as harmful to worker performance as drunkenness. The problem of operators falling asleep while at work can be addressed in two ways. Firstly, attempts to 'wake-the-driver-up' by introducing electronic devices to either the machine or providing similar devices to the driver himself. Although these can be effective, they are susceptible to interference and are often sabotaged by the very people they are aimed at helping. The second and more effective method of addressing operator fatigue is to ensure that the operator is sufficiently rested prior to the start of a shift. To achieve this, a holistic approach to fatigue management is needed, addressing both management's responsibilities in terms of shift scheduling, work processes and educational programmes as well as the employees' responsibility regarding activities while not at work, nutrition and other related issues. It is important to include lifestyle training – exposing shift workers and their families to the hazards associated with shift work. The process should be preceded by a comprehensive risk assessment to establish the extent of the fatigue problem within an operation. This will allow management to develop a comprehensive fatigue management programme, suited to the mine's specific needs and circumstances.

The nature of AngloGold Ashanti's operations means that operator fatigue is a major hazard facing the organisation. This is especially prevalent at the company's open-pit operations where employees drive large trucks in an environment where daytime sleep is often difficult. The monotonous nature of the work is also conducive to drivers falling asleep, especially during night shift. In an attempt to address the issue the company is represented on a working-group informed by Anglo American plc with developing a guideline to assist mine management develop effective strategies to control the risks of operator fatigue at their specific operation. The guideline should be available within the first quarter of 2005.

In the meantime, a number of AngloGold Ashanti operations have embarked on programmes aimed at addressing driver fatigue. At Sunrise Dam in Australia, a wellness programme encouraging drivers to walk the approximately eight kilometres from the camp to the mine site has been initiated. The mine camp has also been divided into 'shift areas' where all people working a particular shift are accommodated together in an effort to prevent sleeping workers being disturbed. At Sadiola and Yatela in Mali, the company has initiated a programme to educate the families of mine employees regarding the risks faced by shift workers. Mines are also looking at nutrition and have introduced start-of-shift and mid-shift refreshments for employees. Positive results may be expected from these initiatives, and once the guideline is available, a more co-ordinated approach to the management of fatigue is planned for the group.

SH29

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

7.8 Measures taken to combat driver fatigue

OCCUPATIONAL SAFETY AND HEALTH

Case Studies – Group – Safety

7.9 Employee attitudes to safety in Mali SH30

An attitude survey carried out at AngloGold's Ashanti's three operations in Mali (Morila, Sadiola and Yatela) in 2003 revealed that more than 50% of employees felt that safety was essentially a specialised function.

This has obvious negative implications for the successful implementation of safety and health improvement programmes. The survey was repeated in 2004 at Sadiola and Yatela, with both mines showing a significant turnaround, following behavioural safety interventions during the year.

The survey was carried out by SafeHuman, an independent consulting company under the guidance of Prof. Petri Schutte, who has build up considerable experience over more than a decade with the Business School of the University of Potchefstroom. The detailed analyses on site were carried out by Prof. Schutte's colleague, Hugo Botha.

The surveys used the methodology known as SafeHuman Mindset. This reflects the state of organisational safety culture as perceived by the workforce. The SafeHuman Mindset Index (SMI) explains the context and meaning of employee behaviour as it relates to safety. Survey results are measured according to five critical factors:

- the SafeHuman Mindset Index;

- relationship credibility;

- impact of worklife experiences, essentially dealing with satisfaction levels;

- impact of the work environment and perceived supportive relationships; and

- behaviour in the context of organisational culture.

A high SMI score indicates a supportive work culture, positive team morale as well as employee responsibility and commitment to performance excellence in safety, quality and productivity. A low SMI reflects potentially immature work relationships and a degree of demoralisation or demotivation among employees or teams. This brings with it a corresponding lack of commitment and sense of responsibility for safe behaviour, which in turn has a dangerous potential to foster or strengthen a fatalistic approach to safety and work.

High scores in the various factors indicate a high level of morale, feelings of personal accountability and responsibility, and mature work relationships while low scores are indicative of low motivation, scepticism, feelings of powerlessness, and, in many cases, an increasing tendency towards a fatalistic attitude regarding workplace safety.

Hugo Botha of SafeHuman comments, "My first impression when I arrived to carry out the follow-up survey was that something was different about the attitude of employees. I sensed a passion for a safe working environment."

This impression is borne out by the results of the follow up survey. Sadiola Mine improved from an index of 44% in 2003 to 67% in 2004, while the corresponding figures for Yatela were 40% and 65%. Results in the other survey factors showed a correspondingly significant improvement from last year's results.

Stan Padgett, general manager at Sadiola and Yatela, comments, "My management team and I are committed to implementing our safety vision developed during the SafeHuman work and to creating understanding at all levels within the workforce and the local community. I understand that, typically, the tendency is for the SMI to reduce before an improvement is noted. We have committed ourselves to avoiding this regression, and our SMI target for 2005 is 77%, for both mines."

OCCUPATIONAL SAFETY AND HEALTH

Case Studies – Mali – Safety

How the improvement was achieved

During 2003 there were many changes of senior personnel at Sadiola and Yatela and a new safety management process was introduced. The framework established was to ensure that no vestige remained of the 'production ahead of safety' approach, and that disciplinary action against personnel involved in accidents/incidents ceased. A 'no blame, full responsibility' system ensures that accidents and incidents are reported without fear of disciplinary action. There is now a full awareness of the responsibility of the individuals being responsible for their own safety as well as that of others in their work area. This is reinforced on a weekly basis to all employees through direct meetings and briefings by the heads of department. Managers are encouraged to be present in the workplaces and practise management by walking around. The metallurgical and engineering superintendents now have their offices relocated within the plant. Safety representatives have been elected by the workforce and have received appropriate training. Safety awareness programmes have also been introduced into the community and other stakeholders.

Aurum Health Research, a subsidiary of AngloGold Ashanti, has been granted funding of \$14 million over a five-year period by the international Consortium to Respond Effectively to the AIDS/TB Epidemic (CREATE) to research strategies to improve TB control in the South African gold mining industry. The grant, which is part of a larger award of \$45 million to CREATE by the Bill and Melinda Gates Foundation, was announced in July 2004 at the XV International AIDS Conference in Bangkok, where the keynote speaker was former South African President, Nelson Mandela. In his speech, Mr Mandela focused worldwide attention on the need to fight TB in conjunction with the battle against AIDS. He said, "We have lost ground in the fight against TB in the face of a spreading AIDS epidemic. Today we are calling on the world to recognise that we cannot fight AIDS unless we do much more to fight TB as well." In addition to Aurum, members of CREATE include, among others, the Johns Hopkins University Centre for Tuberculosis Research, the London School of Hygiene and Tropical Medicine, the University of Stellenbosch and the World Health Organization (WHO).

The research being conducted by Aurum, under the auspices of CREATE, is being done after extensive consultation, and collaboration, with several South African gold mining companies, including AngloGold Ashanti, Gold Fields and Harmony and the Departments of Health, Labour and Minerals and Energy. Extensive discussion and debate have also been held with representatives from the National Union of Mineworkers and other labour unions representing mineworkers to obtain their support for the study. The aim of the research is to determine the likely effects of community-wide preventive therapy on TB rates in the South African gold mining industry, as it has become increasingly apparent in the last 15 years that, despite meeting WHO targets for the detection and cure of TB, the rates of TB among employees in the industry have risen sharply. This has coincided with the onset of the HIV epidemic. Fatalities during TB treatment account for the majority of deaths in the workforce, with a more than four-fold increase in TB rates having been recorded.

According to Prof. Churchyard, the head of Aurum, "It is imperative that new and effective public health strategies are developed, particularly in the gold mining industry which has a high burden of TB. Specifically, the objective is to compare the efficacy of nine months of TB preventive therapy using the TB drug isoniazid offered on a community-wide basis, with that of the standard TB control programme currently practised in the gold mining industry."

The rationale behind the research is that all individuals at risk of developing TB in the population would be treated rather than only those identified as being high-risk, such as those who have the HIV infection or silicosis. If successful, such a programme would reduce the rate of transmission of TB between people, which would lead to fewer TB cases occurring later, thus resulting in improved control of the disease. Since the start of the project in South Africa, several key appointments have been made, including the study director. Other key positions, such as those of regional project managers, social scientist and project administrator have been filled, while 200 additional staff are currently being recruited. A pilot study is underway to determine the proportion of gold mine workers infected with TB by means of the traditional skin test and a newer blood test. Initially there will be a selection of shafts from the various gold mines (by means of cluster-random methods). Once the participating shafts have been selected, people working on those shafts will be invited to join the study. This is planned for April 2005. In all, around 65,000 people will be involved in the study.

SH31

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

7.10 Aurum's battle against TB gains momentum

OCCUPATIONAL SAFETY AND HEALTH

Case Studies – South Africa – Health

CREATE – Background

The Consortium to Respond Effectively to the AIDS/HIV Epidemic (CREATE) was established in response to the growing recognition by TB and HIV experts that innovative and even radical approaches to

TB control will be necessary to reverse the alarming trends of the incidences of these diseases which have been exacting a devastating toll on societies in the developing world. CREATE aims to coordinate, organise, implement and evaluate novel strategies to reduce the incidence of TB and related mortality in communities with high HIV infection rates. At the XV International AIDS Conference in Bangkok in July 2004, The Bill and Melinda Gates Foundation announced the award of a \$45 million grant to CREATE which will conduct three large-scale community studies (including the one being conducted by Aurum in the South African gold mining industry) over seven years in Africa and South America. The Consortium is led by the Johns Hopkins University (School of Medicine, Centre for Tuberculosis Research); research partners are Aurum Health Research, the London School of Hygiene and Tropical Medicine, the Municipal Health Secretariat (Brazil) and the World Health Organization. The University of Stellenbosch is also involved. The findings of the CREATE research portfolio will be used to develop new global policies to combat TB/HIV, a key criterion of projects supported by The Bill and Melinda Gates Foundation. CREATE will make a major contribution to identifying efficacious strategies to reduce suffering and death from HIV-related TB worldwide.

7.11 Temporary shift in hearing loss study
at Great Nologwa
SH32

Many miners are exposed to one of the most insidious work-related diseases in the industry – that of noise-induced hearing loss (NIHL).

“The worst thing is that they don't know it's happening until it's too late,” says Tsedi Taela, head of the audiology department at AngloGold Health Service’s West Vaal Occupational Health Centre. “That's because the tiny hair cells in the ear, which send signals to the brain alerting us to sounds, get worn out gradually by long periods of loud sounds, or short blasts of extremely loud sounds. The result is that the signals don't reach the brain and sounds become imperceptible. This all happens without the noise-exposed employee noticing. Unfortunately, the hair cells are not replaceable so any hearing damage is permanent.”

AngloGold Ashanti's approach to the challenge of NIHL is to firstly address the problem at source by muffling rockdrills, fans and other noisy underground equipment, and secondly to ensure that appropriate hearing protection devices are worn by those employees who are still exposed to excessive noise levels. Audiologists monitoring hearing at AngloGold Ashanti’s Vaal River operations have recently embarked on research which they hope will provide some solution to early intervention, which, coupled with individual responsibility, should lead to more successful hearing conservation programmes.

Instead of testing in an audio booth at the Occupational Health Centre where employees would only visit once or twice a year, they decided to test a sample group closer to the workplace, and set up the audio booth at the point where miners exit the mine after work.

“Before one suffers any permanent hearing loss, exposure to high levels of noise may result in a temporary threshold shift (TTS), which recovers over the next 16 hours,” says audiologist Anita Edwards, explaining why hearing loss can remain undetected. “Changes in hearing are small but they all mount up,” she continues. Eventually they result in a permanent threshold shift (PTS), that is, permanent hearing loss.

By moving closer to the workplace, Edwards and Taela were hoping to measure the TTS. Their initial research findings have, however, shown unexpected results and are directing the audiologists into other areas of research in an effort to obtain greater accuracy and a more sensitive means of early identification of NIHL.

They will now test a larger sample group who are exposed to noise levels exceeding 85 dBA and they will move the test booth even closer to the workplace to reduce the time lapse between noise exposure and testing.

Taela and Edwards are also looking at audio testing using distortion product otoacoustic emission (DPOAE), an objective test, which can tell whether the function of the outer hair cells is damaged. The audiologists are hopeful that this will provide them with the information they require to successfully intervene earlier and thus prevent cumulative hearing loss.

But Edwards says that much of the responsibility for hearing conservation also lies with the employer and employee. “It's a mindset change. Employees need to take cognisance of the importance of wearing HPDs and be aware of the risks, and employers have a responsibility to their employees' health by muffling noisy equipment and by providing effective ear protection along with education on hearing loss prevention.”

OCCUPATIONAL SAFETY AND HEALTH

Case Studies – South Africa – Health

NIHL in the workplace

NIHL can occur in individuals in occupations where, over the course of an eight hour period, they are exposed to a noise level of 85 dBA (decibels) or above.

Although underground workers, for example rock drillers, loco drivers and

winch drivers, are predominantly at risk, surface workers, like boilermakers and fitters and turners, may also be affected. Employees at AngloGold Ashanti are currently tested once a year for NIHL if exposed to 85 dBA and above, and twice yearly, if the levels exceed 105 dBA. The individual screening audiometry tests employees across eight sound frequencies, ranging from 500 Kilohertz (KHz) to 8,000 KHz. This test relies on employees indicating their hearing capacity at each frequency. If there is a 5 percentage loss of hearing (PLH), the employee is counselled for hearing loss prevention to avoid further damage; if the shift is as much as a 10 PLH, the employee may be eligible for compensation.

One of the main risks encountered by underground employees in deep level hard rock mining is exposure to high temperatures, which, coupled with strenuous work and dehydration, can result in varying degrees of heat disorders – from heat cramps to heat exhaustion, to heat collapse and heat stroke. Heat stroke is the most serious and dangerous, causing multiple organ failure, and can be fatal. AngloGold Ashanti employs a heat stress management (HSM) programme to promote the health and well-being of its employees and to meet the requirements of legislation. HSM's focus is not solely on cooling underground working areas, but also on detecting and excluding individuals with heat intolerance by means of a screening procedure. Employees who are not heat intolerant then proceed underground for natural acclimatisation to occur, during the course of their first 10 shifts .

New recruits, employees returning from leave, and employees who have been off sick for seven days or more – and who work in physically demanding jobs at temperatures exceeding 27.5°C wet bulb – are required to undergo heat tolerance screening (HTS).

HTS involves a 30-minute step test, at a carefully controlled temperature (29.5°) in a climatic chamber. To make the test as representative as possible of underground physical work, employees are required to work at a constant rate in the climatic chamber by stepping on and off a bench, at a rate of 24 steps per minute, onto a 30.5 centimetre high bench. This stepping is intended to achieve a work output of 80 watts. Employees with an oral temperature below 37.6°C, at the end of the 30 minute period, are classified as 'potentially heat tolerant' and may proceed with natural acclimatisation underground. Individuals in excess of this temperature are considered to be 'grossly heat intolerant' and may not work in an environment which exceeds a wet bulb temperature of 27.5°C. The current rate of potentially heat intolerant employees is about 5% a month; this group is allowed a further two attempts to prove they are not heat intolerant, before they are considered a health risk and subsequently redeployed to alternative work areas.

An equally important aspect of HTS is education and awareness around the risks of heat-related disorders. This takes place in the waiting period prior to the actual heat tolerance test as well as during induction training on the mines. Employees need to know the importance of drinking water regularly to prevent dehydration (hourly water breaks of 500 millilitres are mandatory); the consequences of alcohol-induced dehydration; and the effects of pushing oneself over the limits. They also need to know the temperatures at which heat-related disorders may manifest and what precautions to take to minimise the risk.

The current HTS Centre, based at West Wits, is a large and somewhat run-down building, accommodating up to 100 employees at a time – an unwieldy number to effectively monitor correct and constant stepping, both of which are crucial to reliable statistics. A new building, catering for 20 at a time, is now to be erected in its place at a cost of R1 million (\$160,000). This will result in an improvement in the quality of monitoring, which will also be conducted at fixed temperature and wind speed conditions. Construction of the centre is to take place over a 14-week period, and is expected to be operational by March 2005.

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7.12 New heat tolerance centre at West Wits

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Case Studies – South Africa – Health

7.13 Controlling dust levels underground

remains a focus area

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Silica dust in the air, generally as particles too small to be visible to the naked eye, is an inevitable accompaniment to South African gold mining. The inhalation of silica dust may cause silicosis, an occupational lung disease (OLD).

In 2003, AngloGold Ashanti's South Africa region established a 'wellness in the workplace forum' – a multi-disciplinary body comprising experts from the areas of dust control, noise in the workplace, radiation, TB and HIV/AIDS. The forum has taken over the work of the regional dust steering committee. Similar forums will be established at an operational level during 2005 to ensure that this integrated approach to occupational health is cascaded through the company.

Kobus Dekker, (occupational environment, safety and health manager – occupational hygiene) is responsible for dust and noise control. Dust management involves both the implementation of dust control systems and the education and training of employees to implement these.

"Behaviour is the critical factor," says Dekker. "As part of our efforts to educate and inform employees, we have recently produced a training video, which is being rolled out to mines this year. This will be shown to all employees as part of their induction and again annually on return from leave."

A number of other significant developments have taken place this year:

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automatically triggered in-stope water blasting, whereby the face is washed down immediately after blasting, is currently in development phase. The project is being tested at Tau Lekoa Mine, which is unique in AngloGold Ashanti in that it uses hydropower instead of compressed air to power underground machinery such as rockdrills. "Water at high pressure has the effect of liberating dust in the air," explains Kobus, "so it made sense to pilot the project at Tau Lekoa." This project began in September 2004 and is expected to be complete by this year-end. If successful, the project will be extended to Kopanang Mine, to test it in a normal compressed air environment.

•
footwall treatment has also been successfully rolled out. Footwalls are sprayed with a chemical mixture that binds dust onto the footwall. Dekker explains, "A number of variables have to be considered in the chemical mix: the speed of air over the airway, the number of people and amount of equipment traffic, as well as the quantity of dust released from ore being carried in hoppers." The project has been rolled out to all the South Africa region mines, with some 372 kilometres of footwall treated in total. "This is not a once-off treatment, but has to be repeated at intervals which vary according to mining conditions and volumes," says Dekker.

Results are encouraging. Dust levels are measured daily on all mines, through the use of gravimetric pumps issued to a sample of employees. Target levels of total respirable dust have been set for the various workplaces, ranging from 0.24 mg/m

3

for underground to 0.40 mg/m

3

for surface areas. This is significantly below the limit of 1.00 mg/m³ recommended by NIOSH (the National Institute for Occupational Health and Safety: an international occupational health and safety organisation based in Washington DC).

Between 2002 and 2004, the percentage of employees at the South African operations exposed to levels of total respirable dust in excess of 1.00 mg/m

3

has decreased from 2.4% in 2002 to

zero for the second and third quarters of 2004.

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7.14 From lagging to leading indicators

– Tau Lekoa rises to the challenge

Tau Lekoa Mine, which employs some 4,000 people including contractors, is situated within the Vaal River area of AngloGold Ashanti's South Africa region.

In recent years, Tau Lekoa ('the lion of the river' in seSotho) has struggled with above-average injury rates. In a significant turnaround, the mine has achieved improvements of 40% and 22% respectively in its lost time and serious injury frequency rates for 2004, compared with 2003.

"Previous strategies essentially focused on reacting after the event: we have now combined this with a proactive system through which leading, rather than lagging indicators of risk are identified and managed before incidents occur," says general manager Mitch Hill. "In addition to this, we have statistically proved the correlation between the assessed risk status of workplaces (a leading indicator) and injury rates (lagging indicators)."

The point of departure was the development of a Tau Lekoa-specific occupational health and safety policy, within the framework of the AngloGold Ashanti policy. In terms of this, significant risks were identified, with the overall objective of continually reducing these to a level as low as reasonably practicable. These risks are then managed within the OHSAS 18001 specification, based on British standard BS 8800.

The full acceptance for the management of safety by line management has been one of the major reasons for success at Tau Lekoa over the past year. "Ownership of the new pro-active strategy of risk management is now a way of life at the mine," says Hill. "This is evident in the overall understanding and application of the principles of risk management, which has been successfully filtered down to team leader/crew supervisor level. This has been achieved through ongoing coaching sessions on the principles of risk management and the development of mechanisms to allow for a simple, yet technically sound approach."

Increased labour unavailability, with the associated fatigue and risk effect, was identified as another leading indicator. "We established a system whereby people regularly absent from work, and the causes for this absenteeism, were identified and managed accordingly," explains senior human resources manager Daan Adlem. "The mine has now developed a work attendance policy, with the full support of all unions and associations."

The mine's four-phase approach to behaviour-based safety was developed to address the effects of 'at-risk' behaviour and formed the core of the on-mine safety launch, which dovetailed with the South Africa region's safety re-launch in April 2004. The 'red/green glove' initiative, which focuses on the observation of critical behaviours, is a key component of the system. "This was based on the SMAT (Safety Management Auditing Technique) but was tailored to Tau Lekoa's circumstances and culture," says safety and risk manager George Coetzee. "When people see a red glove held up underground they stop work immediately and a formal interaction process starts."

Every Friday afternoon, Mitch Hill personally reviews selected working places with high risk ratings and all lost time injuries that have taken place during the preceding week, with the miner being required to make a presentation to the mine Exco and any other work teams who have been involved in accidents.

"This is quite a gruelling process, but the focus is only 20% on determining causes, and 80% on coaching, counselling, and identifying future prevention strategies. Teams are equipped with the necessary knowledge and training to present a competent analysis," says Hill.

The output of each session – which can take up to two hours – is fed into a database and is utilised for future strategies.

Mponeng mine, which employs some 5,700 people including contractors, is situated in the West Wits area of AngloGold Ashanti's South Africa region. (Mponeng means 'look at me' in Tswana.) The mine has had a great deal to be proud of in recent years, with lost time injury frequently rate (LTIFR) declining steadily from 22.7 in 1999 to 9.5 for 2004. Mponeng won the South Africa region safety shield in 2001 and 2003, and was the runner up in 2002. The mine has achieved 500,000 fatality free shifts on four occasions in the last two years, and achieved 116 'White Flag Days' (days on which no injury is recorded) in 2004, compared with 75 days in 2003.

Early in 2004, tragedy struck when four fatal accidents took place within four weeks. One of these events, which took place on 29 January and resulted in the loss of two lives, was attributable to a seismic fall of ground; one (on 23 January) was attributable to a failure to comply with equipment standards, and one (on 10 February) was a rigging hoist accident.

"No one went underground for three days after the third accident," says general manager Johan Viljoen. "Everyone on the mine – employees, unions and associations – went through an intensive process of renewing our commitment to safety."

Mponeng has implemented the SHARP (Safety, Health, Achieve, Respect, Productive) system. This was developed at Mponeng, based on the DuPont principles of peer observation. "The SHARP system represents a step in the process of taking the peer observation principle down to mineworker level," explains Viljoen. Before any task can be carried out, people have to ask four critical questions:

.
Is there a procedure? Am I complying?

.
What PPE (personal protective equipment) should be worn?

.
Are tools and equipment in good order?

.
Are people in the right position?

Only when the four questions are answered affirmatively may work begin.

All mineworkers have been comprehensively briefed on the implementation of the system, and training has been provided in a series of workshops and face-to-face communication sessions. Anyone not complying with the system is coached and counselled appropriately, and, ultimately, would be subject to the normal disciplinary procedure.

Stringent safety targets are set. "Targets vary according to discipline," explains Viljoen. "For example, development and services are measured on dressing cases, with a target of zero incidents. At this stage, the target for stoping is zero lost time injuries."

Teams of 'rock stars' have also been established. The 'rock stars' are members of the rock engineering department who are integrated into work teams across the mine. Their role is critically important in that they are able to make first-hand workplace assessments. Where support standards are not adhered to, they play a coaching and mentoring role with the work teams concerned.

Despite all these efforts, seismicity remains a fact of life at Mponeng, as at all deep level South African mines. To illustrate this, three of the five fatalities that occurred at Mponeng during 2003 were attributable to seismic falls of ground. The mine has a number of strategies in place to counter seismicity, ranging from macro elements such as mine design and layout to support and preconditioning at the micro level. (*See case study: Control of mining-induced seismicity in the South Africa region on page SH38*).

"We are one of the few mines in the industry to make extensive use of pre-conditioning," says Viljoen. Preconditioning refers to the drilling of holes ahead of the face to be blasted and detonating these with a light charge. This reduces the induced stresses on the advancing face." The mine is also increasing the use of backfill from the current 60% to a planned 95% of the stoping area by the end of 2006. (Backfill refers to the use of waste material or rock integrated with timber props to support the hanging wall after removal of ore from a stope. Backfill gives more effective support than conventional spaced support methods, such as packs or elongates, because it provides complete

coverage of the area supported.)

7.15 Mponeng's safety strategy focuses
on behavioural change

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7.16 Safety interventions at depth at TauTona

Situated in the West Wits area of AngloGold Ashanti's South Africa region, TauTona mine (the name means 'mighty lion' in seSotho) employs some 5,000 people and currently operates at the deepest level in the world. The deepening project currently under way will take the mine to 128 level using a twin decline system, and will result in mining being carried out at depths of around 4,000 metres.

TauTona's commitment to safety was, for several years, demonstrated by a safety record comparable with best practice anywhere in the world. TauTona has been a winner of the South Africa region's safety competition on two occasions (2000 and 2002), and has been acknowledged by the Mine Health and Safety Council through the award of its Safety Flag in 2000 and 2001.

TauTona's exemplary safety record was dealt a blow by two seismic events in the first half of 2003, which together claimed nine lives. The mine recorded a total of 14 fatalities in 2003. Accidents at the mine claimed the lives of 11 people in 2004 – four of whom died in seismicity-related accidents.

"As a result of these events, we reviewed both the areas which we mine and our mining methods. Development on 109 and 112 levels, which mined under an advancing abutment, was stopped. This resulted in a change from a sequential grid mining method to the more usual longwall mining," says former general manager Robbie Lazare. (Lazare was appointed executive officer for South African operations in December 2004.) Where mining is carried out by the longwall method, development is always behind the moving face, minimising the risk of damage to haulages.

"We have also drilled one long cover hole – some 1,000 metres in length – to enable us to get as much information as possible about the geology of the area ahead of the face," adds Lazare. It is planned to start drilling two more such holes, at levels 115 and 118, before the end of 2005.

Following a fatality in the shaft pillar area on 29 September 2004 at Level 101 East 2 panel, a further review of support systems was undertaken. Lourens Smit, senior occupational environmental safety and health manager, explains that two outputs have arisen from this review. "We have introduced the use of cementitious backfill rather than the conventional slurry in certain high-risk areas." (Backfill refers to the use of waste material or rock integrated with timber props to support the hanging wall after removal of ore from a stope.) Roof bolting of stopes in the shaft pillar area is also being introduced.

"The interventions have borne fruit. The mine had four seismic-related fatalities this year, compared to 11 for the same period last year."

The behavioural aspects of safety have also been integral to TauTona's efforts during 2004. In common with the other South African operations, TauTona held a major safety launch, dovetailed into the South Africa region's 'safe acts save lives initiative', in March 2004.

More than 90% of the mine's workforce has been trained in the principles of behaviour-based safety, through the 'yellow glove' campaign (based on the DuPont principles). Some 1,500 behaviour based safety observation are currently carried out in working places each month.

Says senior human resources manager Gops Modise, "The intervention has been well received. There were initially some problems in that some supervisors understood this as replacing conventional discipline. We are currently working on integrating the 'yellow glove' programme with the normal principles of basic supervision."

The development of mine-based rescue teams is another initiative that has been concluded this year. This pilot project has been carried out at TauTona with the help of the Mines Rescue Service (MRS). There are now two fully trained rescue teams at TauTona, each comprising team members from the various critical occupations, who have already been involved in three rescue operations. (*See Report to Society 2003.*)

Seismic events and rockbursts are a constant feature of South African gold mines and are a significant cause of fatalities in the South African gold mining industry. AngloGold Ashanti has adopted a holistic approach to the management of seismicity at its deep level mining operations in the South Africa region. The type of seismicity experienced in an area or particular mine is closely related to the geological setting. The Klerksdorp area, where the Vaal River mines are situated, is geologically more complex than the West Wits area and most of the seismic events here relate to the failure of geological structures and some strain-bursting. In the West Wits area, the geology is less complex and all three forms of seismicity are observed (see box), and face bursting is a particular problem when mining the Ventersdorp Contact Reef here. Generally, seismicity levels in the West Wits area are far higher than in the Vaal River area due to the greater depth of mining and stiffer rock mass. Events in the West Wits area also occur closer to the workings. However, the Vaal River area does experience some very large seismic events related to failure along major geological structures. These are normally some distance away from workings. AngloGold Ashanti's fall-of-ground management (FOGM) system was developed in 2002 and has been implemented at all its South African deep level mines to manage mining-induced seismicity and rockbursts. This strategy has the following five focus areas:

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FOGM 1 – mine-wide, the design of mine layouts to prevent adverse rock conditions: the aim is to reduce the occurrence of mining-induced seismicity and rock-bursting as well as unfavourable stress concentrations and fracture orientations

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FOGM 2 – locally, the design of support systems to protect against adverse rock conditions and hazards. Careful attention is given to the design of standards to cater for both rockfall and rockburst conditions;

.
FOGM 3 – training and communication to prevent accidents

.
FOGM 4 – monitoring the effectiveness of layout and support system designs, and

.
FOGM 5 – problem solving by means of research and technology development: AngloGold Ashanti participates actively in industry research initiatives (SIMRAC) and both motivates and guides research projects. In addition, AngloGold Ashanti also conducts its own research through the Technology and Innovation Fund.

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7.17 Control of mining-induced seismicity in the South Africa region

Definitions

A **seismic event** is the transient motion and release of kinetic energy caused by the sudden failure of the earth's crust. This release of energy is usually felt as shaking or tremors in the rock mass. This can be extended to include **mining-induced seismicity** which is the failure of the earth's crust or rock mass as a result of mining-induced changes in rock stress levels. Seismic events range in size from barely discernable ground motions to very large tremors

There are three types of mining-induced seismicity:

- failure at pre-existing geological weaknesses such as faults, dykes and joints which results in medium to large events often far away from workings;

- failure of the intact rock mass in the form of shear fractures that results in larger events close to workings; and

- localised bursting or failure of brittle rock types often referred to as strain-bursting or face bursting (small events at the working face).

Technology and Innovation Fund

This fund focuses on developing and implementing knowledge, rather than on fundamental research, on issues which are specific to operations in the South Africa region. This research and development is over and above that undertaken by the industry as a whole and government. Rock engineering related projects overseen by the fund over the past few years include:

- investigation into the development of support systems that can be transported by pipeline, eg packs superfill and shotcrete;

- development of technology for the rapid dissemination of seismic data via the intranet;

- optimisation of the daily seismic hazard rating system;

- development of a testing and quality assurance programme for support; and

- integration of rock engineering audit data into the integrated risk management system (IRMS).

Around R6.5 million (\$1.01 million) was spent on these projects in 2003 and 2004 and an additional R1.5 million (\$0.23 million) has been budgeted for 2005.

continued on page SH39

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Implementing the fall of ground management strategy at Mponeng

A good example of the successful management of seismicity is Mponeng Mine. Mponeng mines to a depth of up to 3,800 metres underground and is one of the most seismically active mines in the industry. Its history has been marred by high injury rates, caused largely by seismicity in the 1980s and early 1990s. Since the late 1990s, Mponeng has implemented several strategies to reduce the incidence and effects of seismicity. These have resulted in a 70% reduction in the number of potentially damaging seismic events per square metre mined since 1996, and a 75% reduction in the seismic-related lost-time injury rate since 1998.

The strategies adopted fall into three main areas: mine design (prevention), support design (protection) and monitoring.

Prevention

The key elements in this focus area have been the adopting of smaller mining spans between dip-stabilising pillars and the reintroduction of backfill. Better quality extraction sequences and the control of inter-panel leads and lags have also been implemented.

Protection

The introduction of a more dense, elongate-based support system has contributed to improved ground conditions.

Monitoring

The introduction of the strata control auditing system at Mponeng, an AngloGold Ashanti first, has now become standard in the South Africa region and has 'closed the loop' between design and implementation, ensuring better compliance with support standards and layout rules. The system involves up to eight auditors visiting stopes daily to measure support spacings and monitor other potential hazard indicators. This information is entered into the IRMS database and supervisors are informed immediately of sub-standard implementation to enable corrective measures to be taken as speedily as possible. Follow-up audits ensure that all hazards have been dealt with.

The management of seismicity will continue to be the backbone of the Mponeng risk management strategy with the increased use of backfill.

The mines are equipped with state-of-the-art **seismic monitoring systems**. These vary from mine-to-mine, depending on the extent of the seismic problem. ISS International, a leader in the development and manufacture of seismic systems as well as seismic research and analysis, runs the seismic networks on a contract basis and provides a round-the-clock service in terms of network management and analysis. Seismic information is used in terms of short-, medium- and long-term seismic hazard assessment as well as for back-analysing the effectiveness of different mine designs and layouts. The performance of different support types is also monitored.

A rockburst is caused by a mining-induced seismic event of sufficient magnitude to

cause obvious damage to mining excavations and support or widespread simultaneous falls of rock. This may be accompanied by injury or more seriously, fatalities.

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Case Studies – South Africa – Health

7.18 Medical Working Group

formed to promote best practice

The medical working group is a special interest focus group developed within AngloGold Health Service (AHS) in the mid-1990s. Its members are drawn from the specialist physicians from the hospitals within the AHS – two from Western Deep Levels Hospital from West Wits and two from the West Vaal Hospital at Vaal River. As the need arises, the group co-opts members from other departments for their particular specialised input. The group meets monthly to discuss, and act on, clinical matters that are of importance to AHS, the patients they serve, and AngloGold Ashanti, the primary funder of the health service.

Says Alistair Calver, the current chair of the working group, “The medical working group is the custodian of the AHS medicines list, which is a comprehensive list of medications and treatment used in the management of the patients who receive their health care from our service. The list is a dynamic document, the development and maintenance of which requires input from a wide variety of specialists, medical practitioners and pharmacists. Two of the overriding principles involved in placing any medication on the list is that it should provide cost effective treatment for the patients, and be in line with appropriate academic protocol.”

Defining treatment protocols and making them fit with the occupational health environment of the gold mining industry has been an additional function performed. Protocols for the management of epilepsy, diabetes, pneumonia, cyanide poisoning, heat illness, and tuberculosis (TB) within the mining industry are some of the most important. With respect to TB, AHS has some of the most detailed statistical and medical data available in the world today. This is used to monitor and guide the TB control programme within the company.

Says Calver, “According to the World Health Organization, South Africa ranks within the top seven countries in respect of TB levels among the general population. Specifically in the gold mining industry we have some of the highest known TB rates in the world today. The combination of the expanding HIV epidemic and increasing levels of silicosis in a workforce with longer work experience have both individually and together, contributed to the higher levels of TB. These facts highlight the importance of a combined approach to the management and treatment of HIV in association with a high-level TB control programme for the mines, where, in turn, dust levels need to be engineered to a minimum.

The medical working group plays an important role – together with other health care practitioners within the company – in ensuring that both TB and HIV programmes run concurrently with maximum effect.”

The medical working group has also had to take into account the impact and possible impact that arises out of the threat of epidemic illnesses occurring in other parts of the world. Malaria is one such threat that has a significant effect on all the AngloGold Ashanti operations in Africa. With the development of the SARS (severe acute respiratory syndrome) in the Far East in 2002, the Group was acutely aware of the possible consequences such an epidemic would have if it spread within the confines of the South African operations. As part of its disease response function, the Group pro-actively developed contingency plans to handle such an epidemic, which, by necessity, would involve co-operation with the Department of Health and state facilities.

“It is an additional function of the medical working group to ensure that high standards are maintained in the activities of individual health care workers, and collectively at a medical departmental level. This ensures we provide optimal care for the patients that are either employees or their dependants of AngloGold Ashanti,” Calver concludes.

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OCCUPATIONAL SAFETY AND HEALTH

2004 saw the purchase of a state-of-the-art x-ray machine to be used in the Geita Gold Mine clinic, raising the level of medical services available to all Geita employees and contractor staff. In the past, on-site diagnosis and treatment of trauma patients was somewhat difficult. The mine medical staff had to use the existing facilities in the Geita district hospital some 20 kilometres away from the mine. These were seldom available as the required generator was in service for a limited number of hours every day, or radiographers were not always able to be found, particularly after hours.

In selecting the machine, the mine ensured that it was similar to those used in the district so that the same technicians would service it and that local radiographers could operate it. This modern machine does not require x-ray plates or chemical developing. The images are captured digitally and displayed on VDUs. No hard copies are kept. The major advantage of this is that if there is any doubt about a diagnosis, the x-ray can be immediately e-mailed to Dr Emby, consultant radiologist at AngloGold Health Service hospital in the West Wits region in South Africa. Consultation has thus become easier and faster, and diagnosis more reliable.

“This machine, costing 155,000 is money well spent,” says Dr Gerald Baldrey, health services manager at Geita Mine. “It has already proved to be a very valuable resource, not only in the increased efficiency of service provision, but also in successfully dealing with accidents. The last two accidents on the mine involved 65 and 11 patients respectively, with the new machine allowing for improved and immediate radiological diagnosis and consequent treatment.” (The first of these accidents involved a local contractor’s bus rolling off the road while transporting the mining contractor’s (DTP) staff home. The second incident involved a light vehicle accident.)

Potentially, this purchase also has positive impacts for the broader community beyond Geita as the mine has often volunteered the services of doctors and equipment in case of a major accident or incident in the surrounding communities.

Another valuable advantage of the machine is the increased ease of surveillance medicals, as these require chest x-rays. It is now mandatory for most employees to have a surveillance medical every year as part of good occupational health practice.

7.19 State-of-the-art x-ray facilities at Geita

Case Studies – Tanzania – Health

HIV/AIDS and

Malaria

regional health threats • access • health care • supportive action

Anopheline larva, responsible for the spread of malaria

HM1

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HIV/AIDS AND MALARIA

1 Business principle: AngloGold Ashanti as an employer
– our labour practices

HM2

AngloGold Ashanti is committed to upholding the Fundamental Rights Conventions of the ILO. Accordingly, we seek to ensure the implementation of fair employment practices by prohibiting forced, compulsory or child labour.

AngloGold Ashanti is committed to creating workplaces free of harassment and unfair discrimination.

As an international company, we face different challenges in different countries with regard to, for example, offering opportunities to citizens who may not have enjoyed equal opportunities in the past. In such cases, the company is committed to addressing the challenge in a manner appropriate to the local circumstances.

We will seek to understand the different cultural dynamics in host communities and adapt work practices to accommodate this where doing so is possible and compatible with the principles expressed in this document.

The company will promote the development of a work force that reflects the international and local diversity of the organisation.

The company will provide all employees with the opportunity to participate in training that will improve their workplace competency.

The company is committed to ensuring that every employee has the opportunity to become numerate and functionally literate in the language of the workplace.

The company is committed to developing motivated, competent and experienced teams of employees through appropriate recruitment, retention and development initiatives. An emphasis is placed on the identification of potential talent, mentoring and personal development planning.

Remuneration systems will reward both individual and team effort in a meaningful way.

Guided by local circumstances, we shall continue to work together with stakeholders to ensure minimum standards for company-provided accommodation.

The company assures access to affordable health care for employees and where possible, for their families.

We are committed to prompt and supportive action in response to any major health threats in the regions in which we operate.

HIV/AIDS AND MALARIA

Information pertaining to HIV/AIDS and malaria – the primary public health threats facing the company – is relevant to the Africa operations only. While HIV/AIDS is a significant challenge in South Africa, it is less so in the other African operations, as the East and West African general populations have far lower prevalence levels than in southern Africa. The labour intensive nature of mining in South Africa is another reason why this pandemic is critical to South African mining operations. It is for this reason that the focus of the HIV/AIDS programme has been South Africa. The statistics and information reported in this section relate primarily to the South Africa region. Where information pertains to other regions, this has been specifically stated.

The threat of malaria is one that has the greatest impact in the Ghana, Mali, Guinea and Tanzania regions. No consolidated information is available as many of these programmes, and particularly the gathering of information, are in their infancy.

HIV/AIDS

Based on best available information, including surveys, antenatal data, and extrapolation from comparable reference groups, AngloGold Ashanti estimates a 2004 HIV prevalence rate of 30.24% amongst its **South African** workforce. In 2003, this was estimated to be 29.95%.

4,248 cases of Sexually Transmitted Infections (STIs) were treated by AngloGold Health Service (AHS) during the year, a decrease of 23% on the number recorded in 2003. STI rates can be used as a proxy for unprotected sex.

4,071 visits were recorded at AngloGold Ashanti's voluntary counselling and testing (VCT) centres in 2004, an increase of 25% on those recorded in 2003.

935 employees registered for the first time with the AngloGold Ashanti wellness programme during 2004, compared with 834 in 2003.

315 employees were enrolled in the anti-retroviral therapy (ART) programme in 2004, a decrease of 41% from 2003, bringing the cumulative total of employees started on ART to 849.

Expenditure related to chronic disease management of HIV-infected employees (including the provision of ART), voluntary counselling and testing, home-based care for terminally ill ex-employees, the personnel managing the company HIV-programme, and some programme-related research, monitoring and evaluation, amounted to \$2.28 million or R14.62 million in 2004.*

*

This excludes awareness campaigns and peer education conducted on-mine, or the HIV-component of mine-based induction programmes and excludes hospitalisation costs for AIDS-related illnesses.

Malaria

Malaria remains the most significant public health threat for AngloGold Ashanti's operations in **Ghana, Mali, Guinea** and **Tanzania**. A means of measuring the impact of malaria on the group has been introduced, namely a Malaria Lost Time Injury Frequency Rate (MLTIFR). Measured per million man hours, this is similar to the safety and health indicators of Lost Time Injury Frequency Rate. At Geita, the MLTIFR is estimated at 130 per million man hours, and at Morila in Mali, it is estimated at 167. The data for the Sadiola/Yatela operations is incomplete and cannot be represented as an MLTIFR figure.

HM3

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

2 Key indicators

HIV/AIDS AND MALARIA

0
100
200
300
400
500
600
700
800
900

Our opinion is based on a test of the reliability of the selected data by way of:

In relation to selected data marked with , on which we have provided reasonable assurance:

- .
conducting interviews and holding discussions with management, key personnel and/or stakeholders of AngloGold Ashanti limited and assessing data trends;
- .
obtaining an understanding of the systems used to generate, aggregate and report the selected data;
- .
conducting site visits to test systems and data and inspecting premises where necessary;
- .
assessing the completeness and accuracy of the selected data; and
- .
reviewing and analysing collected information and effecting re-calculations where considered appropriate.

3 Milestones 2004

HM4

HIV/AIDS

.

An internal auditing process was implemented in the **South Africa** region, based on a comprehensive risk assessment which focuses on both the health service's wellness programme and workplace prevention programmes.

.

AHS became more involved in the management of HIV/AIDS in the **African** operations, outside of South Africa, and more detailed data collection is being targeted for 2005.

.

The provision of anti-retroviral therapy at Geita hospital (by the State and supported by the mine) in **Tanzania** for Geita mine's employees and dependents began in November 2004.

.

The annual Geita gold mine Kilimanjaro challenge undertaken to raise funds for HIV/AIDS programmes raised \$150,000 in 2004.

.

ART roll-out for employees at the Navachab mine in **Namibia** commenced in April 2004, to support the VCT and wellness programme already in place.

Malaria:

.

A scientific, \$1.6 million malaria campaign has been proposed at Obuasi in **Ghana**.

.

At Geita in **Tanzania**, resident mosquito species identification and insecticide-resistance profiling was completed in 2004, in preparation for the development of an integrated malaria programme.

.

An integrated malaria control programme, introduced at Morila in Mali in 2003, has reduced the incidence of malaria significantly. (See graph.)

HIV/AIDS AND MALARIA

Note that the information relating to HIV/AIDS is for the group's South Africa operations only, which accounts for 69% of the workforce and is the region in which HIV/AIDS is the most significant regional health threat. Where this report has been extended to cover the other regions in which AngloGold Ashanti operates, this is specifically indicated.

HIV/AIDS policy and agreement

AngloGold Ashanti's HIV/AIDS policy is contained in an agreement signed with all recognised trade unions in July 2002. Embodied within this agreement are the principles of:

.
non-discrimination

.
confidentiality and non-disclosure

.
benefits applicable, and

.
rules governing ill-health retirement.

While the provision of anti-retroviral therapy (ART) was not part of the original agreement, trade unions participated in the ART programme from inception through the project's steering committee and ethics forum.

Efforts have been made to engage with the primary union, the National Union of Mineworkers (NUM) to undertake an HIV-prevalence survey amongst employees, linked to a behavioural study. This information would be used to plan for and implement appropriate changes to the current programme. No progress has been made in this regard as the company has been unable to convince the NUM that this will be to the benefit of the company and employees alike.

Governance and structure

AngloGold Ashanti's HIV/AIDS programme is managed at both a clinical and operational level, and overseen by a joint management/union committee. (See diagram below.)

The clinical expertise, resources and oversight is provided by AHS. AHS provides a comprehensive medical service at on-mine clinics, occupational health centres, and two world-class hospitals. These services are complemented by the research undertaken by Aurum Health, a subsidiary of AHS.

Included as part of the AHS service is the company's voluntary counselling and testing (VCT) and wellness programme which includes the provision of ART. Since the health care service is managed independently of the mining operations, this promotes the confidentiality of the medical programme. In addition to centralised education, training and management initiatives undertaken under the auspices of AHS, each operation has a joint management/union HIV/AIDS committee that oversees the implementation of mine-based programmes, and raises any issues of concern.

HM5

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

4 Review 2004

Make-up of the HIV/AIDS committee at Ergo:

The joint management/union committee meets regularly and consists of both senior and middle management, all representative unions and associations (NUM, Uasa, SAEWA), the Medical Centre, contractors and peer educators. The medical centre is also part of the East Rand hospital initiative outreach to the community.

Management of HIV/AIDS in South Africa

Supervisory training

Supervisory HIV/AIDS training at the West Wits Metallurgical operations (which is fairly typical) comprises:

- basic facts – HIV/AIDS

- HIV/AIDS framework

- HIV/AIDS Policy

- indicators and causes of declining performance

- psychological reactions

- counselling process

- legal framework

- referral sources.

Induction training

HIV/AIDS training is provided to all employees at induction. The induction programmes at the West Wits Metallurgical operations (which is fairly typical) comprises:

- understanding and implementing the AngloGold Ashanti HIV/AIDS framework;

- understanding and implementing the AngloGold Ashanti HIV/AIDS policy and union agreement;

- understanding basic facts about HIV/AIDS;

- understanding employees' rights as entrenched in legislation;

- precautions against occupational exposure to HIV and how to deal with accidental exposure; and

- AngloGold Ashanti VCT, Wellness and ART services and other support.

HM6

Prevalence levels

An anonymous unlinked survey undertaken in 1999 indicated an HIV prevalence level amongst AngloGold Ashanti employees of 24%. (*See Report to Society 2003.*) This was followed up by a second survey in 2000/2001 undertaken in collaboration with the London School of Hygiene and Tropical Medicine which indicated a prevalence level of 29%. Based on these surveys, provincial ante-natal data and extrapolation from comparable reference groups, AngloGold Ashanti's current best estimate of prevalence levels amongst employees is 30.24%. Through actuarial modelling, the company is able to project prevalence levels going forward. In terms of this model (see graph), prevalence levels are thought to have peaked in 2004. However, without a scientifically-based survey, these numbers cannot be confirmed. Based on the current stance of the NUM on anonymous testing, such a survey is not likely to be conducted within the foreseeable future.

The AngloGold Ashanti HIV/AIDS programme

The AngloGold Ashanti HIV/AIDS programme comprises five parts: education and training; voluntary counselling and testing (VCT); a wellness programme (including ART); ill-health retirement for employees who become AIDS-ill; and home-based and community-based programmes.

Education and training

Education and training is conducted at mine-level and is aimed at informing and changing behaviour. Issues dealt with include prevention of infection, the benefits of the VCT and wellness programmes (including ART) and ill-health retirement. Education and training is aimed at those who are HIV positive, those who are not, and those in supervisory and management positions who deal with the ill-health consequences of the epidemic in the workplace.

A wide variety of communication media are used, including peer education and industrial theatre. Education and training is supported by condom distribution and STI management in the workplace and in the community, particularly amongst women at high risk.

Voluntary counselling and testing (VCT)

Free and confidential VCT has been offered to all employees since March 2001 at 19 VCT centres across the group. VCT usage has steadily increased over the years and is now also offered to dependents. In total, 4,071 tests were undertaken in 2004 at the AHS centres, bringing the cumulative total number of tests undertaken by AHS to 10,317 at year-end.

Wellness programme

A comprehensive Wellness programme was introduced in 1999, and since November 2002, this has included ART for those employees who are HIV positive and whose clinical condition meets the World Health Organization's medical guidelines for starting ART. (*See case study: Success reported with ART implementation, although uptake still slow on page HM16.*)

The aim of the programme is to extend the productive life of the employee as long as possible. (*See case study: Wellness Clinic at West Vaal Hospital on page HM18.*) Treatment is undertaken on an out-patient basis as is customary for other chronic diseases. Opportunistic infections are managed through early detection as well as the prescription of prophylaxis (against TB for example). All employees have unlimited hospitalisation benefits. Nutritional and lifestyle counselling and psycho-social support is also provided to the employee and his or her family as part of the Wellness programme. 935 employees enrolled in the Wellness programme in 2004; 849 employees were treated with ART as at the end of December 2004.

It must be stated that the extent of take-up of ART by prospective patients is lower than anticipated at the start of the programme. Estimations are that, more than two years after the launch of ART at AngloGold Ashanti in South Africa, no more than a quarter of employees for whom ART would be medically indicated have taken up the treatment. In most cases, these employees have not come forward for VCT and participation in the Wellness programme.

This is a trend apparent in other large scale ART programmes, such as, for example those in the broader Anglo American group and the South African government's programme which is also failing to meet planned levels.

HIV/AIDS AND MALARIA

HIV/AIDS awareness and training at Mponeng in 2004

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Awareness campaigns included the marketing of VCT, STI awareness, visits to the visiting wives centres, handing out of condoms and pamphlets, interaction with local sex workers and peer education. Quarterly safety campaigns have been combined with HIV/AIDS awareness campaigns.

.

Supervisors receive training as part of induction.

.

All new employees are also trained at their initial induction; employees returning from leave receive refresher training once a year.

.

The mine has 21 active peer educators operating in the workplace. The majority of interaction currently takes place in the hostel environment, but plans are being implemented to take this into the workplace.

There are likely a multiplicity of causes, some of these inter-related, including the phenomena of stigma and denial, shortcomings in community and political leadership, and less than optimal communication and education efforts on the part of AngloGold Ashanti. Whatever the reasons may be, it remains a major challenge for this company and for society as a whole.

Ill-health retirements

A medical incapacitation process may be initiated by the employee, fellow workers or supervisors, medical or human resources practitioners. This process is exactly the same for any chronic illness that has permanently impaired an employee from carrying out his/her normal work duties. It seeks to find an alternative job placement within the employee's limitations, failing which the employee is ill health retired. The number of ill-health retirements* continued to rise during the year to 22.7 per 1,000 employees (15.2 in 2003). The untested assumption is that increasingly, employees with HIV infection are progressing to AIDS-illness and debilitation, but remain reluctant to acknowledge their status and seek treatment. Of those employees who were ill-health retired in 2004 due to a terminal illness, 71.6% were known to be terminally ill as a consequence of AIDS**.

The number of deaths*** per 1,000 employees has decreased marginally at 12.5 per 1,000 in 2004 (12.9 per 1,000 employees in 2003).****

*

Includes all employees separated from the company due to medical incapacitation, except those due to occupational injury.

**

The remainder were either HIV negative or had an unknown HIV status.

*** Includes all deaths in service except those due to occupational injury.

**** All data is based on South Africa region employees, excluding contractors.

Community-based programmes and home-based care

Community-based prevention interventions target high-risk populations in the two regions surrounding AngloGold Ashanti mines. AngloGold Ashanti provides home-based care for employees with AIDS through a wide range of partnerships, both in the communities surrounding its operations and the traditional labour sending areas. The latter is done particularly through TEBA, which provides both palliative care to the terminally ill and support for the bereaved families, assisting them in accessing financial and welfare support.

Community and home-based care organisations supported by AngloGold Ashanti in 2004

Name of NGO

Service Rendered

Carletonville Home &

Palliative care of terminally ill; support groups for people with AIDS;

Community-based care

orphan care

Mothusimpilo

Sexual health care of commercial sex workers;

peer education in Merafong communities in the West Wits area

Bambisanani

Palliative and orphan home based care in the Eastern Cape

Siyakhula

Sexual health care and peer education of commercial

sex workers in Kerksdorp/Orkney area

Heartbeat Centre for

Situational analysis of home based and orphan care need in the

Community Development

Kerksdorp/Orkney area

Rudo Home-based care

Palliative and orphan home based care in the West Wits area

TEBA Home-based care

Palliative care of terminally ill ex-AngloGold Ashanti employees in
the Eastern Cape, Kwazulu-Natal, Lesotho and Mozambique

HM7

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

HM8

Taking care of orphaned and vulnerable children

Taking care of orphans and children left vulnerable as a result of the toll of the HIV/AIDS pandemic is an ever-increasing challenge. A recent publication by UNAIDS and UNICEF estimated that 14% of all South African children (2.5 million) will be orphans by 2005.

Given the numbers involved, it is widely acknowledged that institutional care is not a viable solution and that community-based support systems are required to care for and support these children.

Early in 2004, AngloGold Ashanti recognised the Klerksdorp-Orkney-Stilfontein-Hartebeestfontein (KOSH) area in the North West Province, where four of its operations are located, as one without an adequate centralised oversight structure which could effectively coordinate the AIDS-related activities in the region. This was despite the fact that there were indeed numerous organisations in this area. It was this need that led to the involvement of Heartbeat, a community development organisation with a track record for delivery, particularly in addressing the needs of orphans and vulnerable children.

Heartbeat Centre for Community Development was initiated in 2000 by Rev Dr Sunette Pienaar to address the rights and needs of children orphaned mainly as a result of HIV/AIDS. Based on its extensive experience in Khutsong, near Carletonville, Heartbeat has developed a renowned model of care for orphans and vulnerable children, which is now being replicated across the country. This was done in conjunction with Carletonville Home and Community-Based Care, a project supported by AngloGold Ashanti. As a result of this intervention, all the children identified were registered for school, had school uniforms and stationery, accessed free water and electricity, gained government grants where applicable, and access to medical care. They all receive food parcels. The overall aim was to ensure they became just like other children in the community. Heartbeat's proposal was to do a situational analysis of the area, including:

- a geographical analysis;

- identifying the number of orphaned and vulnerable children through schools so as to scope the problem;

- identifying existing organisations dealing with orphan care, income generation and palliative care in the areas; and

- identifying the gaps in service delivery by these organisations.

HIV/AIDS programmes at the Africa operations (outside of South Africa)

While the prevalence of HIV/AIDS is not as high in countries such as **Ghana, Mali, Tanzania** and **Namibia**, the disease has had – and continues to have – an impact on both AngloGold Ashanti employees and their families in these areas. While AHS is becoming increasingly involved in directing these HIV/AIDS programmes, strategic direction and service delivery is managed on-mine, frequently involving other partners. At Geita, in **Tanzania**, HIV and STI management has long been provided in collaboration between Geita and the African Medical and Research Foundation (AMREF) (*See case study on page HM21 on Geita gold mine and AMREF: Working together to address HIV/AIDS*). A significant development during the year was the roll-out of ART at Geita, thanks to the intervention of the partners with Government. (See box on page HM9). In preparation for this, Aurum conducted a four-day course on HIV management for all clinic doctors, nurses, AMREF staff and Geita hospital staff.

Geita's awareness and training programme is extensive: Its 27 on-mine peer health educators meet on a monthly basis to discuss issues faced during the previous month. A new topic for the month ahead is discussed, fact sheets are developed and demonstrations are held. All employees are exposed to the AIDS education at induction and as part of the monthly hazard identification training.

About 50 active peer health educators provide education and training to three local villages and plans are in place to extend this to two further villages in 2005.

At the VCT centre operated in Geita Town by AMREF, both employees and members of the local community are equally entitled to make use of these services. The centre offers free STI testing and treatment and free family planning services. HIV tests are charged at a rate of \$0.95. (*See case study HM21.*)

HIV/AIDS AND MALARIA

Useful websites

www.amref.org

www.heartbeat.org.za

At Morila in **Mali**, an HIV prevention programme is in place, and focuses on prevention rather than treatment, owing to relatively low prevalence rates. The mine enjoys good collaboration with local NGOs in respect of HIV education and infection prevention: the mine distributed some 45,000 condoms during the year.

At the Sadiola and Yatela operations in **Mali**, peer educator training was implemented during the year. In addition, extensive community health education was provided by the mine to more than 13,000 community members during the year.

The Navachab mine in **Namibia** commenced the roll-out of its ART programme for employees in April 2004. The mine's comprehensive HIV prevention campaign is supported by VCT and a wellness programme.

At Obuasi in **Ghana**, VCT is offered free of charge at the Edwin Cade hospital. Medical care for HIV-positive employees is also provided by the hospital. The company has developed links with both NGOs (such as Care International) and government authorities (such as the Municipal Assembly, the Ministry of Health) in educating communities regarding reproductive health (including HIV/AIDS).

Climbing Kilimanjaro to conquer AIDS

In 2004, Geita Gold mine led the third Geita Kilimanjaro Challenge – a sponsored climb up Africa's highest peak – to demonstrate its commitment to eradicating HIV/AIDS and to generate funds for various AIDS related beneficiaries. The main aims of the Geita Kilimanjaro Challenge are to:

– raise awareness of the HIV/AIDS pandemic in Tanzania through media coverage

– make a significant financial contribution in support of HIV/AIDS initiatives in Tanzania. The Kilimanjaro climb has contributed \$290,000 over the last three years.

– align the challenge with existing government HIV/AIDS initiatives and programmes. The Tanzanian Commission for AIDS (TACAIDS), the national AIDS body in Tanzania, is a proud supporter of Geita Gold Mine's initiative.

HM9

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

Roll-out of ART advanced at Geita,
thanks to intervention

Recently the mine health project collaboration has brought forward the introduction of anti-retroviral therapy (ART) at Geita, after a concern that Geita may be excluded from the national ART roll-out until the 3rd year in 2006. Since the VCT programme has alerted people to their status, Geita was considered by all parties (GGM, AMREF and Geita District) to be a high priority site for ART.

Following a plea by these parties to the Tanzanian Commission for AIDS (TACAIDS), Geita has now been advanced to the first year of national ART roll-out. Provision has been made for 300 patients in the first year in compliance with government treatment regimes and the first patient treatment began in November 2004.

HIV/AIDS awareness and training at Sadiola in Mali

HIV/AIDS awareness campaigns are provided for by the mine, but undertaken by local NGO PSI Mali.

Communications media include a mobile video unit on display in Sadiola village as well as extensive awareness campaigns on site using posters and slogans on electronic noticeboards.

About 15,000 condoms are distributed by the mine each month and in a recent development 24 peer educators were trained to take the messages into the community.

HIV/AIDS spending at Geita

In 2004, Geita mine spent some \$80,000 on various HIV/AIDS initiatives, excluding the \$150,000 raised through the Kilimanjaro Challenge. Most of the funding is provided to AMREF which oversees project implementation on behalf of the mine. Included in the projects/initiatives funded are:

- . ongoing HIV/STI primary awareness programme
- . mineworkers' peer health educator programme
- . community peer health educator programme
- . distribution of male and female condoms
- . information, education and communication materials
- . management of the VCT centre
- . patient counselling
- . focused interventions for high-risk groups, such as the handing out of tokens for free HIV tests at the Geita Town VCT Centre, and
- . capacity-building for district hospital staff.

HM10

HIV/AIDS AND MALARIA

Malaria – a deadly disease

This life-threatening parasitic disease is transmitted from person-to-person via the female Anopheles mosquito, which requires blood to nurture her eggs.

Although this disease was once widespread, it was successfully eliminated from many countries with temperate climates during the mid-20th century. Today, the vast majority of malaria deaths occur in Africa, south of the Sahara.

It is estimated that more than one million deaths result and about 90% of these are in Africa. It is the leading cause of under-five mortality on the continent.

Malaria programmes

Malaria remains the most significant public health threat for AngloGold Ashanti's operations in **Ghana, Mali, Tanzania** and **Guinea**. Not only does the disease have a significant impact on the productivity of employees, but also on the functioning of entire communities in these regions.

The group aims to implement integrated malaria control programmes in each of these regions. While good progress has been made at some operations, for example Morila, further work remains necessary at others.

Such an integrated malaria control programme comprises four elements, namely:

Vector control. Two elements of vector control need to be undertaken:

- First, there needs to be some degree of understanding of the problem that is being dealt with, thus mosquito identification and insecticide susceptibility tests need to be undertaken.
- Second, indoor residual house-spraying, house-screening and the provision of insecticide impregnated bed nets (ITNs) is an important component of the programme.

Disease management. Effective diagnosis and treatment underpin a successful intervention campaign, leading to a limitation of the pool of infected people at any one time.

Surveillance and monitoring. Ongoing monitoring of both the vectors and parasites (for drug resistance) and the compilation of accurate records and reports are an integral part of the programme.

Information, education, communication (IEC) and health promotion. Ultimately, some of the burden of the programme falls on the community and the better informed and educated they are about malaria prevention, the more likely it is that such a programme will succeed.

At the Obuasi mine in Ghana the mine hospital was reporting an average 6,000 malaria cases per month (2,000 of whom were employees) at the time of the merger. An average of about 20% of the workforce is believed to be afflicted with malaria at any one time and the average time off work for this condition is between two and three days. If these trends are extrapolated to the broader Obuasi community of 180,000 people, the problem can be seen to be immense.

AngloGold Ashanti is embarking on a major malaria control programme at Obuasi and, following on from this, the lessons learnt and experience gained will be used to manage the disease at other

operations in Ghana (Iduapriem and Bibiani) and Guinea (Siguiri).
Integrated malaria control programme

AngloGold Ashanti has committed itself to the implementation of an integrated malaria campaign at Obuasi and, in anticipation of this, Professor Richard Hunt of the National Institute of Communicable Diseases in South Africa, a world authority on insecticide resistance, was contracted to perform a study that would inform the way in which the malaria control programme is structured.

The \$1.6 million proposed programme is set to begin in mid-2005. (*See case study: A scientific approach to malaria control proposed at Obuasi on page HM14*).

At Geita in **Tanzania**, resident mosquito species were identified and insecticide resistance profiling was completed in 2004, in preparation for the development of an integrated malaria programme. (*See case study: Malaria vector survey and insecticide susceptibility assay on mosquito populations at Geita mine in Tanzania on page HM22*.) It is estimated that presently 10% of the workforce is afflicted by malaria every month. More comprehensive, standardised reporting on the incidence of malaria (including contractor incidence) is being implemented.

An integrated malaria control programme, introduced at Morila in **Mali** in 2003, has significantly reduced the incidence of malaria. The current incidence of malaria within the workforce per month is 4.7%, down from 9% three years ago. Ongoing mosquito specie identification and research relating to insecticide resistance patterns are planned for 2005.

Malaria remains a significant health cost and cause of absenteeism at the Sadiola and Yatela operations in Mali. The current incidence level within the workforce per month is estimated at 10%.

HM11

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

HM12

* Note that the balance of the indicators discussed in this section of GRI are covered in the section on occupational safety and health

HIV/AIDS AND MALARIA

5 Reporting in line with GRI

Social performance indicators:

Labour practices and decent work

Core indicators

Additional indicators

Health and safety

LA8 Description of policies or programmes (for the workplace and beyond) on HIV/AIDS.

See discussion on pages HM1 to HM11.

HM13

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

6 Scorecard

HIV/AIDS

Objectives for 2004

Performance in 2004

Objectives for 2005

Ensure that all AngloGold Ashanti

All operations implementing HIV programmes relevant to

Ensure that all AngloGold Ashanti

operations susceptible to a higher

their risk in consultation with the company's HIV

operations susceptible to a higher

HIV/AIDS risk adhere to best

management team

HIV/AIDS risk adhere to best

practice and common

practice and common

reporting standards

reporting standards

Renew prevention education efforts

Objectives not achieved due to:

Reinforce prevention education efforts

to pre-empt treatment complacency,

– Lack of funding and support for communication

through more rigorous interaction between

evaluate behaviour change

project and its evaluation

business units and HIV management team;

communication methods to ensure

– Loss of peer education trainer, and delay in

appointment

increase ratio of peer educators to

they are appropriate and effective,

of her successor

employees to 1:80

and maintain a ratio of one active

peer educator per 100 employees

Increase VCT uptake by 200%,

Only a fraction of the target was achieved for all three

Increase numbers of VCT visits by 100%

increase uptake on wellness

indicators. Attributable to persistent fear of disclosure

increase wellness clinic

programme by 150%, and increase

and perceived stigma, and to stalled peer education

patients by 80%; increase

ART enrolment by 100%

programme

patient numbers on ART by 80%

Extend provision of home-based

Ongoing collaboration with and operational support of
Consolidate the provision of supportive care
care to more of its ill-health retired
home-based care services ensured continued uptake of
to the company's ill-health retired
employees by expanding existing
ill-health retired employees in a palliative support
employees as well as the communities
programmes
programme
in which AngloGold Ashanti operates
Pursue HIV sero-prevalence testing
Based on the stance of NUM such a survey
linked to a behavioural study, in
was not possible and is not likely to be conducted within
partnership with recognised trade
the foreseeable future
unions, some of which were
reluctant to consent to such a
survey in 2003

Malaria

Objectives for 2005

.
Roll-out of malaria control programme at Obuasi. It is envisaged that the programme developed here would be rolled
out elsewhere in
the group

7.1 A scientific approach to malaria control
at Obuasi
HM14

AngloGold Ashanti is poised to implement a multi-million dollar malaria control campaign in Ghana, following initial valuable research to understand the nature of the disease in the region.

Says Dr Piet van Wyk, (AngloGold Health service manager: Africa region), “Malaria is the single most important disease to impact on AngloGold Ashanti's operations in East and West Africa. The burden of malaria is reflected in increased morbidity, mortality and absenteeism in the workforce, as well as in decreased productivity and morale. The effect of malaria on surrounding non-mine communities is profound, with children and pregnant women being most severely compromised by this life-threatening parasitic disease.”

The situation at Obuasi in the Ashanti region of West Ghana is no different and at the time of the business combination with Ashanti in April 2004, upwards of 6,000 malaria cases per month were being reported by the mine medical service. At any one point in time, 20% of the workforce had malaria and the average time off work for this condition was between two and three days. If these trends are extrapolated to the broader Obuasi community of 150,000 people, the full impact of the epidemic in this region can be appreciated.

As a starting point, the group needed to establish a scientific foundation on which to approach the problem, so a baseline study was initiated to identify resident mosquito vector species and possible insecticide resistance patterns in these populations. Professor Richard Hunt of the National Institute of Communicable Diseases in South Africa, a world authority on insecticide resistance, was contracted to perform the study.

The outcome of the study is now informing the way in which the malaria control programme is being structured: two dominant Anopheles mosquito species were identified, namely *funestus* and *gambiae*. Both of these species are effective in transmitting malaria and subsequent laboratory investigations in Johannesburg confirmed significant infection in both vectors with the malaria parasite, *Plasmodium falciparum*.

The insecticide resistance patterns in both species proved to be complex with complete, or partial resistance to three of the standard insecticides endorsed by the World Health Organization (WHO) for use in malaria control. However, both mosquito vectors were found to be susceptible to the organophosphate class of insecticides. Based on this knowledge an integrated malaria control approach was required as none of the recognised malaria control measures used in isolation would be effective in the Obuasi setting. Says Dr Van Wyk, “Prior to implementing the full control programme, a baseline community parasite prevalence study will be performed by the Noguchi Research Institute in Accra. The baseline parasite prevalence rate will be used in follow-up studies to assess the success of local control initiatives.

“In conjunction with the prevalence study, a community knowledge, attitudes and practices survey will be conducted in Obuasi to inform a programme intended to disseminate information on malaria prevention and treatment as well as to market the the control programme. Periodic surveillance of mosquito species and insecticide resistance patterns will enable us to adapt our programmes in response to changes in any of the baseline parameters. A malaria laboratory will be established at Obuasi for this purpose in addition to maintaining captive mosquito colonies for use in quality assurance bioassays of insecticide efficacy.”

HIV/AIDS AND MALARIA

Case studies - Ghana - Malaria

“We aim to reduce the number of malaria cases in the community by 50% one year after the implementation of residual house spraying, scheduled to start in September 2005. We also aim to reduce the number of working days lost due to malaria from the current 3,600 per month to less than 1,000 days per month among the 6,500 employees at Obuasi.

“An effective malaria control programme at Obuasi will hold benefits not only for employees in Obuasi, but for society at large. It will have a positive impact on the health status, treatment costs, school attendance and productivity within the community.”

The

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ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

Malaria programme at Obuasi

When fully implemented by 2005, the integrated malaria control programme will consist of the following activities:

Vector control

Indoor residual house spraying with an organophosphate insecticide, in the first instance, will form the main thrust of the programme and to be effective, all of the estimated 40,000 houses in Obuasi need to be sprayed. This represents a major logistical challenge. In addition to house spraying, window and door screens need to be installed. The use of insecticide impregnated bednets (ITNs) will be promoted and subsidies to make bednets affordable to the community will be investigated. Environmental control efforts such as focused larvicidal spraying and engineering controls to ensure the reduction of open water bodies in the Obuasi district will augment the residual spraying campaign.

Disease management

Effective treatment protocols, which comply with national guidelines, have been introduced at the AngloGold Ashanti's William Cade Hospital (the local hospital at Obuasi) as chloroquine is no longer an effective drug in the treatment of malaria due to the development of significant drug resistance by the Plasmodium parasite. In addition to ensuring acceptable cure rates for malaria, effective drug treatment will reduce the pool of infected individuals in the community thereby impacting on the transmission cycle of malaria. Stricter criteria for the clinical diagnosis of malaria have been introduced which will improve the quality of case reporting and enable the health service to accurately track malaria incidence trends over time.

Surveillance and monitoring

A malaria information system will measure programme outcomes in the light of established standards and will consist of a database containing information on, for instance, insecticide resistance, larval surveys, bioassays, drug resistance, case detection, house spraying coverage, insecticide usage, bednet distribution and usage, breeding sites, disease outbreak foci, house screening and geographic information systems. The computerised system to be underpinned by field documentation will ensure that all the relevant data is captured at source.

Information, education and communication

Spray teams and medical staff have been trained to provide health information to the general population on aspects of malaria prevention, diagnosis and treatment.

This will be augmented by the provision of educational material such as pamphlets, posters and videos on malaria.

Personal protective measures against malaria will also be promoted.

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HIV/AIDS AND MALARIA

Case studies - South Africa - HIV/AIDS

In April 2003, following a six-month pilot study, AngloGold Ashanti introduced its anti-retroviral therapy (ART) programme for those South African based employees infected with the HI virus and for whom ART was clinically indicated. (See Report to Society 2003.) This also followed extensive consultation and an eight-month implementation project to develop an understanding of and to find solutions to the challenges inherent in the provision of ART in the mining industry, particularly around supporting patient adherence to the drug regimen.

The delivery of ART is overseen by AngloGold Health Service, a subsidiary of AngloGold Ashanti. To date, uptake among employees has been slow. On the positive side the company has seen good progress among those employees who have taken up the treatment, says Dr Petra Kruger, formerly HIV/AIDS manager at AngloGold Ashanti and now a consultant to the company.

ART becomes medically indicated when a patient's CD4 count falls below 250 or if he or she has suffered an AIDS-defining illness. It is estimated that 20%, or about 2,400 of AngloGold Ashanti's South African- based HIV-infected employees (about 12,000 people), meet these medical eligibility criteria. Yet only 606 individuals are currently part of this programme.

In total 930 employees have been offered ART. Of these, 86% started the treatment; 10% declined to participate; in the case of 4%, a decision was taken along with their doctors not to embark on the treatment. In cases where the doctor was responsible for delaying the start of treatment it was because the patient was acutely ill and needed to recover before ART could be reconsidered. In a few cases it would have been because the patient was not, in the doctor's opinion, psychologically ready and would need more intensive counselling or even rehabilitation for substance abuse.

Of the 781 patients who started the treatment, 175 had dropped out for reasons ranging from non- adherence (43%), death (19%), adverse events (12%), leaving employment (7%) and other reasons (20%).

Of concern is the fact that the majority of employees (more than 70%) do not know their own HIV status because they choose not to be tested. The number of employees who chose to participate in the Voluntary Counselling and Testing (VCT) programme has been maintained year on year, at 3,264 people in 2003, and 4,071 in 2004. The reasons for this are varied, but are largely believed to be associated with the stigma of the disease and the resulting fear of discrimination. Other reasons cited are:

- concerns that clinic visits would mean lost shifts, affecting production bonuses;

- a lack of knowledge of ART and concern about its side-effects;

- the fact that some individuals are still feeling well and do not have any AIDS-related symptoms;

- insufficient evidence of individuals on ART who are visibly well or recovering, and who are willing to disclose their status and treatment; and

- concerns about their families and their well-being.

On the whole, patients who are on treatment return to work and show clinical improvement as evidenced by recovering CD4 counts and diminishing viral loads.

Says Dr Kruger, "We have fared well, particularly when looking at adherence rates, improvements in biological markers and return to work when on treatment. We can attribute this to very good counselling and education, a lesson that we can learn from and apply across the entire spectrum of chronic disease."

7.2 Success reported with ART implementation, although uptake still slow

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ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

HIV/AIDS AND MALARIA

Case studies - South Africa - HIV/AIDS

Reason

No of people

%

Afraid of breach of confidentiality

1

1

Fear of stigma

4

4

Afraid of side-effects of drugs

5

5

Not willing to have blood taken

4

4

Not willing to accept HIV status

18

19

Not convinced of benefits of taking treatment

15

16

Other/no reason

47

49

Reasons for not entering treatment

What is ART and how is it delivered?

Anti-retrovirals are drugs that act against viruses such as HIV and are used in anti-retroviral therapy (ART), a programme of treatment. Highly active anti-retroviral therapy (HAART) refers to a cocktail of three or more drugs, which in combination are strong enough to reduce viral loads to very low levels.

When an individual contracts HIV, the HI virus enters the cells of the body's immune (or defence) system where it multiplies before killing those cells and moving on to infect other cells. The most important cell that the virus enters is known as the CD4 cell.

As the virus destroys increasing numbers of CD4 cells, the individual reaches a point where his or her defence systems are no longer capable of withstanding attack from other diseases. At this point he or she becomes susceptible to certain infections and cancers against which the immune system would ordinarily have guarded the body – in other words, the HIV-infected person becomes AIDS-ill. These opportunistic illnesses – including TB – become more frequent and more severe and, in most cases, eventually lead to death.

ART works by stopping the virus from entering or multiplying itself in the immune cells of the body. Many people with HIV who have taken these drugs have been able to lead longer, healthier lives. While these drugs cannot cure HIV, they do interrupt the progression of the disease allowing employees to remain productive and to enjoy a vastly improved quality of life.

Eligible employees are invited to participate in the ART programme. They are given detailed information about the programme and the nature of the treatment, including the possible side-effects, the patient's own obligations while receiving the medication and the extent of the company's commitment. Each person is then given two weeks to consider his or her participation.

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HIV/AIDS AND MALARIA

7.3 Wellness Clinic at West Vaal Hospital

Case studies - South Africa - HIV/AIDS

When Joseph Mohlakoana was asked if he would like to work with people living with HIV/AIDS, he had no hesitation. At the time he was working as a professional nurse in the casualty department of AngloGold Health Service's West Vaal Hospital at West Wits. He was delighted at the challenge of setting up AngloGold Ashanti's first Wellness Clinic from scratch. He also felt strongly that HIV/AIDS was not being accorded the priority it deserved. Starting out initially as a wellness programme in October 2000, under the auspices of Aurum Health Research in the Free State, the centre evolved into the Wellness Clinic a year later. Looking to Aurum for guidance on how to run a clinic, Mohlakoana started off with five counsellors, two professional nurses (including himself), one medical officer, one enrolled nurse and a data capturer. Today, Mohlakoana is in the position of unit manager, overseeing a staff of 24 which includes nine professional nurses and an equal number of counsellors.

As his staff complement grew, so have his "clients", as Mohlakoana respectfully refers to HIV/AIDS people attending the clinic. In the early days, about 30 to 40 clients trickled through the clinic monthly; now there are up to 400 visits a month, comprising first-time appointments and follow-ups. All AngloGold Ashanti employees are eligible for treatment – also their spouses and dependents, provided they are on a medical aid.

The clinic offers HIV/AIDS awareness and education, voluntary counselling and testing (VCT) and preventative treatment for TB. Anti-retroviral therapy (ART), which controls the viral load and supports the body's defence mechanism against opportunistic illnesses, was introduced in 2002.

What Mohlakoana enjoys most about his involvement in the clinic is his interaction with clients at a personal level. He knows two-thirds by name – important, he says, in breaking down barriers and destigmatising the disease. Although there have been inroads in removing the stigma, Mohlakoana is disappointed that it has not gone as far as he expected, and he still has to deal with cases of discrimination from clients' peers and management. He goes as far as to say that attitudes are "sometimes appalling" with clients labelled as malingerers and sometimes reprimanded when they are absent due to treatment – ironic, he adds, since those critics belong to a company that is not only at the forefront of HIV/AIDS programmes, but is also 'committed to creating workplaces free of harassment and unfair discrimination'. In an attempt to change attitudes, Mohlakoana holds awareness days to dispel some of the myths around the disease. "I use a very different approach," he says, which includes speaking in the vernacular and making use of analogies relevant to the culture of the audience. He also makes a point of greeting clients each morning when they arrive at the clinic by bus, using the opportunity to give an informal talk on general health issues, not just HIV/AIDS.

Mohlakoana's down-to-earth approach rubs off on his colleagues, in whom he tries to instill his attitude of caring and compassion. Some of his counsellors already have those qualities, living as they do with HIV/AIDS. "Those are the types of counsellors you would wish for," enthuses Mohlakoana, without a hint of irony, because they understand and have empathy for clients. They are also proof that HIV/AIDS is not a death sentence and that people living with the disease can regain much of their health; even clients who arrive in a wheelchair are often able to return to work after treatment.

The centre has become a prototype for wellness clinics at other AngloGold Ashanti operations and, if Mohlakoana's vision for the future is realised, they should succeed in reducing the company's disease/ill health burden significantly in the years to come.

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ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

HIV/AIDS AND MALARIA

Case studies - South Africa - HIV/AIDS

Johanna Moleko knew that something was amiss when she started experiencing bad bouts of dizziness, leaving her unable to stand for more than five minutes at a time.

Putting her symptoms down to low blood pressure, she consulted her doctor who booked her into hospital for three days. But when her symptoms persisted, and she became aware of significant weight loss, her suspicions were aroused.

She had been for HIV/AIDS voluntary counselling and testing (VCT) in October 2002 at AngloGold Health Service's (AHS) West Wits Wellness Clinic at Western Deep Levels Hospital, where the results were negative. But she wasn't convinced. "I have a feeling that I'm HIV positive," thought Moleko who went for a follow-up test in December 2002. Her fears were confirmed when a counsellor gave her the diagnosis. However, as a nurse working in the tuberculosis (TB) ward at the hospital, Moleko knew about HIV and AIDS and took the news more calmly than others might have.

On first meeting Moleko, one is immediately struck by her calm nature. She's a deeply religious person who attributes her faith to pulling her through the worst crisis in her life. So instead of feeling sorry for herself and looking to apportion blame, she accepted her fate almost immediately. But not before making a pact with the virus, which she has personalised by naming it 'House in Vereeniging' – an acronym for HIV. "Let's live together as friends," she appealed to it. "You know I can't kill you so I am accepting you."

She decided to attend the West Wits Wellness Clinic on a regular basis, revealing her condition to a close family member and to a trusted friend, as well as to her Supervisor and to the Assistant Matron of the ward. Since TB is an opportunistic infection for people living with HIV/AIDS, Moleko was moved from the TB Ward, where she'd worked for 10 years, to the out-patients department. When her CD4 count dropped to 187 from 500 and her viral load increased to 1,986, she decided to undertake anti-retroviral therapy (ART) in April 2004. But not before finally sharing her condition with her children – a daughter of 21 and a son of 19. The thought of telling them had haunted her since she first received the diagnosis and it was a huge relief once they knew.

Since then, Moleko has publicly declared her status to colleagues on Aids Awareness Day, on 1 December 2004. Her reasoning is simple, "If we can be open, join hands and fight, there won't be a stigma." Moleko is one of a few employees at AngloGold Ashanti and AHS, who, by being outspoken about their status, are hoping to help destigmatise the disease and encourage acceptance by both HIV positive and negative people. As a role model, she continues to speak out.

She engages in informal counselling and has attended a peer educator course in line with best practice that favours 'lifetime experience' over 'theoretical experience' – i.e. those living with or affected by HIV/AIDS are best equipped to interact with others at an educational and emotional level. It is also reassuring that the diminutive Moleko, despite her condition, is healthy and sprightly – due to a combination of medication and attitude. She copes with a regular 07:00 to 15:30 nursing shift and, indeed, appears so normal that some question whether she really is HIV positive! After three months of ART her CD4 count picked up to 218 and her viral load dropped to below 50. "Accept the virus and live positively," is her advice, along with "Be open to talk. Don't be afraid even though it is painful."

Moleko has now proposed setting up a support group for those infected and affected by HIV/AIDS which has the backing of both management and unions.

7.4 Living with HIV/AIDS – an employee’s story

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HIV/AIDS AND MALARIA

Case studies - South Africa - HIV/AIDS

As significant employers of largely unskilled employees, South Africa mining companies have found themselves at the forefront of programmes aimed at HIV/AIDS education and awareness.

Peer education was introduced in 2000 as a way of changing behaviour patterns to ensure safer sexual practices among employees and external groups (families and communities), through either formal or informal interaction with an educator they could feel comfortable with – for example, someone with whom they socialise, play sport, or share a room. It was felt that the peer educator approach would remove any feelings of imposition by management, and that employees were more likely to engage with educators from a similar lifestyle in a non-threatening environment. Buti Kulwane, assistant manager HIV/AIDS at AngloGold Health Service has been involved with peer education since the early 1990s, when it was really the only form of education – and informal at that.

“Over the years, however, companies recognised its effectiveness as a teaching tool and the mining industry, in particular, decided to include it as part of its formal education and awareness programmes, linked to government’s five-year HIV/AIDS strategic plan. As a result AngloGold Ashanti trained its first peer educators in 2001.”

Peer educators are trained in a variety of skills including presentation techniques; participatory facilitation; sexually transmitted infections (STIs), gender issues and TB; and how the immune system works (e.g. understanding the viral load and CD4 count). Education sessions are held either formally in weekly group meetings with employees or informally on a daily basis with individuals. Peer education also takes place as part of induction training (when employees return from leave and are reacquainted with mine safety procedures) or is promoted at quarterly business unit awareness campaigns.

Up until last year peer educators were trained by AngloGold Ashanti’s in-house peer educator trainer; 351 peer educators were trained between 2001 and 2003. However, during 2004 AngloGold Ashanti’s in-house trainer left the health service with the result that only 14 peer educators were trained in 2004. The company has now decided to engage the services of an external South African Qualifications Authority (SAQA) accredited training vendor, and courses were scheduled to commence at the end of March 2005. As training is to become an external function, individual mines will now be responsible for the logistics of peer educator training and payment thereof.

Two regional co-coordinators were appointed at the end of 2004 to ensure effective peer education through monitoring, mentoring and motivating, the key pillars of peer education sustainability. The training vendor will also be responsible for skills and knowledge transfer in these three spheres. Key performance areas in the newly established regional co-ordinator positions are training provision; leadership and control; and liaison and communication.

Philip Alexander, Savuka’s senior human resources officer, has been involved with his mine’s peer education programme for the last three years. Savuka is unique in that it has an HIV/AIDS information centre as well as a full-time peer educator, Jutas Rikhotso, a former driller underground. Rikhotso was inspired to become a part-time peer educator in 1999 because he wanted to know more about HIV/AIDS and to tell others about it, after realising that people generally weren’t educated about the disease. He assumed the role of full-time peer educator in 2003 and now conducts training sessions for employees at Savuka’s training centre. Since employees’ partners are also an important target group in changing sexual behaviour patterns, Rikhotso also educates groups of wives, girlfriends and sex workers at the visiting wives’ centre, accompanied by a female VCT counsellor.

Savuka also has 27 part-time peer educators but aims to have 37 by the end of 2005; this will reduce the ratio to one peer educator for 80 people. (Guidelines vary from 1:20 up to 1:100.) According to Alexander, incentives are important in motivating peer educators and encouraging on-going peer education commitment. Savuka awards peer educators with certificates of PE competence, and distributes AIDS- related goods (e.g. HIV/AIDS-awareness T-shirts) to identify peer educators, and educational resources (e.g. HIV/AIDS toolkits) to assist in education sessions; the mine also holds an annual function which recognises 'Best peer educator of the year'.

The success of AngloGold Ashanti's overall peer educator programme is currently difficult to gauge, since proper monitoring mechanisms are not yet in place. However, as from 2005 peer educators will be obliged to submit monthly progress reports to their respective regional co-ordinator, in an effort to establish the effectiveness of peer education.

7.5 Peer education at AngloGold Ashanti in 2004

7.6 Geita gold mine and AMREF:

Working together to address HIV/AIDS

The success of the HIV/STI programme at Geita gold mine in Tanzania is due in large part to the collaboration between Geita and African Medical and Research Foundation (AMREF) and the government of Tanzania. AMREF brings to the partnership a track record in the field of HIV research and HIV/STI programme implementation, specifically in Tanzania (see box); Geita contributed financially and in kind and is committed to ongoing HIV/AIDS prevention and control; and the state has contributed in its support for the programmes implemented and in the roll-out of anti-retroviral therapy (ART) in the region (see box).

Says Dr Gerald Baldrey, at Geita, "The Lake Victoria zone of Tanzania has a relatively high prevalence rate of HIV and sexually transmitted infections (STIs). Situated about 20 kilometres from Lake Victoria, Geita gold mine falls into this high-risk area. Aware of the pre-existing high HIV/STI incidence in the area and committed to fighting both, Geita joined forces with AMREF to establish HIV/STI programmes in the area a year after the mine was constructed in 2000. Geita provides funding to the AMREF mine health project, with support from Stanley Mining Services, African Mining Services, DTP Terrassement and other contractors.

To establish baseline health data in the Geita mining community, in January 2001 an initial health survey was conducted by AMREF in and around the mine, including Geita town where the incidence of HIV is known to be high. The findings emphasised the urgent need for a comprehensive community health programme focusing on HIV/STI prevention, as well as malaria and tuberculosis (TB) prevention. As a result the AMREF Mine Health Project (MHP) started at Geita in July 2001. The project, aimed at mineworkers, female bar/guest house workers, and the communities surrounding the mines targets the mine site, the community and district health facilities. Key objectives of the programme have been to:

- promote healthy behaviour with respect to HIV, STIs and malaria among the mine workforce through awareness workshops and the peer health educator (PHE) scheme;

- facilitate community participation in the prevention of HIV, STI, TB and malaria transmission as well as care of those already infected through training and supporting community health educators (CHE);

- implement focused interventions targeting female bar/guest house workers by promoting safe sex and treating STIs;

- manage a sustainable voluntary counselling and testing (VCT) service for mineworkers, their families and the community;

- support district health facilities in the provision of services; and

- measure the impact, and assess the effectiveness of this intervention.

In 2002, with funds provided by Geita, AMREF opened the HIV information centre at the former Geita bus station. The Geita HIV information centre, offering sexual and reproductive health services, and VCT, is one of the first stand-alone VCT centres in Tanzania. In 2004 some 5,185 clients presented at the centre, of whom 2,128 requested HIV testing and 1,889 were treated for STIs. The VCT centre, with six full-time staff, three part-time staff and volunteer staff, works in partnership with the Geita district municipality.

A progress survey was conducted in 2004 to determine changes in the prevalence of HIV, STI and malaria and in high-risk behaviour patterns, since the baseline survey of 2001. Results showed an improvement in sexual health knowledge among mineworkers and community members. Condom use had increased and HIV prevalence had not risen significantly. HIV prevalence amongst both female community members and bar/guest house workers had decreased, though not significantly.

STI incidence had decreased as had the number of men and women paying for sex.

History of project

In 1989 the African Medical and Research Foundation (AMREF), the London School of Hygiene and Tropical Medicine and the Tanzania National Institute for Medical Research collaborated on the development and evaluation of interventions for HIV and STI prevention in the Lake Victoria zone. The AMREF mine health project was established in 2000 to minimise the potential health risks posed to new mine recruits and members of the surrounding communities.

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

Roll-out of ART advanced at Geita, thanks to intervention

Recently the MHP collaboration has brought forward the introduction of anti-retroviral therapy (ART) at Geita, after a concern that Geita may be excluded from the national ART roll-out until the 3rd year in 2006. Since the VCT programme has alerted people to their status, Geita was considered by all parties (GGM, AMREF and Geita District) to be a high priority site for ART. Following a plea by these parties to the Tanzanian Commission for AIDS (TACAIDS), Geita has now been advanced to the first year of national ART roll-out. Provision has been made for 300 patients in the first year in compliance with government treatment regimes and the first patient treatment began in November 2004.

Putting the project in context: facts about Geita and HIV/AIDS

Geita town has an estimated population of 120,000 people. Geita gold mine was – until the merger of the two companies in April 2004 – jointly managed by Anglo Gold and Ashanti Goldfields Company. Construction began at Geita in 1999 and production in 2000, so this is a relatively new operation. Open-pit mining is conducted with 648 employees (594 local and 54 expatriate) and 1,390 contractor employees.

AMREF completed a baseline STI/HIV/AIDS survey in Geita town and on the mine in January 2001. The survey confirmed a pre-existing local HIV epidemic, and specifically that:

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16% of men and 18% of women in the local community were HIV positive; and

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42% of local commercial sex workers were HIV positive.

Geita collaborated with and contracted AMREF to run various components of its HIV programme for three years (2001 – 2004). A notable feature of this programme is that the mine-based interventions are integrated with parallel interventions in the community, which are partially sponsored by the mine. The programme is continuing.

Case studies - Tanzania - HIV/AIDS

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HIV/AIDS AND MALARIA

7.7 Malaria vector survey and insecticide susceptibility assay on mosquito populations at Geita mine in Tanzania

AngloGold Health Service engaged Professor Richard Hunt, South African National Institute of Medical Research, an acknowledged expert on the subject, to conduct a malaria vector survey and insecticide susceptibility assay on mosquito populations at the mine. This is in anticipation of an integrated malaria control programme being developed and implemented in the near future. The research was undertaken in late October/early November 2004.

According to Prof. Hunt, "The survey carried out was designed to answer two questions that form the starting point of any malaria vector control programme, namely, which species of the Anopheles mosquito are transmitting malaria in the area, and what is their response to insecticides approved for malaria control".

Species identification and parasite infectivity

Species identification was carried out using DNA analysis protocols that are designed to separate the individual species. Samples of mosquitoes were subjected to biochemical analysis to determine whether they contained the parasites in or near to the salivary glands and therefore were potential transmitters.

Insecticide resistance tests

Five different insecticides were tested: The results indicated a low level of DDT resistance in the Geita funestus population, but both species groups showed full susceptibility to the pyrethroids, carbamates and organophosphates.

The main findings of the research reported by Prof. Hunt was that the three major mosquito vectors are all present at Geita mine, and that the parasite infectivity rate in the three species is in line with historical records for these species in East and southern Africa, that is funestus is the major vector with 6.7% infectivity, gambiae the next best with 3.03% and arabiensis apparently playing no role in malaria transmission at Geita. He notes, however, that these figures will change when sampling is done at different times of the year because the density of the different mosquito populations is dependent on seasonal fluctuations. So, for example, during the drier months, arabiensis will be more predominant and may have a higher infectivity rate than gambiae. This needs to be confirmed by additional mosquito sampling.

Prof Hunt concludes that a malaria control programme is effective only if the vectors are controlled in addition to accurate diagnosis and treatment of the disease in humans. In addition, he notes that:

The vector control operations must be targeted at those mosquitoes that are transmitting the parasites, in this case funestus and gambiae. These species are both highly anthropophilic (which means that they prefer feeding on humans) and prefer feeding and resting inside houses. This makes them amenable to control through indoor residual house spraying and through the use of insecticide treated bed nets if the community is willing to participate.

Insecticide susceptibility tests indicate 100% mortality to the pyrethroid Deltamethrin and so the use of this insecticide is recommended for both house spraying and treated nets. Pyrethroids are recommended by the World Health Organization (WHO) because of their low mammalian toxicity and low impact on the environment. Screening of doors and windows of houses should be encouraged and these can be impregnated or treated with insecticides to make them more efficient.

Larviciding and environmental management should be practised where appropriate, but these operations need to be carefully planned as they are expensive and not as effective on a broad scale as house spraying or treated bed nets.

Implementation of the control programme needs to be accompanied by the collection of baseline information on malaria cases as this will be used as an indicator of success of the programme.

Species

No. identified

% parasite

positive

funestus

151

6.7 (4/60)

gambiae

34

3.03 (1/33)

arabiensis 39

0 (0/38)

Insecticide

Species Number %

group

tested Mortality

DDT

An. funestus

110

90.9

An. gambiae

61

100

Deltamethrin An. funestus

115

100

An. gambiae

55

100

Bendiocarb

An. funestus

88

98.9

An. gambiae

40

100

Fenitrothion

An. funestus

99

100

An. gambiae

26

100

Dieldrin

An. funestus

48

100

An. gambiae

64

90

Controls

An. funestus

73

98.6

*Mortality of funestus and gambiae groups exposed
to various insecticides used in malaria control*

Case studies - Tanzania - Malaria

fair employment practices • equal opportunity • diversity • teams • literacy

Labour
Practice
Obuasi, Ghana

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LABOUR

1 AngloGold Ashanti as an employer

– labour practices

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AngloGold Ashanti is committed to upholding the Fundamental Rights Conventions of the International Labour Organization. Accordingly, we seek to ensure the implementation of fair **employment practices** by prohibiting forced, compulsory or child labour.

AngloGold Ashanti is committed to creating workplaces free of **harassment** and **unfair discrimination**.

As an international company, we face different challenges in different countries with regard to, for example, offering opportunities to citizens who may not have enjoyed **equal opportunities** in the past. In such cases, the company is committed to addressing the challenge in a manner appropriate to the local circumstances.

We will **seek to understand** the different cultural dynamics in host communities and adapt work practices to accommodate this where doing so is possible and compatible with the principles expressed in this document.

The company will promote the development of a work force that reflects the international and local **diversity** of the organisation.

The company will provide all employees with the opportunity to participate in **training** that will improve their workplace competency.

The company is committed to ensuring that every employee has the opportunity to become **numerate** and functionally **literate** in the language of the workplace.

The company is committed to developing motivated, competent and experienced **teams** of employees through appropriate recruitment, retention and development initiatives. An emphasis is placed on the identification of potential talent, mentoring and personal development planning.

Remuneration systems will **reward** both individual and team effort in a meaningful way.

Guided by local circumstances, we shall continue to work together with stakeholders to ensure minimum standards for company-provided **accommodation**.

The company assures access to affordable **health care** for employees and where possible, for their families.

We are committed to prompt and supportive action in response to any major **health threats** in the regions in which we operate.

LABOUR

Business principle

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Following the business combination between AngloGold and Ashanti on 26 April 2004, 65,400 people worked at AngloGold Ashanti (calculated on a monthly average basis post the business combination) in 2004. This figure comprises 50,737 employees and 14,663 contractors. As at 31 December 2003, this number was 55,439. At the time of the business combination, 8,965 permanent employees were employed by Ashanti. As part of the combination of AngloGold with Ashanti, the parties entered into a stability agreement where AngloGold agreed not to implement any retrenchment programmes for two years after the effective date of the business combination (26 April 2004).

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The Freda Rebecca mine in Zimbabwe (745 employees) was sold on 10 September 2004.

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No breaches of fundamental rights conventions of the International Labour Organization (ILO) were charged or alleged during 2004 against the company.

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Employment costs for the group amounted to \$863.14 million for 2004.

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83.5% of the global workforce is represented by recognised trade unions or catered for by collective bargaining processes.

-
In **South Africa**, 92.7% of all employees are either represented by unions or catered for by the agency shop agreement. (An agency shop agreement exists across the non-supervisory bargaining unit within the company. This means that subscriptions are deducted from non-union members and paid directly into a human and industrial relations fund.)

-
Union recognition agreements or industry collective bargaining arrangements are in place in **Mali, Tanzania, Namibia, Ghana, Guinea, Brazil and Argentina**.

-
The **Australia** and the **United States** operations are non-unionised.

.
Training and development expenditure in the AngloGold Ashanti South Africa region amounted to \$28 million in 2004.

-
Adult Basic Education and Training (ABET) is a significant area of development in South Africa in particular, with 5,147 employees enrolled in the programme, at a cost to the company of \$1.6 million or R10.4 million in 2004 (2003: \$1.7 million or R12.8 million).

-
Training costs amounted to 3.2% of total employee costs for the year.

-
An estimated amount of \$950,000 was spent on executive, management and senior management development.

.
Employment equity and/or equal opportunity targets are set and their achievement is monitored by a board sub-committee – the employment equity and skills development committee. In **South Africa** the employment of Historically Disadvantaged South Africans (HDSAs) is a particular priority. Employment targets and achievements are reported to the South African Department of Labour on an annual basis.

-
Within South Africa, 32% of management comprises HDSAs. (The latter term includes citizens of countries within the South African Customs Union – SACU – and Mozambique. Managerial employees are defined as those in supervisory and management roles in Paterson job grades

C-Upper and above);

-

HDSAs make up 20% of the board.

L3

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

2 Key indicators

Our opinion is based on a test of the reliability of the selected data by way of:

In relation to selected data marked with , on which we have provided reasonable assurance:

.

conducting interviews and holding discussions with management, key personnel and/or stakeholders of AngloGold Ashanti limited and assessing data trends;

.

obtaining an understanding of the systems used to generate, aggregate and report the selected data;

.

conducting site visits to test systems and data and inspecting premises where necessary;

.

assessing the completeness and accuracy of the selected data; and

.

reviewing and analysing collected information and effecting re-calculations where considered appropriate.

L4

.

Efforts to increase the representation of women at all levels continue:

- 4.5% of all permanent employees are women;
- 6% of all permanent employees in South Africa are women;
- 9.8% of all managerial employees are women, while 14% of managerial employees in South Africa are women; and
- women comprise 6% of the board.

.

A programme to employ indigenous people (rather than expatriates) is in place in the African operations (excluding South Africa). The percentage of indigenous people employed was 97% during the year (90% in 2003 for AngloGold).

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Foreign migrancy is reported in **South Africa** in line with the spirit of the Mining Charter. Foreign migrants are defined as employees drawn from outside of the borders of the country and generally from within the South African Customs Unions, plus Mozambique. Many other migrant workers originate from rural areas within South Africa. The percentage of foreign migrant employees (defined in this way) was 37% as at 31 December 2004.

.

Across AngloGold Ashanti, 5,430 employees left employment during the year, representing a turnover rate for the group as a whole of 10%.

LABOUR

Key indicators

Following the business combination between AngloGold and Ashanti Limited becoming effective on 26 April 2004, task teams were appointed to ensure the integration of systems and values between the two companies. A number of structural and senior management changes have been effected and the integration between the two companies has now largely been completed.

At the Navachab operation in **Namibia**, the company successfully transferred to owner-mining (as opposed to contractor-mining) during the year.

A bursary scheme was implemented in the **Mali** region during the year in an effort to develop local skills and expedite the localisation programme. Ten top Malian school leavers began graduate studies at the University of Pretoria, South Africa, at the beginning of 2005 in the disciplines of mining, engineering, metallurgy, environment and geology, following a language bridging programme at the end of 2004.

A two-year dispute regarding the legal obligation of the Morila Mine in **Mali** to pay a bonus scheme (*prime de rendement*) was successfully resolved in November 2004.

Closure plans, particularly in respect of reskilling of employees, have progressed at Ergo in **South Africa** in anticipation of the cessation of operations in early 2005.

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ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

3 Milestones 2004

4 Review 2004

L6

A significant employer

AngloGold Ashanti is a significant employer in the global mining industry.

On average, during 2004, AngloGold Ashanti employed 65,400 employees and contractors (AngloGold 53,466 and Ashanti 11,934), broken down as follows: Corporate office 476; South Africa 44,867; Ghana 8,712; Argentina 791; Brazil 2,686, USA 411; Australia 455; Mali 1,413; Guinea 2,335; Tanzania 2,258 and Namibia 251. 745 employees were employed by Freda-Rebecca mine which was sold in September 2004.

The number in South America increased as a result of the Cuiabá Expansion project in **Brazil** and additional employees at Cerro Vanguardia in **Argentina**. Employee numbers in the **South Africa** region decreased by about 4% largely as a result of natural attrition and downsizing at Savuka and Ergo.

It is expected that there will be a 10% increase in labour at the Geita mine in **Tanzania** in 2005, as a result of the implementation of new labour legislation limiting working hours. The number of people employed in the **South Africa** region is expected to decrease by close on 2,000 employees (5%) and 1,107 contractors (15%) during 2005 as a result of further downsizing of Savuka (*See case study: Reducing the trauma of retrenchment at Savuka on page L32*) and the closure of Ergo (*See case study: Orderly closure at Ergo – social plan for employees on page L31*).

An important part of the group's global presence is the allocation and use of the most appropriate personnel where they are required. While efforts are in place to minimise the use of expatriate labour, the secondment of staff is both an incentive to employees and a benefit to the company. About 270 assignees were placed on contracts within the group during the year, primarily in the African operations in **Mali, Tanzania, Ghana** and **Guinea**. These employees have largely been drawn from South Africa, Ghana, the United Kingdom, Australia and Canada. In 2004, some 5% of senior management at the corporate office were expatriates, mainly from Ghana, the US and Australia. (*See case study: Being part of a global group – the opportunity of secondment on page L26.*)

Management structure and governance

Five executive directors and 10 non-executive directors make up the board of the group, with the former CEO of AngloGold – Bobby Godsell – remaining the CEO of Anglo Gold Ashanti and the former CEO of Ashanti – Dr Sam Jonah – becoming the President of the group. The Board structure is dealt with comprehensively in the *Annual Report 2004 and in the Ethics and Governance section of the Report to Society 2004*. The five executive directors – Bobby Godsell, Dr Sam Jonah, Jonathan Best, Kelvin Williams and Dave Hodgson – are charged with the day-to-day running of the company (making up the executive committee, which is chaired by the CEO), and they are supported by operations committee, which is chaired by the chief operating officer/s.

LABOUR

While a member of the operations committee is responsible for human resources and the central human resource development policies that guide and support the human resources practice within the group, each region and/or business unit operates under the auspices of a regional head. Policies are developed and procedures implemented that are relevant to the country and circumstances inherent within the region, complying with regional legislation and labour requirements, as well as region-specific imperatives.

Human rights and fair employment practices

AngloGold Ashanti is committed to upholding the Fundamental Conventions of the International Labour Organization (ILO) and seeks to ensure fair employment practices group-wide. The group's business principles – (*See page L2*) underpin this commitment, and reflect the spirit of the Universal Declaration and the Fundamental Human Rights Conventions of the ILO.

By virtue of its domicile in South Africa, AngloGold Ashanti is subject to certain conventions signed by the South African government. These include human rights and social conventions (ILO 29, 87, 98, 100, 105, 111 and 138). South Africa's constitution, together with its associated laws, is internationally acknowledged to be amongst the most progressive in the world, guaranteeing non-discrimination on the basis of race and other unfair grounds, freedom of association and the rights of children, among other basic human rights. These guarantees and undertakings are extended to the rest of the group by virtue of the company's commitments and domicile.

Certain ILO conventions (such as ILO Convention 128 dealing with child labour, and ILO Convention No 29 dealing with forced and compulsory labour) are also governed by law in **South Africa, Argentina, Brazil, Australia, Namibia, Tanzania** and the **USA**, and by law and various codes such as the Malian Labour Code and Malian Collective Agreement (in **Mali**).

Among the agreements and policies in place at an operational level to ensure that human rights are protected are:

- recognition agreements

- disciplinary procedures

- appeal procedures

- grievance procedures, and

- collective bargaining agreements.

Unions and collective bargaining

Management/union relationships are governed by negotiated agreements in respect of most of the group's workforce, with 83.5% of the global workforce represented by recognised trade unions or catered for through collective bargaining processes.

In **South Africa**, 92.7% of all employees are either represented by unions or catered for by the agency shop agreement. (An agency shop agreement exists across the lower level bargaining unit within the company. This means that non-union members contribute 0.75% of their monthly basic pay to a human and industrial relations fund, whereas, union members contribute 1% of their monthly basic pay to this cause.) The four unions that are recognised are the National Union of Mineworkers

L7

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

Review 2004

Human rights training of Asset

Protection personnel

A key aspect of asset protection at

AngloGold Ashanti is the role played by

asset protection personnel. Security

personnel are in the front line of many dealings with customers, suppliers, stakeholders and fellow employees. This is complicated by the fact that their role is to protect the company's assets and in so doing to be suspicious and alert to any wrongdoing by anyone. However, it is also important that asset protection personnel respect the rights of the people with whom they come into contact. Consequently an important part of their training is a focus on human rights, particularly as set out in the Constitution of South Africa 1996 (Chapter 2: Bill of Rights) and International Human Rights Standards and Practices for Police and Security. The aim of the human rights training is that AngloGold Ashanti asset protection officials will be able to:

- understand the meaning of and be able to apply the principles of human rights in the context of asset protection;

- correctly identify the human rights principles applicable to different situations;

- explain when and how each human right may affect specific asset protection activities and if so, to explain how these activities should be altered to ensure they respect and comply with the Bill of Rights; and

- understand and apply legislation relevant to asset protection services at AngloGold Ashanti.

Other aspects covered by asset protection personnel training includes:

- basic asset protection (including a refresher course)

- use of firearms

- search and arrest

- the taking of statements

- .
investigations
- .
reaction
- .
CCTV operations
- .
control room duties
- .
analysis of statements
- .
interrogation procedures.

Group labour turnover (permanent employees)*

Resignations

1,675

Retrenchment/redundancies

523

Dismissals

1,239

Leaving for other reasons

1,993

Number of new jobs created

565

* In the USA permanent employees are categorised as regular employees.

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(NUM), the United Associations of South Africa (Uasa), Mineworkers Solidarity and the South African Equity Workers' Association (SAEWA), representing respectively 72.2%, 11%, 2.6% and 0.8% of employees in the region.

Two significant agreements were entered into with the National Union of Mineworkers during the year:

on 30 January 2004, a Procedural Agreement relating to the Vaal River operations was concluded. The agreement, which will serve as a guide for the interaction between management and the union, was concluded after a process of negotiation, and replaces the Vaal River Record of Understanding (the previous Recognition Agreement) which was concluded on 3 July 1998. A recognition agreement is the highest form of agreement between the union and management at an operational level.

also on 30 January 2004, agreement was reached on the Constitution of the Board of Governors of the Vaal River Operations' Residences, which allows residents to participate in the decision-making at the residences.

The 2003/2004 wage agreements, concluded in 2003 for a two-year period, remained in place during the year.

The second year's increase of 7% in terms of the 2003/2004 Wage Agreement for Category 3 to 8 employees with the NUM, which became effective on 1 July 2004. Annual leave also increased from 29 to 30 days, and the company's contributions to the Mineworkers' Provident Fund increased from 13.5% to 13.9%.

The second year's increase of 7% agreed with the NUM, Uasa and Solidarity as part of the 2003/2004 Wage Agreement for Miners and Artisans. This became effective from 20 June 2004.

The 2003/2004 Wage Agreements for Officials entered into between management and the NUM and Uasa. The agreement required the parties to negotiate the percentage by which salaries would increase with effect from 1 January 2004. The increase was agreed at 9%, of which 8% was guaranteed to all employees and 1% distributed based on individual performance during 2003.

Other important agreements that are in place regulate any process of restructuring, namely:

retrenchment agreement (NUM and Uasa); and

restructuring/redeployment agreement (Solidarity, Uasa and SAEWA).

A Social Plan Framework Agreement is currently being negotiated with the NUM.

At the end of 2003, Navachab Mine in **Namibia** terminated its relationship with its mining contractor and transferred to owner mining. This entailed the employment of approximately 150 employees and the alignment of labour practices with local legislation. A recognition agreement is in place, signed with the Mineworkers Union of Namibia (MUN), and the union bargains with the company on behalf of all employees in the A2 to C1 Paterson bands. 75% of the workforce belongs to the MUN.

At the Morila, Sadiola and Yatela mines in **Mali**, all employees are represented by the Mining Industry Union (SECNAMI), although there are no specific recognition agreements.

At Geita, in **Tanzania**, an access agreement and code of conduct has been entered into with the Tanzanian Mining and Construction Workers Union (TAMICO). To date, 22% of employees have joined the union; a formal recognition process will commence only once the union has sufficient representation.

The Ghana Mineworkers' union represents about 87% of the total labour force in **Ghana**, and all non-supervisory employees.

The **Australian and North American** operations are not unionised.

Employee representation and participation

AngloGold Ashanti has in place a variety of strategies and structures designed to promote participation at all levels within the company. These are developed and adapted regularly to meet operational requirements and changing circumstances.

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- 0
- 10
- 20
- 30
- 40
- 50
- 60
- 70
- 80
- 90
- 100

Management and employee representatives meet both formally and informally at industry, company and operational level on a wide range of issues to share information and address matters of mutual interest.

In **South Africa**, these include forums such as the skills development committees and health and safety committees. The diagram below illustrates the various structures in place that regulate the interaction with the NUM at the Vaal River area, as an example.

At AngloGold Ashanti Mineração in **Brazil**, programmes are in place to provide employees with the opportunity to raise issues with management on a regular basis. At Cerro Vanguardia in **Argentina** employees are organised into self-managed groups.

In **Mali**, union committees exist at all three operations and regular participatory meetings take place. Safety representative committees and joint health and safety structures are in place to manage safety and health on the mines. Communication forums with local management level employees take place on a monthly basis.

At Geita mine in **Tanzania**, senior and junior staff representative councils are in place and meet with the general manager on a monthly basis. Safety representative committees and joint health

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AngloGold Ashanti formal interaction with the NUM

Structure/Forum

Representation

Scheduled interaction

Objective

NUM stewards' council
1 NUM representative per
Once a quarter

To make decisions on strategic issues
business unit
relating to the Vaal River operation
5 representatives from Vaal River

Deliberate on the outcome of work
branch
done by work groups/ forums
5 AngloGold Ashanti

To oversee implementation
representatives
NUM steering committee
3 NUM representatives
Once a month

To address company related strategic
(Sub-committees – Housing
3 AngloGold Ashanti
and other issues affecting both parties
Forum, HIV/AIDS working group,

representatives
relating to the Vaal River operations.
Job grading working group)
Vaal River NUM
16 NUM representatives
Every 6 weeks or

.
To address issues affecting both
branch committee
6 AngloGold Ashanti
ad hoc
parties, relevant to VR area.
representatives

.
To increase capacity of shaft
committees
NUM shaft committee
3 full time stewards per business
As decided at

.
Workplace issues
unit committee and
business unit

.
Operational issues
management

Note: Any level of interaction may be extended to include the participation of other unions and associations for matters of common or mutual interest.

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and safety structures are in place and a monthly consultative meeting is held with all senior staff to discuss the mine's performance and other operational issues.

The Mineworkers Union of Namibia committee meets regularly with management at the Navachab mine in **Namibia**. Safety representative committees and joint health and safety structures are also in place.

The **Ghana** region has a Mine Standing Negotiation Committee which provides a consultative platform for management and branch unions to discuss issues of common interest. The union is also represented on the divisional board of the company.

At the **USA** and **Australian** operations, where the workforces are not unionised, communication with and participation by employees is encouraged.

Constructive industrial relations

The group aims to have constructive relations with representative and recognised unions and associations and industry forums representing employees. Some 14,200 man days were lost to industrial action during the year at Morila, Yatela and Geita. (These were a result of industrial action by largely contractor employees.)

In **South Africa**, the industrial relations climate can currently be described as constructive and stable. During the year disputes have been declared by NUM in the South Africa region regarding:

grading issues pertaining to machine operators; and

the introduction of additional screening tests for new recruits.

No days were lost due to strike action in South Africa. The disputes are being addressed through ongoing communication and facilitation.

A two-year dispute regarding the legal obligation of the company to pay a bonus scheme (prime de rendement) resulted in a three day strike at the Morila Mine in **Mali** in March 2004. This dispute was resolved in November 2004. (*See case study: Managing labour relations: 'Prime de Rendement' dispute at Morila on page L28.*)

The mining contractor at Yatela mine in **Mali**, Moolman Brothers, experienced two strikes in 2004 which had an impact on operations. One lasted for three days (a sympathy strike with employees at Morila) and one lasted for seven days (as a result of a dispute relating to conditions of employment). Both were resolved through negotiation.

The mining contractor, DTP, at Geita mine in **Tanzania** experienced a seven day strike relating to union recognition. The majority of employees returned to work; 207 employees were dismissed by the contractor.

No industrial action was experienced at the Sadiola mine in **Mali**, the Navachab mine in **Namibia**, at any of the **Argentinian**, **Brazilian** or **USA** operations, or the **Australian** operations.

No industrial action has been experienced in **Ghana** during the year. However, employee concerns relating to the AngloGold Ashanti business combination and, in particular, payouts to senior employees in terms of share option schemes at that time, have surfaced and are being dealt with. The mining industry is still relatively new in **Mali** and the industrial relations movement is undergoing a natural growth process. The company is currently contributing towards a commission that is rewriting and modernising labour legislation, which is likely to assist in the management of labour relations and building relations with the unions in the future.

Employment equity and diversity management

Diversity management

By virtue of its size and the fact that the group currently has operations and interests in a host of different countries across five continents, AngloGold Ashanti is active in culturally diverse societies. This brings with it both opportunities and challenges. It is for this reason that a board committee, the employment equity and development committee, chaired by board deputy chairman Dr James Motlatsi, is charged with overseeing the development of opportunities in the company for all employees, and to encourage all employees to achieve their optimal levels of career development. In doing this, due cognisance is given both to the diversity of the societies in which the group operates and their historical context. Operations in **Mali, Namibia, and Tanzania**, for example, all run cultural diversity programmes aimed at creating cultural awareness, promoting diversity and developing

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cross-cultural understanding. A revised diversity policy has been compiled in the **Australia** region and is currently being canvassed amongst employees and management.

Employment equity and localisation of jobs

Employment equity forms a part of AngloGold Ashanti's broader human resources strategy which seeks to promote an organisational culture that recognises the diversity of the societies within which the company conducts its business, and which affords all employees the development opportunities that will enable them to achieve their optimal levels of career development in the course of their employment with the company. Key elements of the group's employment equity programme include employee development and retention, the implementation of strategies to counteract losses, to develop careers and to promote mobility in an environment that is free of discrimination.

Employment equity and/or equal opportunity targets are set and their achievement is monitored by a board sub-committee – the employment equity and skills development committee. In South Africa the employment of Historically Disadvantaged South Africans (HDSAs) is a particular priority. Employment targets and achievements are reported to the South African Department of Labour on an annual basis. Within South Africa, 32% of management comprises HDSAs. (The latter term includes citizens of countries within the South African Customs Union – SACU – and Mozambique. Managerial employees are defined as those in supervisory and management roles in Paterson job grades C-upper and above).

Within South Africa, 28% of management comprises HDSAs if managerial employees are defined as those in supervisory or management roles, Paterson job grades DL and above, as required by the Mining Charter.

In most of the countries in which it operates, cultural, racial and gender equity is governed by legislation. In the absence of such legislation, the AngloGold Ashanti business principles are followed.

In **South Africa**, for example, the Employment Equity Act and the Broad-based Socio-economic Empowerment Charter (the Mining Charter) both cater for the promotion of HDSAs. An employment equity and skills development committee was launched at the corporate office in 2004 with the aim of identifying and promoting issues of employment equity and diversity, and monitoring compliance with statutes and regulations. The South Africa region has developed policies regarding equal opportunity employment, a framework promoting opportunities for women in mining, sexual harassment (see below), and fair practices for appointments and promotions. A framework for diversity training which aims to create sensitivity to diversity has also been developed and is being implemented at various business units

At Navachab in **Namibia**, equal employment and affirmative action are legislated for under the Employment Equity and Affirmative Action Act. The mine's recruitment policies are aligned with this legislation and the mine complies fully with the Act.

In many African countries, such as **Mali, Namibia and Tanzania**, legislation governs the recruitment of expatriate employees and promotes the localisation of the workforce. Policies are in place giving preference to the employment of local citizens (rather than expatriates). Plans to increase employment of local citizens and consequently reduce the number of expatriates (particularly at a management level) are in place at these operations and entail the identification and training of local citizens to replace expatriate staff once they have the requisite skills. The

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Dealing with discrimination

The USA's Equal Employment

Opportunity Policy prohibits discrimination on the basis of age, race, sexual

orientation, colour, religion, national origin, marital status, disability, or any other status protected by law. It also prohibits harassment on any of these bases. This policy is contained in the employee policy and benefit handbook that is given to all employees and posted on all bulletin boards in the company offices. Violation of this policy results in disciplinary action and could include termination of service. The policy also prohibits retaliation against an employee for filing a complaint under this policy or assisting in a complaint investigation.

Communicating the values in South America

AngloGold Ashanti's values were launched at the regional offices within the South America region initially by group CEO, Bobby Godsell, to senior management and representatives of the various offices and operations. This was followed up by launches on every site for each shift. A values calendar was distributed to all employees and contractors.

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percentage of local people employed at these operations was 97% during the year. (*See case study: Malian bursary scheme develops managers of the future on page L27 of this report*).

In the South America region (**Argentina** and **Brazil**), expatriate labour is used only when required to fill key positions that can not be otherwise filled by locals. Currently, this is less than 1% of total staff.

In **Ghana**, the use of expatriate labour is overseen by government and the state annually approves the company's expatriate quota. Expatriates are employed on a two-year contract during which local staff should be trained to take over their roles.

Dealing with harassment and discrimination

AngloGold Ashanti is committed to creating workplaces which are free from harassment or unfair discrimination. Racial and sexual harassment and any form of discrimination are usually proscribed by law; nonetheless, specific policies are in place at all AngloGold Ashanti's operations to protect the interests of employees.

In the **Australia** region, for example, policies dealing with harassment and unfair discrimination were in place prior to the acquisition of these assets by what is now AngloGold Ashanti, and are designed to ensure compliance with stringent legislation. The policies are available on the company intranet, they form part of the induction process for new employees and regular training is provided for employees in this regard. An important part of this diversity policy relates to equal opportunities for women. The Australian operations have to report progress to government authorities on an annual basis.

The **USA** has a comprehensive legal regime that addresses discrimination. In line with the Civil Rights Act, this region has developed an equal employment opportunity policy that prohibits discrimination on the basis of age, race, sexual orientation, colour, religion, national origin, marital status, disability, or any other status protected by law.

Issues relating to harassment and unfair discrimination are covered in the **Ghana** region's handbook on corporate governance. Each employee is given a copy and signs his/her acknowledgement of its contents on appointment.

In **South Africa**, a sexual harassment policy was put in place in 2002 so as to ensure that sexual harassment is dealt with as a serious form of misconduct, to expedite reporting, and to handle complaints. Half-day workshops on the policy were conducted among all staff at the corporate office and the policy is currently being rolled out to the business units. Equity and non-discrimination are also promoted through the AngloGold Ashanti values. Where no specific policies exist, the values are the reference point for employees and managers.

Training and development

Training and development is a primary focus area for the group. In line with AngloGold Ashanti's belief that all employees should be provided with the opportunity for appropriate training which improves their workplace competencies, the company is also committed to ensuring that every employee has the opportunity to become numerate and functionally literate in the language of their workplace. During 2004, some \$

28 million was spent on training and development programmes across the South Africa region.

Four broad areas of training are identified:

Vocational training

While many of the group's employees come to the company with skills, the group also plays an active role in providing for vocational training. (*See case study: Apprenticeship programme at Obuasi on page L25*).

In **South Africa**, where 69.4% of the group's employees are based, the company is registered with the Mining and Minerals Sector Education and Training Authority (SETA) known as the Mining

Q

Qualifications Authority (MQA), a tripartite body formed between labour, the state and employers. The

South Africa region's centralised training venue provides accredited technical training in the following core disciplines: mining, mining services, engineering, metallurgy, and occupational environment safety and health. The centre is ISO 9002 certificated and accredited by the MQ A. Skills programmes and learnerships presented at the centre are outcomes-based and provide employees with the necessary knowledge and skills to do their work safely and efficiently.

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In **Brazil**, for example, vocational training is provided by a range of institutions – 40 Serra Grande employees started a two-year mining technicians course at the National Industries Services School (SENAI) in Crixas Brazil. Nine employees were admitted to SENAI from AngloGold Ashanti Mineração for mechanical and electrical engineering apprenticeships during the year, while five trainees were sponsored to study at the SEBRAE technical school of management.

Adult Basic Education and Training

It is the company's policy to provide Adult Basic Education and Training (ABET) to ensure that all employees are able to become literate and numerate. (All employees at the **Australian** and **USA** operations are literate.)

To be literate in a particular language, an individual should be able to use the language effectively to think and acquire knowledge, express their identity, feelings and ideas, and interact with others. To be numerate, an individual should be able to develop the ability and confidence to think numerically in order to interpret and critically analyse everyday situations and to solve problems.

Achieving 100% literacy and numeracy amongst employees has long been a target for AngloGold Ashanti. More recently, however, the **South African** Mining Charter requires that all employees are offered the opportunity to become functionally literate and numerate within five years of conversion to new order mining rights.

During the past 12 years some 32,000 employees have attended ABET in South Africa. 76% of all supervisory employees (some 10,060 employees) have an ABET qualification; 45% of all employees have an ABET level 3 and above qualification. ABET has three qualification levels, 1, 2 and 3. ABET 1 is equivalent to three years of formal education, ABET 2 to five years and ABET 3 to seven years.

As from 2004, the equivalent of ABET 4 – NQF1 – is available to employees.

Through the Recognition of Prior Learning Programme (RPL), workers' current level of education can be established and acknowledged. RPL also assists the human resources departments in the career path planning of employees. (*See case study: Adult Basic Education and Training for all on page L29 of this report*).

Full-time and part-time courses are held at the ABET centres and at individual mines at Vaal River and West Wits. Full-time ABET courses, which are generally for candidates who have been identified for career advancement, are run over a period of 10 weeks, and part-time courses over six months.

Literacy levels at the **Malian** and **Tanzanian** operations have been improving mainly through employee self-development. Company-sponsored French and English literacy programmes for these operations are being investigated.

The literacy level at Obuasi in **Ghana** has been improving year on year mainly as the older generation of employees who could not read or write have retired and a younger, schooled generation is employed.

Although literacy classes are offered to employees on a part-time basis by the company, participation to these has been poor. At Bibiani, literacy is a prerequisite for employment.

While the level of literacy at the South American operations in **Argentina** and **Brazil** is very high (99.95%), English training is provided on site for those who wish to learn the language, and more than 150 people attended classes at these operations during the year. Employees are also encouraged to

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Estimated levels of literacy at the African operations

Bibiani

100%

Geita

65%

Iduapriem

100%

Morila

85%

Navachab

100%

Obuasi

93%

Sadiola

68%

Siguiri

100%

Yatela

75%

Workplace languages:

Argentina

Spanish

Australia

English

Brazil

Portuguese

Ghana

English

Mali

English and French

Namibia

Afrikaans and English

South Africa

Afrikaans, English,

Shangaan, Xhosa,

Zulu

Tanzania

English

USA

English

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complete their initial schooling – at Cerro Vanguardia 14 employees participated in a basic education programme during the year, while at Serra Grande 45 employees attended classes and received junior high school certificates.

Management training

Four individuals participated in the group-wide Executive Development Programme (EDP) in 2004 (six in 2003), drawn from **South Africa** and **Australia**. This programme exposes candidates to high-level courses at a range of tertiary education institutions.

In the **South Africa** region, the development of senior employees in South Africa is catered for by the company's Management Development Programme (MDP); the region also offers an Intermediate Management Development Programme (IMDP), where younger employees with management potential are identified and given an opportunity to develop their careers. The **Malian, Tanzanian and Namibian** operations also participate in this programme, and – for the first time in 2004 – participants joined from the **USA, Argentina** and **Brazil**.

The group's Talent Management Programme identifies and develops the group's management for the future. The programme has three areas of intervention:

- development, through a range of management development programmes;

- retention, which is the mentorship of individuals as well as the allocation of special projects for identified talent; and

- monitoring of talent, which includes an annual talent review at executive level to monitor succession plans for talented employees.

The programme is aimed at:

- specific individuals, who have been identified through their career development plans; and

- groups of individuals with high potential attending a range of management development programmes.

Development plans form part of the greater performance management process within the group and is reviewed on a bi-annual basis.

Developing talent in the African operations

Through a process of development panel interviews, performance reviews and succession planning, talented employees are identified for development. This pool of talent is reviewed on an annual basis.

Development plans are put in place for these individuals including formal training programmes, exposure visits (to other operations), special project assignments and developmental moves to other locations.

Both the MDP and IMDP programmes were developed in partnership with the Graduate School of Business at the University of Cape Town. They each

carry academic accreditation; in the case of the MDP it is equivalent to a post-graduate qualification. This allows for the company's needs for better trained managers to be met, while also fulfilling employees' requirements to obtain publicly recognised qualifications.

Review 2004

Number of candidates:

Programme

2004

(2003)

Country of origin

Executive Development

4

(6)

South Africa,

Programme

Australia

Management Development

43

(39)

Australia, Brazil, Mali,

Programme

South Africa, Tanzania,

USA

Intermediate Management

33

(34)

Mali, Tanzania,

Development Programme

South Africa

Graduate training

Study assistance programmes for employees and non-employees are provided across the group to increase the skills pool available to AngloGold Ashanti.

The **South Africa** region spent \$

1.79 million (R11.5 million) on bursaries for 112 students in a wide variety of disciplines and at a number of tertiary education institutions. The bursary scheme is open to employees (in-service bursary scheme), and school leavers. Currently, the students are pursuing tertiary studies in:

mining: 34 (22 at technikon, 12 at university);

engineering (mechanical, heavy current electrical, as well as process and instrumentation control): 36 (14 at technikon, 22 at university);

metallurgy: 17 (4 at technikon, 13 at university); and

mineral resource management (geology and survey): 25 (3 at technikon, 22 at university).

In respect of the 112 students, 34 are employees, and 78 are school leavers. Successful completion of the tertiary qualification by non-employees may result in an offer of employment for in-service training. If accepted, the recruit will undergo an approved training programme for his or her selected discipline to equip him or her with the skills and knowledge necessary to progress on a defined career path.

A bursary scheme was implemented in **Mali** in 2004. Ten top school leavers entered into graduate studies at the University of the Witwatersrand in Johannesburg, South Africa, in the disciplines of mining, engineering, metallurgy, environment and geology, following a language bridging programme at the Wits Technikon at the end of 2003.

Three bursaries were awarded by the Navachab mine in **Namibia** in 2004 for study in the disciplines of mining, metallurgy and geology.

In the **USA**, the company offers scholarships to eligible employee dependents to assist them with their college education. Some \$

47,000 was spent on this programme in 2004. The company also provided tuition reimbursement to employees wishing to pursue a college degree in a discipline related to their position in the company at a cost to the company of some \$ 40,000 during the year.

In **Ghana**, company bursaries are granted to the dependents of employees who have gained admission to government-approved secondary and tertiary educational institutions, with 1,380 bursaries having been granted during 2004 at a cost of some c1.2 million per person.

Staff at the **corporate office** may participate in the company's part time study assistance in respect of studies undertaken for the purposes of career development.

In **South America**, efforts to increase the skills and educational levels of employees reaping rewards, with a 35% increase in the number of employees holding university degrees as at the end of 2004.

At **Navachab** in Namibia, a study policy was implemented during the year which allows for employees to embark on part or full time studies for career and self-development.

Training for life

Training for life is a relatively new concept in the mining industry and one that is increasingly being associated with the end of mine lives. Training for life equips employees or ex-employees with skills to ensure their continued employability or ability to be self-employed after employment by the company and in preparation of career endings, both as a result of ill health or as a result of mine closure.

The group's aim is to deliver excellent and valued training and development opportunities to all employees which would be broadly applicable and transferable; this is evident in the broad spectrum of programmes made available to employees, ranging from basic literacy and numeracy learning, through to superior technical training as well as executive development at top business schools of

international repute.

Generally all employees who leave the company's employ through retrenchment are offered re-training in a skill that will assist them to remain economically active within their community. The type of skills include photography, engineering skills, candle-making, leather work etc.

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ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

Review 2004

Developing talent for the future

Over the past five years AngloGold Ashanti's **South American** operations have been relying on a novel training and development programme to prepare newcomers and to develop talent for the future.

The course, known as the Trainee

Development Programme, has been conceptualised and designed specifically for future incumbents of technical and managerial positions. With a duration of 12 to 15 months, the training includes exposure to a broad range of the company's activities, its values and policies, with a particular focus on safety, environment, human resources and external affairs including developing and maintaining stakeholder relationships.

Opportunities exist for trainees to become familiar with finance and personnel management, while visits to other South American operations are included to broaden experience and to encourage interaction among operations.

Graduates between 23 and 28 years of age with a sound knowledge of geology, mining, metallurgy and other related disciplines, and a knowledge of both computer science and English at an intermediate level, would stand to benefit from the programme, which provides an opportunity for up to five newcomers annually. Aspirant trainees are selected by external recruitment offices, and are subject to many interviews, technical and psychological testing and an assessment by departmental managers.

Progress assessments are conducted periodically by managers and counsellors.

The candidates are responsible for producing reports on the work they do and the operations and departments visited, with recommendations for improvements. On concluding the programme, the trainee is expected to present an 'applicable project' which he may consider of interest to the company.

At the end of the training period, trainees are assigned to suitable positions at the operations. Outstanding candidates are rewarded with a period of training abroad in order to broaden their exposure to the organisation and its culture.

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Most mining operations in **Australia** have fly-in, fly-out arrangements owing to their remote location which leads to high staff turnover. The company has a policy of maintaining a full development plan for all employees, not only in relation to their current roles but also for potential roles and their general employability, skills and competencies.

Fair remuneration and benefits

The company seeks to remunerate employees fairly at both an individual and team level.

Remuneration levels are set taking into account the market as well as economic and inflation indicators. There is generally an annual review or annual negotiations with the representative unions in respect of those employees covered by collective bargaining agreements.

In **South Africa**, in particular, by far the majority of remuneration elements, although focused on the individual, are the result of collective bargaining between management and the representative unions. This has given rise to standard rates of pay for the majority of employees (non-supervisory employees and miners and artisans) rather than pay scales in which employees are remunerated for contributions, as in the case of management and officials. A process is currently underway between management and the representative unions to restructure the conditions of employment for miners and artisans in order to move away from standard rates to pay scales.

In addition to basic pay, various productivity and safety bonus schemes exist at most operations to both motivate and reward employees. As well as employee benefits that are legally mandated the various regions offer health care benefits, pension and provident funds, company vehicles, housing, housing allowances or home ownership schemes, life assurance, tuition assistance, maternity benefits, and subsidised canteens, amongst others.

Provision of health care

AngloGold Ashanti provides a comprehensive health care service to employees, especially in South Africa, where the majority of the company's employees are located.

In **South Africa**, AngloGold Health Service (AHS) runs two occupational health centres, which are staffed by two doctors and some 30 support health care practitioners each. In addition, comprehensive health care is provided to employees and some dependents.

Health care is provided by an external service provider in South America (**Argentina** and **Brazil**) to employees and their families.

The **Malian** operations have on-site mine clinics that are registered with the National Health authorities and provide health care for all employees and registered dependents.

Health care in **Tanzania** is provided for employees and their dependents at an on-site mine clinic and local health care structures. The mine supports the upgrading of the facilities at the local Geita hospital and offers technical support to its staff. The on-mine occupational health clinic has also recently upgraded its facilities.

Employees at the Navachab mine in **Namibia** are members of a medical scheme to which the company contributes and employees are entitled to private health care as part of this scheme. An on mine clinic provides primary health care and occupational health services.

Health care services are provided to the employee, his or her spouse and six dependents at the Edwin Cade Memorial Hospital at Obuasi in **Ghana**, while the Iduapriem mine has a 24 hour clinic on site catering for employees and dependents.

In **Australia**, health care is provided by the national government run health system as well as employee funded additional health insurance. On-site nurses are employed and other health care professionals are contracted to provide a level of care.

In the **USA**, access to health care for employees is provided through a self-insured medical plan administered by a third party administrator.

Broadening horizons - secondment
as a form of people development

Being part of a global company has the advantage of broadening career opportunities and offering new experiences.

(See case study: Being part of a global group – the opportunity of secondment on page L26)

“The company's secondment policy is an important element of the overall picture of developing people,” says Leanne Gordon, human resources manager, AngloGold Ashanti Australia.

The Australia region is well represented in other parts of the AngloGold Ashanti group with 13 of its permanent employees currently seconded for periods of six months to three years on overseas assignments. This ranges from geologists working in Mali, Tanzania, China and Mongolia to a mine manager in Mali, and metallurgists in South Africa.

Matt Painter, a structural geologist recently returned from 12 months at Geita Gold mine in Tanzania, says of his experience:

“Professionally, it was a great opportunity to work on what is shaping up as one of the world's great gold orebodies. I felt that I was also able to contribute my knowledge and experience in tangible ways that have benefited, and will benefit, mining at Geita.”

Recently, the company also sponsored four young professional employees in the areas of mining engineering, training and development, metallurgy and geology on a two-week management training visit to the South African region. Suze Loughnan, training coordinator for geology at Sunrise Dam Gold Mine was one of the four participants. “What an eye opener into a global company... it was unbelievable to see the presence of AngloGold Ashanti in South Africa in terms of how the company cares for its people and ultimately walks

the talk.”
Review 2004

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ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

Review 2004

Providing health care to employees and dependents in South Africa

AngloGold Ashanti strives to provide equitable health care funding for employees and their dependents. Health care provision and acceptable

levels of care are determined by, among other factors, the infrastructure within the areas in which the employees are located. For the distant

communities with which AngloGold Ashanti is associated, the focus is on facilitating access to, and enabling the state to fulfil its responsibilities

in the provision of basic care.

AngloGold Health Service (AHS), a subsidiary of AngloGold Ashanti, operates in the core operating areas. Each operating area has a central

hospital providing secondary, and to some extent tertiary level care, surrounded by a network of peripheral primary health care and occupational

health clinics.

Health care activities which focus on care to employees in these areas and care to immediate dependents where appropriate, include:

- preventative health care

- occupational health care

- primary health care

- hospital care

- management of trauma, and injury on duty, and

- management of HIV/AIDS and tuberculosis.

The occupational health discipline performs the functions of screening prior to employment, evaluation of baseline health status, and surveillance

during employment for purposes of early detection of disease (particularly high risk diseases commonly associated with the mining industry) and

directing the management of diseases detected, including workplace and compensation initiatives required.

The primary health care discipline aims to provide care at an appropriate level at peripheral sites, facilitating patient access and enhancing cost-

effective utilisation of resources. The service caters for both work-related and non work-related illness and injury. All patients who cannot be

appropriately managed at this level are referred to the central hospital. The central hospital in each area has some 300 beds with, in addition to

admission facilities, emergency rooms, operating theatres and multi-disciplinary intensive care units. Speciality disciplines include:

- internal medicine

- general surgery

- orthopaedic surgery

- ear, nose and throat surgery

.
radiology
.br/>paediatrics
.br/>obstetrics, and
.br/>gynaecology.

These clinical disciplines are supported by the allied clinical disciplines of physiotherapy, occupational therapy and clinical psychology, which together ensure comprehensive patient care and rehabilitation.

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LABOUR

Review 2004

Responding to regional health threats

The primary regional health threats faced by employees and their families and communities are HIV/AIDS and malaria. (TB is dealt with under the Occupational Safety and Health section of the Report to Society 2004.)

Provision of accommodation and nutrition

Accommodation

For the most part, mining operations are located in remote areas, drawing employees to the operations who would normally not be accommodated locally. The provision of company accommodation varies from region to region and is dependent on the availability of accommodation, the make-up of the workforce and the remoteness of the region. In the major cities, like Johannesburg, Denver, Perth, etc, housing is readily available. The same applies to a number of the operations, such as at CC&V.

At Sunrise Dam, **Australia**, many employees operate on a fly-in, fly-out basis and accommodation is therefore provided during the period that employees are at work.

At Cerro Vanguardia, in **South America**, many employees come from outside the immediate area of operation and houses have either been constructed by the company in nearby Puerto San Julian, or facilities erected at the mine site. The current facility comprises 335 rooms and will be extended during 2005 to further accommodate a growing workforce.

At the Morila and Yatela mines in **Mali**, senior staff are housed in company accommodation, while other staff are paid housing allowances. 80% of employees are housed in company accommodation at the Sadiola mine, and the balance receive housing allowances.

A housing loan scheme (for home ownership) is available for senior employees at Geita mine in **Tanzania**; the balance of employees receive a housing allowance. 90% of employees at Navachab in **Namibia** are housed in company housing; the remainder of employees receive a housing allowance (for rental accommodation).

In **South Africa**, programmes are in place to encourage home ownership. Many employees are housed in company accommodation. Nutritional professionals oversee meals provided at staff accommodation, and regular health audits are conducted. (See box on page L18.)

Amohelang – a new centre for tetraplegics

Amohelang, which means ‘we accept’ in SeSotho, is the new centre for tetraplegics which was opened in March 2004 by AngloGold Ashanti CEO Bobby Godsell.

The centre was previously located at Ithuseng on the premises of the Ernest Oppenheimer Hospital in the Free State. Currently it houses 34 tetraplegics.

It is AngloGold Ashanti's philosophy to care for employees who, as a result of some tragic event and/or injury at work, become disabled due to spinal injuries.

The majority of those who are housed here have suffered work-related injuries, or injuries resulting from non-mine incidents, such as car accidents.

Tetraplegic is a term given to somebody who is paralysed from the neck down

but has use of his hands. This type of injury is an infrequent occurrence - the last person to be admitted to the centre was in 2002. Amohelang becomes a home for the individual who for one or another reason cannot - or decides not to - return to his own home. There are often many reasons for this including the fact that the centre provides the extra care that many would not find in their own homes, particularly in rural areas.

Amohelang has a budget of about R6.7 million (\$1.05 million) per year. The new unit can accommodate up to 48 persons and is equipped with kitchen and dining room, gymnasium for physio-therapy, TV Room, office facilities for the medical staff, six family units for visitors, wheelchair-friendly ablution facilities, and a wheelchair workshop for wheelchair repairs, amongst other things.

The facility is run professionally with suitable staff including the unit manager, three professional nurses, five enrolled nurses, five enrolled nursing auxiliary personnel, 24 caregivers, as well as the cleaning staff. The centre has purchased a multi-purpose van for transporting individuals to and from the local town for additional care and for outings.

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ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

Review 2004

Addressing issues of accommodation in the South African mining industry

Historically, the South African mining industry has drawn a large percentage of its non-supervisory workforce from countries around South Africa - Lesotho, Mozambique, Swaziland and Botswana – as well as from rural areas within South Africa - such as the Eastern Cape, KwaZulu-Natal and Mpumalanga. These employees are accommodated on-mine in company hostels which comprise high-density rooms (housing between four and eight people per room), catering facilities and entertainment and recreational facilities. Their families, though, were not offered accommodation on-mine and remained in their countries or regions of origin.

Over the years, much effort has been focused at lowering room density, improving facilities (adding classrooms and gyms, for example), and transferring management of these hostels to combined union/management committees. More family units have been constructed and facilities to accommodate visiting families for periods of time have also been constructed. At the same time, employees have been given an option of receiving allowances if they choose not to use the hostel facilities.

Hostel living is not ideal and not conducive to family life. However, even where employees have an option large numbers remain on-mine without their families, choosing to reside either in company accommodation or elsewhere (and, if the latter is chosen, receiving an allowance). Many employees canvassed by the company choose to maintain their homes and families in their country or region of origin, and return to their homes at the end of their employment.

The numbers of employees accommodated in hostels has declined to 65% in 2005. Currently, 23,400 employees are accommodated in the nine company hostels.

Plans are in place to renovate many of these, with the emphasis on the longer-life operations, to decrease room density and provide residents with improved facilities and a greater degree of privacy.

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LABOUR

5 Reporting in line with GRI

Social performance indicators:

Labour practices and decent work

Core indicators

Additional indicators

Employment

LA1. Breakdown of workforce, where possible, by region/

LA12. Employee benefits beyond those legally mandated.

country, status (employee non-employee), employment

(eg. contributions to health care, maternity, education

type (full/part-time), and by employment contract

and retirement)

(indefinite or permanent/fixed term or temporary).

Also identify workforce retained in conjunction with

other employees (temporary, agency workers or

workers in co-employment relationships), segmented

by region/country

65,400 people (monthly average) worked at AngloGold Ashanti

Employee benefits vary from region to region. *(See discussion on*

during 2004, comprising 50,737 employees and 14,663 contractors

page L16)

LA2. Net employment creation and average turnover

segmented by region/country.

AngloGold Ashanti employed a monthly average of 65,400 people

during 2004. For a breakdown per country, see page L3.

For a breakdown of turnover per operation, see the section on

economic performance

Labour/management relations

LA3. Percentage of employees represented by independent

LA13. Provision of formal worker representation in decision-

trade union organisations and other bona fide employee

making, including corporate governance

representatives broken down geographically or percentage

of employees covered by collective bargaining agreements

broken down by region/country

83.5% of all employees are represented by trade unions or an

Provision is made for both formal and informal employee

industry collective bargaining agreement

participation at all operations

LA4. Policy and procedures involving information, consultation

and negotiation with employees over changes in the reporting

organisation's operations (eg. restructuring)

Various policies and procedures are in place:

These include:

.

Chamber of Mines 1997 Wage Agreement and Job Grading

Agreements in South Africa and various Recognition Agreements

.

Workplace Relations Policy, Equal Opportunity Policy and Fair
Employment Guideline in Australia

.

Malian Labour Code and Malian Collective Agreement

.

Tanzanian Employment Act

.

Recognition Agreement at Navachab Mine

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ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

Reporting in line with GRI

Social performance indicators:

Social performance indicators: Labour practices and decent work

Core indicators

Additional indicators

Training and education

LA9. Average hours of training per year per employee by

LA16. Description of programmes to support the continued category of employee

employment of employees and to manage career endings

Not available

It is the group's philosophy that training and development programmes should support the continued employability of individuals after employment by the company and in preparation for career endings, both as a result of ill health or as a result of mine closure. *(See discussion on page L12)*

LA17. Specific policies and programmes for skills management or for lifelong learning

Performance management and talent management programmes are in place across the group, as well as training and development programmes to refresh, upgrade and learn new skills. Study assistance is also available to employees and, in some regions, to their dependents

Diversity and opportunity

LA10. Description of equal opportunity policy or programmes as well as monitoring systems to ensure compliance and results of monitoring

Equal opportunity policy is regulated by law in many of the countries in which the group operates. Additionally, policies and programmes are in place at all operations.

LA11. Composition of senior management and corporate governance bodies (including the board of directors), including female/male ratio and other indicators of diversity as culturally appropriate

Efforts to align the composition of management and the board to reflect appropriate representation of women, and other culturally diverse groups are in place.

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LABOUR

Reporting in line with GRI

Human rights

Core indicators

Additional indicators

Strategy and management

HR1. Description of policies, guidelines, corporate structure, HR8. Employee training on policies and practices and procedures to deal with all aspects of human rights concerning all aspects of human rights relevant to relevant to operations, including monitoring mechanisms and operations. Include type of training, number of results. State how policies relate to existing international employees trained, and average training duration standards such as the Universal Declaration and the Fundamental Human Rights Conventions of the ILO

Human rights are entrenched within the company's values and The company's values and business principles have been communicated to employees and various forms of training have been provided to employees, particularly security personnel

HR2. Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors

There is a vendor approval process in place to ensure that vendors meet the minimum requirements of doing business with AngloGold Ashanti. All vendors are required to comply with labour legislation to ensure that there are no human rights abuses. A further example would be the 'guidelines for contractors' which stipulates minimum compliance requirements for contractor employees

HR3. Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring

There is a supplier monitoring committee in place that discusses non-compliance or unethical behaviour by suppliers. If there is evidence to suggest wrong doing, the supplier/contractor is removed from the approved vendor list

HR4. Description of global policy and procedures/programmes preventing all forms of discrimination in operations, including monitoring systems and results of monitoring

Policies relating to discrimination and harassment are in place at all operations and are guided by both the company's business principles, as well as local legislation

HR5. Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures/programmes to address this issue

Freedom of association is entrenched within the company's values and business principles, in legislation in many of the countries in which the group operates and within regional recognition agreements and policies.

In addition, AngloGold Ashanti is party to a *bilateral international agreement with the International Federation of Chemical, Energy, Mine and General Workers' Unions (the ICEM)* on the promotion and implementation of good human and industrial relations in AngloGold Ashanti's operations worldwide

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ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

Reporting in line with GRI

Human rights

Core indicators

Additional indicators

Child labour

HR6. Description of policy excluding child labour as defined by the ILO Convention 138 and extent to which this policy is visibly stated and applied, as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring

In addition to the business principles in which this is entrenched, the prohibition of child labour is also contained within and monitored in terms of the legislation of the various countries in which the group operates. See discussion on adherence to ILO principles on page L7
Forced and compulsory labour

HR7. Description of policy to prevent forced and compulsory labour and extent to which this policy is visibly stated and applied as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring. See ILO Convention No. 29, Article 2

In addition to the business principles in which this is entrenched, the prohibition of forced or compulsory labour is also contained within and monitored in terms of the legislation of the various countries in which the group operates. See discussion on adherence to ILO principles on page L7

Disciplinary practices

HR9. Description of appeal practices, including, not limited to, human rights issues. Describe the representation and appeals process

Disciplinary processes in place at all operations include appeal procedures. Details available on request

HR10. Description of non-retaliation policy and effective, confidential employee grievance system (including, but not limited to, its impact on human rights)

Grievance procedures in place at all operations. Details available on request

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LABOUR

6 Scorecard

Objectives for 2004

Review of 2004

Objectives for 2005

Alignment of human resource

Largely complete. Submissions were made for

Adherence to and achievement of the

development initiatives with the

conversion of old order to new order mining rights

guidelines and targets set in the

Mining Charter in SA

(in line with the Charter) for all of AngloGold Ashanti's

submissions made

South African operations during the year

Further implementation of

Progress reported to the Department of Labour.

employment equity strategy in

(See discussion on page L12)

South Africa to meet targets

Full scale implementation of

Largely implemented

talent management programme

Roll out of mission, values and

Largely concluded

business principles

Roll-out of whistle-blowing initiative

Largely concluded. *(See discussion in Ethics and*

Governance section of the Report to Society 2004)

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ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

LABOUR

7.1 Apprenticeship programme at Obuasi

Over the years, the Engineering Training Centre at the Obuasi mine has grown from being a very basic facility to a significant skills development centre in Ghana. The development programmes offered by the centre prepare students for the competitive and technological challenges of an industry that is becoming increasingly mechanised.

The centre, established in 1988, was open only to Obuasi mine employees prior to 1997. With the expansion of the Ashanti group, however, trainees were accepted at the engineering training centre from the Ayanfuri, Bibiani and Iduapriem mines in Ghana, as well as the Siguiiri mine in Guinea. Since 1997, this has been expanded to include the training of personnel from various other mining-related companies.

The 20 personnel at the centre, who represent various engineering disciplines, are all permanent employees of Obuasi, and have been drawn primarily from the engineering maintenance department at Obuasi. They therefore bring practical experience to bear on the training programmes conducted. The facilities provided include 16 lecture rooms and workshops which are fully equipped with the appropriate training and audio-visual aids.

In 2001 the centre's apprenticeship training programme was redesigned to focus on the training of polytechnic graduates so as to equip them with the requisite practical experience required for employment in the mining sector. This programme is different in that it takes into account that polytechnic graduates already have some technical knowledge.

The programme is advertised annually. Polytechnic graduates who are interested apply and undergo a selection process that includes an entry examination and interviews.

Successful applicants are admitted as trainees and, on completion of the training programme, those who are needed are employed. The remainder are released into the labour market, but their particulars are retained on file as first choice contacts in future recruitment exercises.

To date, two groups of apprentice trainees – totalling 59 individuals – have successfully completed the programme in six disciplines, namely electrical engineering, instrumentation, welding and fabrication, auto mechanics, diesel mechanics and plant mechanics. About 80% of these have been absorbed as core junior staff employees at AngloGold Ashanti's operations. Of the 260 applicants in 2004, 45 were successful (35 from Obuasi and 10 from Siguiiri). About 40 entrants are anticipated for the 2005 year. The cost to the company is currently, on average, \$6,900 for each trainee over the two-year training period. This amount includes personal protective equipment, monthly allowances and the provision of medical care.

Thomas Brentum from Enchi in Ghana, and his colleagues, rebuilt a heavy-duty engine at the Obuasi Mine engine rebuilding workshop, after completing the Apprenticeship Training Programme in July 2004. According to Brentum, the training received at the Engineering Training Centre has given him the right practical exposure and increased his knowledge as well as his appreciation of the motor mechanic trade. Today he is able to support himself and he sponsors his nephew who is pursuing a six-month computer literacy programme at NIIT in Accra, Ghana's leading information, technology, education and

training institute.
Case Studies - Ghana

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LABOUR

AngloGold Ashanti currently has 269 employees assigned to posts away from their home countries around the world. This group includes both secondees (permanent employees sent on assignment into other countries); and contractors (individuals recruited to work in another country for a specific period). Says Mark Stoffberg, international senior human resources manager, "Employees are seconded to countries where their skills are most needed. Cross-border deployment assists in the cross-pollination of skills. South Africa, for example, is home to some of the deepest mines in the world, but the Australian and USA operations have extensive open pit mining experience; these skills can most obviously be deployed at some of the newer operations in Africa.

"Not only does the assigning of employees facilitate the training of the local people, it also stretches the capacity of the assignee. For example, planning in the more remote locations is of the utmost importance as supplies can take up to three months to get to site. Some locations are so remote that they can only be reached within reasonable time frames by air. Many mine sites have had to establish their own infrastructure including power plants, roads, water supply, sewerage and communications. Shops are often non-existent and schooling for dependents can present real challenges. Overcoming challenges such as these can equip the assignee with the skills to take on more responsibility. Assignments can provide invaluable career and management experience as well as exposure to new and different mining and business methods."

In the more developed countries like Australia, Brazil, South Africa and the USA, pay is in local currency and closer to local salary levels. AngloGold Ashanti makes use of the latest methodologies to calculate competitive assignee packages. Regular surveys are conducted to ensure that expatriates are paid competitively and receive market-related benefits. The company's philosophy is to ensure that the assignee is no worse off than in his/her home country.

Health risks may also abound in remote locations, with malaria and numerous stomach viruses being the chief culprits. To ensure the suitability of the AngloGold Ashanti assignees they are required to pass a medical examination and are psychologically assessed for adaptability and psychological toughness. *(See case study: Setting up tropical travel protocols as global travelling increases on page SH28 of the Occupational Safety and Health section.)*

Another of AngloGold Ashanti's philosophies is that the family should be kept together wherever possible. Schooling in remote locations is either provided or paid for by the company. In countries ranked high in 'hardship', employees are provided with benefits such as free furnished accommodation, nine weeks leave and three flights home, per accompanying family member, per year. Medical cover is provided through BUPA and emergency evacuation cover is provided.

While locations like Johannesburg, Perth and Denver may have less 'hardship' attached, adjustment for a relocated family may be just as difficult. In these locations the company tries to make the transition to the new location as easy as possible by providing the assignees with specialist relocation agents who show the family around and provide assistance with finding suitable shopping centres and schools, opening bank accounts, purchasing vehicles, finding permanent accommodation (temporary accommodation is provided) and getting advice on the local tax legislation.

There are disadvantages to the programme. There are occasionally retention issues if employees do not want to return to their home base, particularly those who have been paid in US dollars and have gained valuable experience, which is then lost to the company. Overall, however, the programme is seen as a very positive experience.

7.2 Being part of a global group
– the opportunity of secondment
Case Studies - Group

“There are smart people in Mali who don't get the opportunity to extend their knowledge,” says Malian student Cheick Ahmadou Tidiane Ba, one of 10 student bursars from Mali, expressing his delight at the opportunity for further study. Although the bursary scheme is not new to AngloGold Ashanti, it is the first intake of bursars from the West African country of Mali, where three of the company's mines are situated. Every year in Mali scholarships are awarded to the top 30 maths and science students. These scholarships are funded either by the Malian, French or Belgian governments – or tertiary institutions – for university studies in either France or Belgium. In 2002, AngloGold Ashanti proposed to its Malian mine business partners that they assist 10 students in gaining a mining-related qualification from a South African tertiary education institution. The main aim is to groom talent for localisation of its Mali operations; there are currently 19 expatriates, 10 in metallurgical positions and nine in mining positions. In order to build up a localised pool, selected students were given the opportunity to study one of these professions, with a view to taking over completely from expatriates in the future.

The bursars, aged between 18 and 21, attended eight different high schools in the Bamako, Hippodrome and Mopti areas of Mali. All have attained their Baccalaureat Malian, the French equivalent of the A-level exam, studying as main subjects mathematics, physical science, biology and philosophy.

All 10 students have been accepted by the University of Pretoria to study disciplines such as mining engineering, environmental engineering, geology and metallurgy. Their four-year degree courses start at the end of January 2005. In order to encourage the students to remain in the mining industry at the end of their studies, as well as to groom future managers at AngloGold Ashanti's operations as part of its localisation programme, the company has developed incentives in the form of training resources; development through inter-mine exposure; development panel interviews to map out development plans; and regular performance reviews.

Since Mali is French-speaking, a three-month orientation period was provided to improve the students' English skills in preparation for English-instruction lectures at Pretoria University. Even though they had completed a six-month English course before their arrival in South Africa, AngloGold Ashanti felt they would benefit from further coaching in listening, writing, reading, thinking, oral, vocabulary building and research skills. This was provided by the University of the Witwatersrand as part of a bridging course, which also covered aspects of physics, chemistry, mathematics and life skills. In a subsequent Training of English for a Foreign Language (TOEFL) exam, all students exceeded expectations by achieving well above average marks.

The students' first year will be a combination of academic study and practical training. During term time, they'll stay on the university campus, while holiday breaks will be spent gaining underground experience at some of South Africa's deep level mines. The cost per student for one academic year is about R100,000.

The opportunity to pursue a career in the mining industry is limited in Mali and the students know they are some of the privileged few. They are also aware that, since this is a pilot project, the continuation of the programme rests on their success and, as such, they are committed to not only realising the expectations of AngloGold Ashanti, but those of their country. “Our country needs us,” says Boubacar Traore, echoing the sentiments of his fellow students, who claim that the Malian gold mining industry bursary programme is an opportunity to empower both them and their people.

AngloGold Ashanti's operations in Tanzania and Namibia already have bursary schemes in place. Two employees from Geita Gold Mine in Tanzania studied at the University of the Witwatersrand and Rhodes University in 2004. Three Namibians, two males and one female, were awarded bursaries in 2004 to study mining engineering, geology and chemical engineering respectively. Namibia's Navachab Mine is to sponsor a further four students to study at Cape Town University and the University of Pretoria in 2005.

L27

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

7.3 Malian bursary scheme develops

managers of the future

LABOUR

Case Studies - Mali

7.4 Managing labour relations:

'Prime de Rendement' dispute at Morila

L28

A strike at Morila in Mali was triggered in June 2004 by a dispute over a productivity bonus payment arising from a period of unusually high gold production during the second half of 2002. Members of the Malian mineworkers union, Section Nationale Des Mines Industries (SECNAMI) staged three days of industrial action. The union provided the legally required strike notification and employees were not paid for the period of the strike. The dispute was eventually settled on 5 November 2004.

The dispute arose following the exceptional increase in the grade recovered per ton of ore mined during the third quarter of the 2002 as Morila mined through a geological anomaly colloquially called the 'gold pot'. These high grades were not foreseen, nor were they part of the long-term plan of the mine owing to the high variability in the Morila orebody and the smoothing nature of long-term forecasts.

As a result of this exceptional performance, and to ensure that employees also benefited from this grade windfall, the board of Morila paid all employees an additional one month's gross salary. A further once-off contribution of \$500,000 was made to establish a community development fund. The mine also sponsored the building of mosques in the communities of Sanso and Domba in response to requests from community members.

However, the union demanded the payment of a 'prime de rendement' (productivity bonus) claiming that, in terms of the Industry Collective Agreement, it was obligatory that the mine paid employees a share of the additional gold produced.

The Morila management board views the 'prime de rendement' as a bonus for improvements in efficiencies. Management is also of the view that it has the right, in consultation with the union, to set appropriate criteria for the payment of such a bonus. In consultation with the union, a bonus scheme was introduced using plant throughput, costs, safety performance and gold produced as criteria, encouraging improvements in productivity and rewarding people's efforts primarily in areas over which they have influence. This also encompasses a degree of profit sharing.

As per article 84 of the Industry Collective Agreement, in November 2003 the union and management agreed to refer the dispute to the Interpretation Committee to establish clarity on the legal obligations and method of calculation of a bonus scheme. Unfortunately the Malian labour authorities were unable at that time to convene an interpretation committee. This committee had never been convened before. (According to the agreement the committee should consist of the original authors of the document – only one of the original authors is still living in Mali.) The dispute was therefore referred to arbitration.

On February 10, 2004, the Arbitration Counsel requested Morila to pay a productivity bonus. The dispute on the interpretation was never addressed and no value was attached to the decision. The lack of a definition of productivity and absence of any clarification of the procedure for agreeing criteria and the method of calculation of the productivity bonus led the union committee to resort to its own calculation based on gold production. This calculation resulted in an amount of CFA17.5 billion (\$32.5 million) for three years of mine activity equivalent to approximately 10 to 20 times the annual gross salary of a Morila employee.

After months of negotiations a settlement was finally reached when the parties agreed to the implementation of a productivity-based bonus scheme for the future, and the settlement of payment to employees for past performance amounting to between two and five months salary.

LABOUR

Case Studies - Mali

Union membership at Morila

All local employees at all levels at the mine are members of the union although in terms of Malian labour legislation no formal recognition is required and no deduction of union membership fees

takes place. Employees are represented by a mine committee of elected union representatives or shop stewards.

Collective bargaining is undertaken within the context of the relevant texts of the Mali Labour Code, the National Collective agreement as well as a site-specific agreement.

AngloGold Ashanti's Adult Basic Education and Training (ABET) programme started 12 years ago, as a result of the company's objective of ensuring that all employees are given the opportunity to become functionally literate. Since then, the group has trained more than 32,000 people at its facilities and this number continues to grow.

AngloGold Ashanti made available R10.4 million (\$1.62 million) for the programme in the 2004 financial year. Although 96 classrooms have been built and equipped as part of the project, there are currently only 56 classrooms in use as a result of both the lack of demand from students themselves and the downscaling of operations. There are currently 60 teachers and facilitators, and 1,392 students (173 full time and 1,219 part-time). Pass rates have been good: among employees studying full-time the pass rate was 92.5% and among employees who are doing ABET part-time, this was 74.7% during 2004. By the time an employee reaches ABET level 3, he or she is able to engage in a range of English speaking and listening interactions; use reading and writing skills effectively; solve realistic and abstract problems involving changing quantities by addition, subtraction, multiplication and division; construct and use tables and graphs to organise and interpret information; work with a variety of numbers and their relationships; and solve problems involving measurement, perimeter, area, volume and time. Part-time ABET students are incentivised by the company, and are paid an amount of money that is linked to the level of ABET training that they successfully complete. Full-time ABET courses, which are generally for candidates who have been identified for career advancement, are run over a period of 10 weeks, and part-time courses over six months. Facilitators are recruited from the local community, either on a full-time or part-time basis. Unemployed facilitators with a grade 12, plus an education certificate (those who do not have a formal qualification are offered opportunities to embark on the Mining Qualification Authority (MQA) learnership) are eligible to teach and in-house training is also available for these facilitators.

The South African Mining Charter (developed in terms of the MPRDA in pursuit of the transformation of the South African mining industry) requires that all employees are offered the opportunity to become functionally literate by 2005. 72% of all employees have obtained an ABET qualification, and 45% of these employees having an ABET level 3 and above qualification. ABET level 4 (or NQF1) was introduced in January 2004 after a pilot project was conducted in 2003. It is an Introductory Certificate for the Mining and Minerals Sector qualification.

Marketing initiatives such as literacy days and certificate ceremonies are arranged by various business units to promote ABET, and the company is also currently embarking on a strategy to supply and market ABET classes to the communities in which it operates, to ensure optimum utilisation of the resources and to increase literacy levels amongst potential employees as well.

AngloGold Ashanti's ABET programme, developed in-house, bases its curriculum on the South African Qualifications Authority (SAQA) unit standards and aligns itself with relevant Sector Education Training Authorities (SETAs). AngloGold Ashanti ABET centres are ISO 9001 certified, a requirement for accreditation by the MQA, as a training provider.

L29

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

7.5 Adult Basic Education and Training for all

LABOUR

Case Studies - South Africa

Above ABET 4

24%

ABET 3 and above

45%

ABET 2 and above

60%

ABET 1 and above

72%

Current literacy levels – SA Region: all employees

**Making a difference in
people's lives**

Elphas Gumbi, originally from Swaziland, is a stoper at Great Nologwa Mine. He joined the mine in 1994 at the age of 31 and completed the ABET 3 course in 1995 and did the Intermediate Mining Certificate (IMC) in 1996. He then enrolled for his Blasting Certificate at the Learner Miner Training Centre and completed his training in 1997.

He says that being a stoper is very challenging with a lot of competition. According to him, anybody can strive to be a miner, but one must have certain abilities like problem-solving and decision-making skills.

7.6 The AngloGold Ashanti bursary scheme:
developing engineers for the future

L30

Against a background of a growing number of graduate school leavers in South Africa who cannot afford a tertiary education, the AngloGold Ashanti bursary scheme focuses primarily on identifying and supporting promising students with aptitudes particularly, engineering sciences.

In 2004 a total of 112 students benefited from the scheme at a cost of R11.5 million (\$1.79 million). Bursaries are offered for full-time studies at either universities or universities of technology (formerly technikons) in the fields of mining engineering, geology, survey, electrical/mechanical engineering, metallurgy and other mining-related fields of study. Bursaries are advertised to prospective students via targeted recruitment and career publications, postings on faculty notice boards and visits to high schools and tertiary institutions.

The bursary attends to the most crucial needs for qualifying applicants. It offers 100% tuition and residence fees. An out-of-residence allowance is also offered should the bursar prefer to make use of private accommodation. Also, a generous cash allowance to cover the cost of books and incidental personal expenses is made available. Other facilities that come with the bursary are:

-
- a laptop computer provided in the third academic year;
-
- guaranteed vacation work at the end of every academic year; and
-

personal attention by dedicated AngloGold Ashanti staff.

Successful completion of the required degree may result in an offer of employment for training. Bursars commit to a year's service for each year of bursary support and a new contract is negotiated if the bursar wishes to continue and if there is a vacancy. However, AngloGold Ashanti – along with the mining industry generally – is faced with a challenge of retaining bursars as many of them leave for ‘greener pastures’ after serving their contracts. This is exacerbated by the fact that the industry itself is employing fewer people. Ian Heyns, head of human resources in the South Africa region says, “It is a core value of AngloGold Ashanti that we provide our employees with opportunities to develop their skills. In keeping with this value, opportunities are given to selected employees to pursue full-time studies at a tertiary institution with company support. A total of 34 employees benefited from these opportunities in 2004.

LABOUR

Case Studies - South Africa

Discipline

University

University Pre-tertiary

Total

of Technology

(Mining)

HDSA* WM* Tot HDSA* WM* Tot HDSA* WM* Tot HDSA* WM* Tot*

Mining

9

3

12

8

9

17

2

3

5

19

15
34
Engineering
16
6
22
11
3
14
27
9
36
MRM**
18
4
22
2
1
3
20
5
25
Metallurgy
9
4
13
2
2
4
11
6
17
TOTAL
52
17
69
23
15
38
2
3
5
77
35
112
% EE
75%
25%
61%
39%
40%

60%

69%

31%

HDSA* = *Historically Disadvantaged South Africans*

WM*

= *White males*

MRM** = *Mineral Resources Management*

Analysis of AngloGold Ashanti South Africa region bursar population (2004), detailed by discipline of study, type of tertiary institutions and includes the split between historically disadvantaged South Africans (HDSA) and white males

Support for promising scholars

Via the vehicle of the AngloGold Ashanti bursary scheme, tutorial assistance in mathematics and physical science is provided for deserving scholars at extra classes during Winter and Spring Schools. This initiative aims at improving competence and uplifting marks in these core subjects by means of expert tuition. During 2004 five deserving learners attended these lessons.

Although Ergo was an extremely profitable operation for many years, it has run at a loss since 2003, and final closure is planned for March 2005. The loss-making operation of the plant since 2003 has been justified on the grounds that reclamation activities still produce substantial amounts of gold at the same time as contributing to environmental clean-up, as well as to longer employment and a well-planned closure process.

Ergo's labour complement at year-end numbered 770 employees and 1,100 contractors.

A Social Plan was implemented four years ago, in consultation with trade unions. Through interviews and questionnaires, the company assessed the training needs and preferences of employees so as to facilitate employment post closure. Of the 900 employees included in the original survey, 729 indicated their specific training preferences, which ranged from arts and crafts to building, construction and engineering. Carpentry, plumbing, refrigeration and chicken-rearing classes were run in conjunction with the Department of Labour.

To date, some 500 employees have completed their training. Senior human resources manager Chris Wiseman comments, "Ergo's approach was to a certain degree unusual. Most companies implementing skills development programmes only do so after closure. We embarked on the training as soon as the needs analysis was complete. Although the intention behind this was good, costs increased significantly due to catering for labour replacement while employees were attending in-service training. The initial budget was some R2.5 million (\$390,00), which has probably doubled if labour replacement costs are taken into account. There is also the risk that people forget the skills they have acquired if there is no immediate opportunity to put these into practice."

Some 220 employees remain to be trained until closure. "Progress has slowed recently, because it was possible in the earlier stages to put together large groups of trainees for the most popular subjects. We are now faced with groups of two or three employees with individual preferences, and it becomes difficult to source providers," says Ephraim Ralesekele, National Union of Mineworkers (NUM) branch chairman. The process of obtaining new jobs for those affected can obviously only begin once operations have ceased. "Ergo is a unique operation, so this will not be an easy process," says Ralesekele. "Impala Platinum Refinery, situated in Springs, has similar requirements and a number of employees have applied there."

Regular communication with employees has continued, and the final 20 workplace road shows were held in September and October 2004.

A number of employees also expressed interest in life-skills and small business development training. AngloGold Ashanti's Small and Medium Enterprise Development Initiative (SMEDI) facilitated workshops and advice sessions on starting a business. 60 people have attended training supplied by the Springs Business Linkage Centre, developed jointly by the centre and Impala Platinum.

"Most employees have now come to terms with the reality that Ergo must close," says Ralesekele. "From the counselling sessions, financial problems emerged as the most pressing issue." To counter this, Ergo retained the services of Edutouch, a company offering finance guidelines and business advice. Two workstations, offering an audio-visual interactive programme in English, Zulu and Sepedi, have been installed.

"Take-up has been rather disappointing," says Wiseman, "but we are planning to move the machines from the training centre and administrative block into the workplace, and will also try and improve the level of facilitation." It is planned to extend the financial training intervention to the families of affected employees. Approximately 100 people have expressed interest in such training, which will be handled by Joe Mosehle, social plan/employment equity officer, in the period leading up to the operation's closure.

L31

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

7.7 Orderly closure at Ergo

– social plan for employees

LABOUR

Case Studies - South Africa - Ergo

7.8 Reducing the trauma of retrenchment
at Savuka
L32

AngloGold Ashanti's Savuka operation in South Africa (formerly West Deep Levels West mine) has been a source of employment and income for thousands of employees and their families since the 1960s, with much of this spent in the local community and rural areas. Savuka has also subscribed to the practice of providing job opportunities for employees' children, giving them the chance to take up where their fathers left off.

For some time Savuka's costs have consistently exceeded its revenues. In 2003 it became apparent that right-sizing was inevitable, and as part of this, it was planned to reduce the labour complement by 40% – 1,800 people out of a total of some 4,500. Current life-of-mine plans will see Savuka continuing at this reduced level until 2007.

Given this scenario, management and labour had to develop a strategy that would be beneficial for both the company and employees, ensuring the financial feasibility of Savuka for as long as possible on the one hand, and minimising the resulting trauma on employees on the other.

The planning process was guided by the Retrenchment Agreement in place at the mine. There were two roleplayers in the downscaling process, following the guidelines of the Labour Relations Act – National Union of Mineworkers (NUM) and the United Associations of South Africa (Uasa). This pre-downscaling consultation phase commenced in 2003, and focused on mapping a route going forward. Given the mature relationship between labour and management, no major hiccups were experienced.

Agreement was reached in 2003 on a number of key elements, including extended unpaid leave, voluntary separation packages, transfers, early retirement, the replacement of contractors, the application of the last-in first-out principle, and skills training, provided by an external agency in consultation with the Department of Labour.

The process has been overseen by an advisory committee – known as the Future Forum – which comprises four individuals from the unions and a community representative who is also an employee of the mine. When the next phase of labour reductions starts in the latter part of 2005, regular meetings of the Future Forum will be re-instituted. The mine found that the Future Forum was crucial in this process, ensuring its fairness, interviewing employees for possible transfers, and in providing advice on skills training and ensuring that the skills training actually took place. Skills training will assist the retrenched employee to re-enter the labour market.

Agreement was reached on a Social Plan, providing for skills training and broadly covers ways of avoiding retrenchments, preventing displacement and providing for compensation. The Social Plan Agreement was signed by both NUM and Uasa, and was subsequently scrutinised by both the Department of Labour and the Department of Minerals and Energy.

Amongst the challenges currently being faced is the maintenance of production output over the next three years, without which the closure could potentially be brought forward. At the same time, it has sometimes proved difficult for employees to maintain a positive morale.

LABOUR

Case Studies - South Africa

Falls of ground have remained one of the most significant causes of fatal accidents in the South African underground mining industry. In an effort to combat this, the Department of Minerals and Energy (DME) formulated new Fall of Ground Regulations, in accordance with the provisions of Chapter 14 of the Mine Health and Safety Act, in July 2002. These came into effect in January 2003.

Two groups are affected by these regulations: people who are required to declare a working place safe ('Competent Person A'), and those who are required to install, maintain or remove any support unit ('Competent Person B'). These groups need to be assessed and found competent in accordance with education and training standards and qualifications as generated by the Mining Qualifications Authority (MQA). The MQA determined the specific competencies required to perform these activities and grouped the associated unit standards into clusters. These clusters of unit standards were registered as skills programmes.

As this was one of the first sets of regulations that placed the responsibility on employers to determine the competence of employees, the MQA decided to select four lead sites to pilot the implementation process. AngloGold Ashanti was selected as a gold mining lead site. The assessment and implementation process was carried out at AngloGold Ashanti's South Africa region's business units simultaneously, so that any problems encountered could be timeously communicated to the MQA.

Implementation schedule

Some 16,000 production employees, who performed the tasks referred to in the regulations, needed to be found competent in the West Wits and Vaal River areas. As it would not have been possible to complete the requirements of the regulations for so many people in the six month window period allowed, it was necessary for an application for exemption to be lodged with the DME. Before this could be done, an implementation schedule had to be developed.

The following factors were considered in the development of this schedule:

- . development of learning materials and assessment checklists for the required unit standards;
- . ISO 9001 certification (ISO 9001 is an internationally recognised quality management system developed by the International Standards Organization, and is a pre-requisite for MQA accreditation);
- . MQA accreditation as an accredited training provider;
- . development of an Assessment and Moderation Policy;
- . training and registration of assessors and moderators;
- . registration of learners on the MQA database (Praxis);
- . the training and assessment process; and
- . site specific competency matrices, setting out the specific requirements of the relevant occupations at each mine.

Once the schedule had been developed it became apparent that a period of 18 months would be necessary for the completion of the implementation plan. An application for exemption for compliance with the relevant regulations was submitted to the DME in December 2002. The application was approved and the necessary exemption granted.

L33

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

7.9 Implementing fall of ground regulations

LABOUR

Case Studies - South Africa

L34

Recognition of prior learning

As noted previously, a population of some 16,000 employees was covered by the project. The scale of the project necessitated a change from the normal training and assessment methodology in practice in the training centres. Various models were considered, but with the new outcomes-based unit standards, an opportunity arose to apply Recognition of Prior Learning (RPL) principles. (The principle of RPL is to recognise competence achieved through past practices whilst ensuring alignment with the specific outcomes of the required unit standards to eliminate any gaps.)

All of the employees had been trained and assessed previously against the best practice training material, which had been used prior to the development of unit standards. It was accordingly decided that re-testing was only necessary in terms of the 'knowledge' components of the new unit standards, as this had not been covered by the previous training.

Employees found competent in the 'knowledge' component of the unit standards would be deemed competent to perform the tasks outlined in the Fall of Ground Regulations. Those found not yet competent would be retrained and assessed. The RPL and retraining of most employees was completed within one day.

Although the principle of 'once competent always competent' applies to unit standard outcomes-based training and development, all employees are still reviewed on their knowledge on returning from annual leave and refresher training is given where necessary.

Training and assessment process

The current training resources were not able to cope with the magnitude of training and assessment required for this project, so a training and assessment model was developed and presented to the AngloGold Ashanti South Africa region executive. This model was accepted and a budget of R4.2 million (\$660,000) for 2003 approved for the project. 35 assistant training and development officers were employed and trained as subject matter experts and as workplace assessors. Assessment and training commenced in September 2002. Initially, employees were assessed on their return from leave but this did not provide a constant number of employees to be assessed and trained each day so it was decided to schedule employees on a call-up system. A reporting system was put in place on the intranet to enable progress to be monitored daily.

Conclusion

The project was successfully implemented. The West Wits mines completed the process during the last quarter of 2004, within the exemption period allowed by the DME. In the Vaal River area two mines had to apply for a further extension to the initial exemption period granted, owing to various logistical problems, and are expecting to complete the project in the course of 2005.

The capacity of the MQA to receive the data submitted by the training centres via the internet was found to be insufficient and they had to upgrade both the connection portals and server.

The lessons learnt in the planning and execution of the implementation of the new Fall of Ground Regulations were communicated monthly to the MQA at various steering and co-ordinating committee meetings by the four lead sites. Other mining houses have used this information to assist them during their implementation projects.

LABOUR

In any mine accident in South Africa, important behind-the-scenes players are the personnel of the Mines Rescue Services (MRS), commonly known in the industry as proto teams. Started 80 years ago to provide resources and expertise for an effective emergency service in the mining sector, MRS is a private sector, non-profit organisation that trains volunteer brigadesmen who work within the industry to find and recover fellow employees in the event of an underground accident or incident.

Through the years until the new democratically elected government of South Africa in 1994, the proto teams consisted of whites only. Although there was no legislation excluding people of colour, brigadesmen are usually drawn from within the supervisory ranks from which – historically – men of colour and women were excluded.

The transformation of the mine's proto teams, in line with the management structure of the company, has become an important priority for AngloGold Ashanti.

In this, AngloGold Ashanti is not unique. Presently there are 817 brigadesmen in service, of whom 724 are white and only 93 are men of colour. Christo de Klerk, MRS general manager says, “The integration is slow but it is taking place. This is a voluntary programme with a long legacy of affiliations. Although we have had many more men of colour joining us in the past few years, many of these have progressed into the management ranks which makes it difficult for them to continue with their work in the rescue services.”

One of the elements that needs to be overcome is the historical legacy of who and what makes up a brigadesman – many of the people who are currently in the service are following in the footsteps of their fathers and grandfathers. There is also a natural inclination among those who have grown up together, studied and worked together, and socialised together, to join the service. Although integration of employees is taking place at a mine level, this is sometimes a slow process.

Mponeng's Rocky Tsoeute was one of the mine's first persons of colour to join the mine's rescue team. Nearby Savuka and TauTona also have men of colour in their rescue teams.

Tsoeute, Mponeng's brigadesman says, “What attracted me was the discipline and the dedication the rescue teams showed – I wanted to be part of that. Also, as a mineworker, there are a lot of accidents in the industry so I wanted to be part of the solution rather than stand back and criticise the management.”

When asked about the barriers in the rescue services, he said that there is not enough information readily available on the proto teams. Some people still regard it as reserved for the elite group.

MRS itself is making efforts to transform its teams – when selecting new candidates, HDSA candidates will receive first preference.

L35

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

7.10 Towards the transformation of proto teams

Case Studies - South Africa

Training to be a brigadesman

Training to be a brigadesman is a demanding, arduous and time-consuming process. Initial brigadesman training is a five-day comprehensive course on the use of closed-circuit, long-duration breathing apparatus, fire-fighting and associated techniques. The workload test – which is a realistic controlled simulation of the physical tasks a person can expect to encounter during emergencies – is also a gruelling process. The mines rescue medics course, also known as the Basic Ambulance Assistance (BAA) course is optional and is a three week medical course on advanced

life-support designed specifically for mine disasters. Candidates must also undergo annual refresher courses to keep abreast of new techniques.

To be considered for a place in a team, applicants must be 21 years or older and have a clean bill of health, be physically fit, employed by the mine and have underground knowledge. Applicants are then put through intensive training for a week, which is preceded by an hour long heat tolerance test. Brigadesmen can stay a maximum of 25 years in the team.

Presently there are three training centres located in the mining districts of Carletonville, Welkom and Evander.

LABOUR

compliance • management systems • resources • audits • communication • debate

Environment

Niger River, Mali

E1

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7.16 Dust management at Vaal River – response to local community concerns

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7.17 Stakeholder involvement in the closure planning process at Ergo

E45

7.18 The Blesbokspruit Ramsar wetland site

E47

USA

7.19 Screening level risk assessment – a tool for optimising closure

E49

and mitigation strategies at the Big Springs Mill site

7.20 Awards for the USA's contribution to pollution prevention

E51

ENVIRONMENT

1 AngloGold Ashanti and the environment

E2

ENVIRONMENT

Business principle

.

We recognise that the **long-term sustainability** of our business is dependent upon good stewardship in both the protection of the environment and the efficient management of the exploration and extraction of mineral resources.

.

We will comply with all applicable environmental **laws**, regulations and requirements.

.

We are committed to establishing and maintaining **management systems** to identify, monitor and control the environmental aspects of our activities.

.

The company will ensure that **financial resources** are available to meet its reclamation and environmental obligations.

.

The company will ensure that its employees and contractors are **aware of this policy** as well as their relevant responsibilities.

.

We will conduct **audits** to evaluate the effectiveness of our environmental management systems.

.

We are committed to **communicating and consulting** with interested and affected parties on environmental aspects of our activities.

.

We will work to **continually improve** our environmental performance; and

.

The company will participate in **debate** on environmental matters at international, national and local levels.

Continued implementation of the group-wide high-level environmental incident reporting system. 16 high-level incidents were reported to the Board during the year. (See table on page E11.)

AngloGold Ashanti is considering the adoption of ISO 14001 as the group environmental management system. A decision will be taken during the course of 2005 after internal debate about the merits of the proposal. The following six operations are currently ISO 14001 certified – Bibiani and Iduapriem in **Ghana**, Cerro Vanguardia in **Argentina**, AngloGold Ashanti Mineração (formerly Morro Velho) and Serra Grande in **Brazil** and Geita in **Tanzania**. (See table below.)

All operations outside of South Africa have Environmental Management Systems (EMSs) in place which align with the principles of ISO 14001. The South African operations are continuing with the process of implementing an EMS at each of the 25 business units.

All **South African** operations have approved Environmental Management Programmes (EMPs) in place and, in line with this, applications for conversion to new order mining rights in line with the Mineral and Petroleum Resources Development Act have been submitted.

E3

ANGLOGOLD ASHANTI REPORT TO SOCIETY 2004

2 Key indicators

ISO certification

Country

Operation

Date achieved

Certified by

Valid until

Argentina

Cerro Vanguardia

July 2002

National Quality

July 2005

Assurance (NQA) - USA

Brazil

AngloGold Ashanti

March 2004

National Quality

May 2007

Mineração

Assurance (NQA) - USA

Serra Grande

March 2004

National Quality

March 2007

Assurance (NQA) - USA

Ghana

Bibiani

February 2003

DLIQ Certification

Feb 2006

services

Iduapriem

Jan 2004

DLIQ Certification

January 2007

services

Tanzania

Geita

July 2001

DLIQ Certification

July 2007

Services

Our opinion is based on a test of the reliability of the selected data by way of:

In relation to selected data marked with , on which we have provided reasonable assurance:

.
conducting interviews and holding discussions with management, key personnel and/or stakeholders of AngloGold Ashanti limited and assessing data trends;

.
obtaining an understanding of