

ANGLOGOLD ASHANTI LTD

Form 6-K

March 27, 2009





**SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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 27, 2009

Commission File Number 1-14846

AngloGold Ashanti Limited

(Translation of registrant's name into English)

76 Jeppe Street

Newtown

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

Enclosure: Press release ANGLOGOLD ASHANTI - 2008 REPORT TO SOCIETY

Report to Society  
2008

AngloGold Ashanti's theme for the 2008 suite of reports takes the form of installation art, reflecting the group's fundamental premise that 'People are our business, our business is people'. We recognise that it is the people of AngloGold Ashanti – employees, their families and our communities – that breathe life into the company, through their vision, energy, resourcefulness, strength and ingenuity.

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Report to Society 2008



Scope  
of report

*Report to Society 2008*

*Annual Financial Statements 2008*

*Mineral Resource and Ore Reserve*

*Report 2008*

*Social and Labour Plan Reports 2008*

*Country Reports 2008*

The Report to Society is produced annually as an integral part of AngloGold Ashanti's suite of annual reports, which is intended to communicate with the wide range of stakeholders and business partners with which the company is associated. These stakeholders and business partners include shareholders, employees, community members and the many other interested parties in all the countries and regions in which the group operates, as well as regional and national governments.

The 2008 suite of reports, including the Report to Society, covers the financial year from 1 January to 31 December 2008. The previous report was for the 2007 financial year, and was published in March 2008. The full set of reports comprises various documents, in differing formats, all of which are available at [www.aga-reports.com](http://www.aga-reports.com) or, on request, in hard copy from the contacts detailed at the end of this report.

The 2008 Report to Society is produced in three formats as explained below.

- A detailed, comprehensive web-based report presents an overview of the group's sustainable development initiatives, including its social, economic and environmental impacts and obligations across all its operations. The report covers operations that are managed by the company on all issues, except safety and environmental performance statistics at Morila in Mali (as this mine is not managed by the group). Information regarding the exploration projects in the Democratic Republic of Congo (DRC) and Colombia, the group's primary areas of exploration activity and the most far advanced, is provided for the first time. This report includes an extensive list of case studies covering the challenges and issues faced by the group.

- The printed version of the report (this report), which contains – in addition to the principal sections – a selection of case studies that deal with some of the primary issues faced by the group.

- Country and Operational Reports covering every operation/country within the group provide an even greater level of detail relating to the issues and challenges of sustainable development. These will be available at [www.aga-reports.com](http://www.aga-reports.com) by 30 April 2009.

Other reports produced by the group for the period, and which may be found at [www.aga-reports.com](http://www.aga-reports.com) are:

- Annual Financial Statements 2008.

- Abridged Annual Report 2008.

- Mineral Resources and Ore Reserve Report 2008.

- Social and Labour Plan Reports 2008 for Vaal River and West Wits.

The Report to Society has been produced in accordance with the G3 guidelines of the Global Reporting Initiative (GRI) and in alignment with the principles of the International Council on Mining and Metals (ICMM). AngloGold Ashanti is an organisational stakeholder

of the former and a member of the latter. This report also conforms to the reporting requirements of the UN Global Compact and the Extractive Industries Transparency Initiative (EITI) both of which are supported by AngloGold Ashanti. An index providing the relevant page numbers and web links may be found on page 219 of this report.

AngloGold Ashanti's corporate profile appears on pages 6 to 9. There were no significant changes to the group during the 2008 financial year other than those reported in the Economic Performance section (page 28). The management of Morila has been assumed by Randgold Resources and the group's interest in the Boddington project in Australia, which was not managed by the group and on which limited information is provided in this

*Online Report 2008*

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report, was sold in early 2009. Also, early in 2009 AngloGold Ashanti announced the proposed sale of Tau Lekoa mine in South Africa.

Data measurement techniques are reported in those sections where data appears and restatements are indicated. There has been no significant divergence from the GRI indicator protocols in this year's report. PricewaterhouseCoopers (PwC) was appointed to provide independent assurance on key performance information reported, as described in the independent auditor's report found on page 26. AngloGold Ashanti has declared a GRI A+ level of reporting, which has been third party-checked by PwC and, following the publication of this report, will seek a further review of this declaration by GRI.

The person responsible for the collation of this report and who will assist with any queries is Alan Fine. He is based at the group's corporate head office in Johannesburg, South Africa, and his contact details are: +27 11 637 6000 or AFine@AngloGoldAshanti.com.

Feedback on this report and its contents is welcomed and a feedback form for this purpose is provided on page 237 and at [www.aga-reports.com/08/feedback.htm](http://www.aga-reports.com/08/feedback.htm).

*Sunrise Dam, Australia*

Note: Unless otherwise stated, \$ refers to US dollars throughout this report.

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Report to Society 2008

## ABOUT THE GROUP

AngloGold Ashanti Limited, a leading global gold mining company, has a varied portfolio of assets which includes surface, open-pit and underground operations in key gold-producing regions around the world. At the end of 2008, the company had 20 operations located in 10 countries (South Africa, Argentina, Australia, Brazil, Ghana, the Republic of Guinea, Mali, Namibia, Tanzania and the United States) on four continents, together with a substantial project pipeline and a focused, global exploration programme. Greenfields exploration is currently being conducted in Western Australia, Colombia and the DRC, and the group is involved in exploration partnerships and joint ventures in Russia, China and the Philippines. AngloGold Ashanti's corporate office is in Johannesburg, South Africa.

AngloGold Ashanti produced 4.98 million ounces of gold in 2008, of which 2.73 million ounces (55%) came from deep-level operations and the balance of 2.25 million ounces (45%) from shallower and surface operations around the world. As at 31 December, the group employed around 62,895 people, comprising 48,580 employees and 14,315 contractors and had Proved and Probable Ore Reserves of 74.9 million ounces of gold. Capital expenditure for the year amounted to some \$2 billion.

### *Guided by values*

AngloGold Ashanti remains a values-driven company and its values, the foremost of which is safety, together with the group's business principles continue to guide the actions of the company, its managers and employees, particularly in respect of sustainable development. These values and principles underpin all that the group does and form the basis of its relationships with others – shareholders, employees, communities, business partners, governments and civil society organisations. In this report, performance is measured against these values and principles, and progress recorded.

Corporate  
profile

Report to Society 2008

6

Attributable gold production

(%)

South Africa

42%

Ghana

11%

Australia

9%

Brazil

8%

Mali

8%

Guinea

7%

Tanzania

6%

United States

5%

Argentina

3%

Namibia

1%

42%

1%

5%

6%

7%

11%

9%

8%

8%

3%

*Obuasi, Ghana*

AngloGold Ashanti global operations and exploration: 2008  
Cripple  
Creek  
& Victor  
USA  
Brazil  
Argentina  
Navachab  
Geita  
Namibia  
Tanzania  
Republic of  
South Africa  
SA operations  
Great Noligwa  
Mponeng  
Savuka  
Kopanang  
Tau Lekoa\*\*  
Moab Khotsong  
TauTona  
Mali  
Guinea  
Morila  
Sadiola and Yatela  
Siguiri  
Obuasi  
Iduapriem  
Ghana  
Sunrise Dam  
Boddington\*  
Australia  
Serra  
Grande  
Cerro Vanguardia  
Brasil  
Mineração  
N  
Operations  
Greenfields exploration  
and alliance areas  
DRC  
China  
Russia  
Philippines  
Tropicana  
Gramalote  
La Colosa  
Jinchanggou  
Yili Yunlong  
Mongbwalu

Anenskoye

Veduga

Aprelkovskoye

Sovromennie

Mapawa Area

Quebradona

Colombia

\* sold early 2009

\*\* sale transaction

announced

*Stock exchange information*

AngloGold Ashanti's primary listing is on the JSE (Johannesburg). It is also listed on exchanges in New York, London, Paris and Brussels as well as in Australia and Ghana. AngloGold Ashanti had 277,457,471 ordinary shares in issue and a market capitalisation of \$9.7 billion as at 31 December 2008 (31 December 2007: \$11.9 billion). At year-end most shareholders' free float, that is, excluding Anglo American and Government of Ghana positions, were located in the Americas (46%), South Africa (36%), the United Kingdom (9%), Europe (5%) and Asia Pacific/the Middle East (4%).

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Report to Society 2008

Corporate  
profile – operations at a glance – 2008

ARGENTINA

Cerro Vanguardia (92.5% interest)  
Employees (including contractors): 1,072

AUSTRALIA

Sunrise Dam  
Gold production: 433,000 oz  
Employees (including contractors): 410

BRAZIL

Brasil Mineração  
Serra Grande (50% interest)  
Gold production: 320,000 oz  
Employees (including contractors): 2,987  
Employees (including contractors): 1,108  
Capital expenditure: \$69 million  
Attributable capital expenditure: \$20 million

GHANA

Obuasi  
Iduapriem  
Gold production: 357,000 oz  
Gold production: 200,000 oz  
Employees (including contractors): 5,722  
Employees (including contractors): 1,780  
Capital expenditure: \$112 million  
Capital expenditure: \$54 million

GUINEA

Siguiri  
Employees (including contractors): 2,933

MALI

Morila (40% interest)\*  
Gold production: 238,000 oz  
Employees (including contractors): 681  
Employees (including contractors): 930

*\*not managed by AngloGold Ashanti*

Attributable capital expenditure: \$15 million  
Attributable capital expenditure: \$19 million  
Gold production (attributable): 154,000 oz  
Attributable capital expenditure: \$18 million  
Gold production (attributable): 333,000 oz  
Gold production (attributable): 170,000 oz  
Attributable capital expenditure: \$1 million  
Attributable capital expenditure: \$6 million  
Sadiola and Yatela (38% and 40% respectively)  
Gold production (attributable): 87,000 oz

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NAMIBIA

Navachab

Employees (including contractors): 482

Capital expenditure: \$12 million

SOUTH AFRICA

Vaal River operations

West Wits operations

Great Noligwa

Mponeng

Gold production: 330,000 oz

Employees (including contractors): 5,743

Employees (including contractors): 5,685

Capital expenditure: \$26 million

Kopanang

Savuka

Gold production: 362,000 oz

Gold production: 66,000 oz

Employees (including contractors): 6,031

Employees (including contractors): 1,224

Capital expenditure: \$47 million

Capital expenditure: \$11 million

Moab Khotsong

TauTona

Gold production: 192,000 oz

Employees (including contractors): 4,737

Employees (including contractors): 4,623

Capital expenditure: \$89 million

Tau Lekoa

Gold production: 143,000 oz

Employees (including contractors): 3,034

Capital expenditure: \$18 million

TANZANIA

Geita

Gold production: 264,000 oz

Employees (including contractors): 3,116

USA

Cripple Creek & Victor (CC&V)

Gold production: 258,000 oz

Employees (including contractors): 421

Capital expenditure: \$27 million

Gold production: 68,000 oz

Capital expenditure: \$86 million

Gold production: 314,000 oz

Capital expenditure: \$60 million

Capital expenditure: \$53 million

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y 2008  
Gold production: 600,000 oz

The business  
of gold and the challenges it poses  
Interaction with artisanal  
and small-scale miners

*This section illustrates the group's key sustainability issues during the  
life cycle of mining and processing gold.*

Human rights issues  
Dealing with regional health threats  
Fair employment practices and development skills  
Safety and health  
Efficient use of resources – water, energy and other natural  
resources  
Reducing carbon footprint, preventing pollution  
Human rights and security  
Environmental footprint  
(land use/biodiversity)  
Impact on restricted areas – biodiversity  
Consultation with communities, including interaction  
with artisanal and small-scale miners (ASM)

Human rights and security

#### 1. FINDING THE OREBODY

AngloGold Ashanti's greenfields  
exploration group identifies prospective  
gold deposit targets and undertakes  
exploration on its own or in conjunction  
with joint venture partners. Worthwhile  
discoveries undergo a well structured  
and intensive evaluation process before  
a decision is made to proceed with  
developing the mine.

#### 2. MINING: ACCESSING THE OREBODY

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

•

Underground mining: a vertical or decline shaft is sunk deep into the  
ground to transport people and mining materials to underground levels from  
which the orebody is accessed through horizontal tunnels known as  
haulages and cross-cuts. Further on-reef development is then undertaken to  
open up the orebody so that mining can take place.

•

Open-pit mining: in this situation the ore lies close to surface and can be  
exposed for mining by "stripping" the overlying barren material.

#### 3. MINING: REMOVING THE ORE

•

In underground mining, ore is drilled and blasted,  
and brought to the surface.

•

In open-pit mining, drilling and blasting may also  
be necessary to break the ore; excavators then  
load the material onto the ore transport system  
which is predominantly haul trucks.

Minimising emissions to air

Land disturbance

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Report to Society 2008

Rehabilitation and achieving closure  
Post-closure monitoring  
Engaging with communities  
Minimising emissions and preventing pollution  
Efficient use of resources  
Management of cyanide  
Reducing carbon footprint  
Local economic development and sustainable social investment

#### 5. PROCESSING

Comminution involves the breaking up of ore into small particles so that the contained gold minerals are exposed. This is undertaken by a combination of multi-stage crushing and milling circuits. Recovery of gold can then commence, depending on the nature of the gold contained in the ore.

Free milling and oxidised refractory ores are processed for gold recovery by leaching the ore in agitated (stirred) tanks in an alkaline cyanide leach solution. In this process, ore is crushed and heaped on an impervious or lined leach pad.

Low strength alkaline cyanide solution is irrigated over the heaped pad for periods of up to three months. The dissolved gold bearing solution is collected from the base of the heap and transferred to carbon-in-solution (CIS) columns where the gold cyanide complex is adsorbed onto activated carbon.

Gold which has loaded (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 the precipitate into doré bars.

At some operations, by-products are generated, such as silver, sulphuric acid and uranium.

#### 4. MINING: TRANSPORTING BROKEN MATERIAL TO PLANTS FOR TREATMENT

- Underground ore is brought to the surface by a combination of horizontal and vertical transport systems. Once on surface the ore is usually transported to the processing facilities by surface rail or overland conveyors.

- In open pit operations the haul trucks deliver the ore directly to the processing facilities.

#### 6. REFINING

The doré bars are transported to a precious metal refinery for further processing. In this process gold is upgraded to a purity of 99.5% or greater for sale to a range of final users. High purity gold is referred to as “good delivery” which means that it meets the quality standards set by the London Bullion Markets Association and gives the final buyer assurance that the bar contains the quantity and purity of gold as stamped on the bar.

#### 7. MINE-SITE

##### REHABILITATION

Once mining has been completed, operations are ‘closed’ and rehabilitation activities begin to return the land to a productive state. (Rehabilitation is the process of reclaiming mined land to the condition that existed prior to mining or to a pre-determined post-mining use.) Planning for this process is undertaken during the life of mine.

Minimising emissions (air quality)

- 

Finding the orebody

- 

Mining – Creating access to the orebody for treatment

- 

Processing; and

- 

Refining

- 

Mine site rehabilitation

The process of producing gold can be divided into the following main activities:

- 

Mining – Transporting the broken material to plants

- 

Mining – Removing the ore

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AUSTRALIA

Safety

No fatalities

LTIFR of 1.83

No significant issues

1,198 people employed

Turnover: 25%

Not an area of concern

Certified to ISO14001

3 major incidents

Full compliance with

Cyanide Code

No significant issues

No community incidents

social investment (CSI)

Occupational

Health

Employment

HIV & AIDS

and Malaria

Human Rights

Environment

Community

A review of performance

Key indicators and statistics – by region

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\$117,000 on corporate

WEST AFRICA

(Including Ghana, Tanzania, Mali and Guinea)

SOUTHERN AFRICA

(Including South Africa and Namibia)

NORTH AND SOUTH AMERICA

(Including USA, Brazil and Argentina)

Two fatalities

LTIFR of 1.53

No significant issues

17,753 people employed

Turnover: 6.5%

Malaria remains a threat.

Successful campaign at

Obuasi extended to other  
operations

All operations certified to  
ISO14001

14 major incidents

Sadiola substantially  
compliant, Yatela fully

Code

11 fatalities

LTIFR of 11.1

TB and silicosis remain  
areas of concern in South  
Africa

37,609 people employed

Turnover: 9%

HIV & AIDS remains an area  
of concern in South Africa.

HIV prevalence estimated at  
30%. 1,933 people in

South Africa on ART

All operations certified to  
ISO14001

86 major incidents

All Southern Africa  
operations in full  
compliance with Cyanide

Code

One fatality in Brazil

LTIFR of 3.08

No significant issues

6,151 people employed

Turnover: 10.5%

Not an area of concern

All operations certified to  
ISO14001

One major incident

Brazilian operations  
and CC&V in the USA



in full compliance with  
Cyanide Code  
Security and human rights a  
priority, especially in Ghana,  
Guinea, the DRC and  
Tanzania. Voluntary Principles  
being implemented  
No significant issues  
Security and human rights  
a priority in Colombia.  
Voluntary Principles  
implemented  
9 significant incidents  
reported  
Four relocations planned  
\$3,641,000 on CSI and  
local economic development  
(LED),  
incl. DRC  
No community incidents  
reported.  
\$3,263,000 on CSI/LED  
One community incident  
reported.  
\$1,865,000 on CSI/LED  
(incl. Colombia)  
compliant with Cyanide  
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Report to Society 2008

ECONOMIC PERFORMANCE

ETHICS AND GOVERNANCE

SAFETY AND HEALTH

EMPLOYMENT

A review of performance

Key indicators and statistics – by issue

•

Continued restructuring with the new company vision, mission and values

– pages 30, 31, 54

•

Gold production of 5 million ounces – page 32

•

Rising costs across the industry

– page 38

•

Restructuring of balance sheet – rights issues, bond refinancing of hedgebook

– pages 32 to 33

•

Significant payments to government, reporting in line with EITI – pages 41 to 44

•

Affirmation of safety and health as group's first value – pages 54, 70

•

Emphasis on risk management – page 58

•

Amendments to conflicts of interest and gifts, hospitality and sponsorship policies – page 63

•

A number of significant legal issues

– pages 58 to 59

•

Compliance with voluntary codes – ICMM, EITI, UNGP, UPHR, RJC – pages 60 to 61

•

Political donations of \$476,415 in Brazil and \$26,300 in the USA – page 62

•

Significant improvements in safety performance – pages 78 to 81

•

14 fatalities – page 77

•

All mines OHSAS-compliant – well ahead of target – page 72

•

Occupational safety and health transformation project to develop 'safety blueprint' – pages 71, 188 to 191

- Employment provided to 62,895 people (80% permanent employees and 20% contractors) – page 93
  - Turnover of 7.9% – lower than in 2007 – page 95
  - Development of System for the Management of People (SMP) based on requisite organisation model – page 91
  - 86% of all employees are members of a union or participate in collective bargaining structures – page 97
  - Programme to promote women in mining – page 108
  - \$35 million spent on training and development – page 102
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HUMAN RIGHTS  
HIV & AIDS AND MALARIA  
COMMUNITY  
ENVIRONMENT

- Vice President for Security appointed

- page 114

- Global security review completed and new approach to asset protection and security being implemented, in line with Voluntary Principles on Human Rights and Security – pages 114 to 117, 212 to 215

- Escalating tension between the company and trespassers, and illegal miners – pages 116 to 117, pages 145 to 149

HIV & AIDS

- Improving health care outcomes

- pages 120 to 129

- ART programme delivers result – 1,933 people on ART in South Africa – page 125

- Study on economic impact of HIV & AIDS completed – page 127

Malaria

- Continued success with Obuasi malaria programme – pages 132 to 137

- Programme being rolled out to other operations – pages 132 to 137

- Integration of community and environment functions – page 141

- Development and implementation of community land use management standard, which includes relocation – pages 141 to 157

- Corporate social investment expenditure of \$8.9 million – page 156

- Progress made with local economic development programmes – page 154

- Dealing with artisanal and small-scale miners – page 150

- Significant community incidents reported, four involving company-related security  
– pages 148 to 149
- Integration of community and environment functions – page 162
- Further development of group’s position on climate change and its business case  
– pages 178 to 180, 202 to 207
- Closure plans in place at all operations. External review of closure planning and liabilities begun  
– page 167
- Good progress with implementation of Cyanide Code – page 172
- 104 major environmental incidents reported  
– pages 166 to 167
- Total rehabilitation and decommissioning liabilities of \$405 million – page 168  
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Report to Society 2008

AngloGold Ashanti recognises that, as the company conducts its business, so it has an impact – real or potential – on a wide range of stakeholders and business partners. The group has identified the following broad groups of stakeholders at corporate, operational and community level and includes:

- employees;
- unions and other employee representation forums;
- employees' families and dependants;
- communities surrounding operations or from which the company draws its employees;
- suppliers and contractors;
- local, regional and national governments;
- customers;
- non-governmental and community-based organisations;
- academic institutions;
- regulatory authorities;
- professional organisations;
- shareholders; and
- peer companies.

A comprehensive, but not exhaustive, list of these stakeholders may be found at [www.aga-reports.com/08/stakeholder-](http://www.aga-reports.com/08/stakeholder-)

AngloGold Ashanti's engagement with its stakeholders varies in frequency and may depend on specific matters at hand. This

engagement may be formal, informal or both.

AngloGold Ashanti's belief is that, to build successful and beneficial long-term relationships with its local communities, an

operation needs to engage with those communities as well as other stakeholders and social partners. The group is aware

that failure to communicate well can result in misunderstandings and tensions between the operation and the community,

which can have a material impact on the functioning and viability of the operation.

A draft management standard for stakeholder engagement in line with the company's stated policy to 'communicate and consult on our activities throughout the lifecycle of our operations' and 'undertake initiatives that contribute to sustainable

futures in partnership with the societies in which we operate' has been developed to guide operations.

Stakeholders have been defined for each operation as explained below.

- Affected parties: those who are affected by the operation, both positively and negatively and in turn are either directly affected or indirectly affected.
-

Interested parties: those who, although not affected by the operation, have an interest in, or influence over, the operation.

•

Authorities: national, state/provincial and district or local. In some locations (e.g. tribal areas) it may be appropriate to distinguish between elected and traditional forms of administration.

On-site contractors and subcontractors are bound by the management standard and policies implemented by the group. All operations are required to formalise their engagement strategy by preparing a Stakeholder Engagement Action Plan

(SEAP), the scope and level of detail of which will vary depending on the context, nature and scale of the operation.

Each

operation's SEAP comprises an overarching engagement plan, to which all disciplines and contractors contribute to, rather

than having multiple engagement strategies and plans. The plan follows an approach to stakeholder engagement that is appropriate to the local culture, representative and inclusive.

The plan must cover at a minimum a one-year period and take into account developments at least two years ahead which

may significantly influence what is being communicated to stakeholders, for example, a large-scale expansion or contraction

of an operation. Plans are reviewed at least annually and also as needed. Importantly, the plans must be shared with communities, in the business language of the country and any other appropriate local languages, and be presented in a readily understandable and culturally appropriate format.

Stakeholder

engagement

*engagement.pdf*.

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Report to Society 2008



Letter

from the CEO

“At AngloGold Ashanti it is our firm view that if we cannot operate responsibly, we should not be in business. And it is on this basis that we will measure our success.”

Mark Cutifani

*CEO, AngloGold Ashanti*

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Report to Society 2008

On behalf of all of my colleagues at AngloGold Ashanti I am very pleased to introduce to you our Report to Society 2008. This milestone report details the challenges that we face and the opportunities we believe we can build on to improve our operations and the way we interact with and in the communities in which we operate. We define the sustainability disciplines as health and safety, labour, ethics and governance, human rights, the environment, the regional health issues of malaria and HIV & AIDS and certain other economic activities. In each area of reporting, we present a view of how we have delivered against the objectives we set in the previous report, how the issue is managed at the corporate and operational level, as well as the performance for the year and our objectives for the following year.

#### TIMES OF FINANCIAL TURMOIL

In these times of international financial turmoil, the question is increasingly being asked whether the commitment of businesses to operate in a socially and environmentally responsible way is going to be undermined, or at least slowed in terms of application, until economic conditions are more favourable. This may appear to be an obvious question if the question is approached from the perspective that corporate social responsibility is an additional cost. Certainly, some activity is a consequence of the increasing scrutiny business has been subjected to over the recent past by governments, non-governmental organisations (NGOs), shareholders and other stakeholders.

At AngloGold Ashanti it is our firm view that if we cannot operate responsibly, we should not be in business. And it is on this basis that we will measure our success. Our experience continues to convince us that social and environmental responsibility is a necessary condition for ensuring productive operations. We believe safety, treating people with dignity and respect, acting responsibly within the environment and looking to create value for the communities in which we operate represent values that determine how we do business. These elements define who we are and how we do business. As we work today, every step we take is a step towards improving and making sure we are true to our values.

#### ACHIEVING 'NO HARM'

There is no clearer example of the need to create a new reality for our employees than in the area of safety. The loss of one life represents a tragedy for family, friends and colleagues. At the same time the negative impact on the business is material, through loss of physical production, the impact on workforce morale and the loss of confidence in the systems we have created to keep people safe. Safety is about people and it is about good business.

It is with deep regret that I report the death of 14 of our colleagues during the course of 2008. The AngloGold Ashanti board extends its deepest sympathies to the families, friends and colleagues of those we have lost. While the measurement of human tragedy is beyond all of our understanding, we are gratified by the work that has been undertaken in the business to improve our safety record – a more than 57% reduction in fatalities compared to 2007. The improvement in our all-accident frequency rate is also very pleasing, reducing 20% through the course of 2008. However, we continue to check ourselves as we again commit to relentlessly pursuing our objective of eliminating all accidents and health impacts from the workplace.

In this report we have shared in some detail the efforts we have made to achieve our vision of 'no harm'. Our four-part strategy involves focusing on safety so that it is emphasised to every employee, every day, and that this perspective shapes every conversation we have and every decision we make. We are learning to be vigilant in recognising hazards and taking the time to understand what it takes to reduce the risk to a level that can be managed. A central feature of this is the campaign is to ensure that everyone understands that it is OK to stop work if they believe an area is unsafe. We are putting in place and managing to a set of systems that bind and link our activities to ensure safe outcomes. As leaders, every step and decision we take must be consistent with our safety message. Not only must we talk to change; we must also be the change.

On the health front we continue to be proud of the efforts of our operating and medical staff, primarily in the developing world, in respect of their work on malaria and HIV & AIDS. Again, the same themes apply; living and working in a manner consistent with our values will help create a healthier workforce and community environment – which means positive relationships and a more productive workplace.

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Report to Society 2008

AngloGold Ashanti takes its environmental responsibilities very seriously. As the world debates the issues around climate change, we have decided to go forward and aggressively work on our understanding of our carbon footprint and to determine what steps we need to take to be a leader in our industry. We see benefits from all perspectives. At an employee level we can reduce emissions that make work uncomfortable in certain areas of operation. As shareholders a reduction in power consumption per unit of product improves our operating costs so that we can deliver sustainable profitable performance. In this context we are carefully evaluating the potential impacts of climate change on our business and our local communities and also working toward contributing to the business voice in the process leading up to the United Nations climate change conference in Copenhagen in December 2009.

#### OTHER CHALLENGES

Of course, this is not to say that all the challenges we face are easily or simply resolved. The period of the resources boom saw increasing scrutiny by the people and governments of developing countries on the question of whether the benefits of mining are fairly shared between the mining companies, the local economy and society. In our view, there are no simple answers. Mutually satisfactory solutions lie in a delicate balance between the parties' respective interests, which converge and diverge through the fullness of time and circumstance. We elaborate on these perspectives in this report, and remain ready and willing to engage with interested social partners. In all cases we must be ready to engage, to be sensitive to other perspectives and to be flexible in finding sustainable economic and social solutions.

We have been transparent in our reporting and sincere in our belief that we can do better. We recognise that not all issues can be solved within a short period of time – we are committed to resolving issues with our partners as quickly as we both can manage. We face significant challenges on environmental management in some jurisdictions, and in respect of dust management at our deep level South African operations. However, we are working the problems and we are committed to finding solutions that work for our partners.

In all these areas and more, we recognise our responsibilities and will continue to work towards closing the gap between where we stand today and where we know we have to go. Our mission, vision and values, whose renewal you will read about in this report, are not merely words; they are the basis against which we measure our own performance, and we invite you to do the same. We will continue reporting to you regularly to assist you in making these assessments.

#### REPORTING FORMAT

This report has been produced in accordance with the Global Reporting Initiative's (GRI) G3 guidelines and has been independently assured by external auditors PricewaterhouseCoopers. As is required by GRI, we have self-declared an A+ level of reporting, having covered all of the issues required for this level, and having had the appropriate degree of third party assurance. In addition, we have reported on our compliance with the principles of the International Council of Mining and Metals (ICMM), the UN Global Compact, the Voluntary Principles on Human Rights and Security and the Extractive Industries Transparency Initiative (EITI), all of which are voluntary bodies to which we are affiliated or of which we are formal supporters. A schedule of our reporting against GRI, the ICMM principles and the UN Global Compact may be found on page 219.

This report cannot be a comprehensive account of all of our issues and performance at all of our operations and should be read in conjunction with our web-based report (which provides additional case studies from our operations and projects around the world) and the country and operational reports which provide a more detailed account of local performance, as well as the Annual Financial Statements and the other components in our suite of year-end reporting, to be found at [www.aga-reports.com](http://www.aga-reports.com).

Mark Cutifani

6 March 2009

Chief Executive Officer

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Report to Society 2008

How  
we report

AngloGold Ashanti's Report to Society is published on an annual basis, coinciding with the financial reporting cycle.

THE PROCESS FOLLOWED:

The contents of the report are developed and refined during the year with the process going through a number of stages as outlined below.

MARCH  
APRIL/MAY  
DURING  
THE YEAR  
JUNE/JULY  
AUGUST  
SEPTEMBER/  
OCTOBER  
OCTOBER  
NOVEMBER  
JANUARY  
FEBRUARY/  
MARCH  
MARCH

The Report to Society is issued as a printed document to a select group of stakeholders, and an extensive group of stakeholders is advised of its publication on the website. The Country/Operational Reports are distributed to local stakeholders, and are translated as necessary. Operations are asked to distribute these reports widely and to solicit feedback.

Following the production of the report for the previous year, a meeting is convened of all discipline heads, corporate affairs personnel and others to deliberate on the previous report with regard to its contents, its relevance and the feedback received from stakeholders. Key issues for the current year are also identified. The independent auditors present their management report to the group, and action plans are developed to address any issues of concern.

Feedback is sought and received from stakeholders through formal and informal interactions. Online and printed feedback forms are monitored.

Site visits are undertaken to targeted operations by the report writing team. This is done on a rotational basis, with two to three countries visited every year to facilitate greater interaction between the operating and reporting processes; to identify potential issues of concern for reporting; and to collect material for case studies. During the year under review site visits were undertaken to the Democratic Republic of Congo (DRC) and Tanzania.

A formal meeting is convened with discipline heads to review reporting trends; to identify material issues for reporting; and to develop a plan for the reporting period, including the assignment of roles and responsibilities. Any additional reporting requirements are considered and separate reporting plans are developed. In the current report, for example, this entailed greater reporting on payments to government (in terms of the Extractive Industries Transparency Initiative – EITI), and the International Council of Mining and Metals (ICMM) assurance guidelines were taken into account. Format changes to the report are proposed and debated. In 2008, this has resulted in the addition of a section on human rights, more extensive reporting on human rights and security, and on climate change. Significant issues that merit inclusion as case studies in the printed document are also identified at this session.

The audit engagement process starts and this includes the identification of key performance indicators (KPIs) and the risk profile.

Individual interviews are set up with the discipline heads by the report writing team to identify the major developments during the year – in that discipline specifically, and within the company generally. Case studies that illustrate the challenges and opportunities faced by the group are identified. The report

outline is developed.

The group's internal and formal risk management processes and issues are reviewed to ensure that the issues identified through these processes are covered in the reporting process.

Questionnaires (developed in close collaboration with discipline heads) are issued via an online system to each operation, and in each discipline covered by the report. Sign-off on these questionnaires is required by the head of each operation.

Writing of the case studies and the sections of the report begins.

Assurance of the KPIs by the independent auditors on third quarter data is undertaken. This is carried out in collaboration with Internal Audit.

The proposed contents of the report are submitted to the Disclosure Committee for review.

Year-end data is submitted and the assurance process proceeds.

Verification of the accuracy of the report is sought from operational heads, regional heads, the Disclosure Committee and, finally, the board committee on Safety, Health and Sustainable Development. The Economic performance section is reviewed by the Audit Committee. The report is reviewed by the external auditors.

Report is published.

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Report to Society 2008

## CONTENTS OF THE REPORT

Because of the scale of the company and the range of operations, and the circumstances and challenges that it faces, it is not possible or even sensible to report on every issue. The report takes cognisance of the principle of the GRI and ICMM in determining contents, as reported below.

### *Balance and materiality*

A balance is sought between reporting on global concerns and issues that are material to the group in the Report to Society, and local matters in the Country and Operational Reports. In this respect specific feedback was sought and received from stakeholders who reiterated their desire for reporting on material issues on the one hand, and the need for a comprehensive report on the other.

### *Focus on material issues*

Using the guidance of the Global Reporting Initiative (GRI) and the ICMM principles for assessing the materiality of the issues, AngloGold Ashanti endeavours to report on those issues that:

- are important and meaningful to the group, both from an operational and risk point of view;
- are important and meaningful to stakeholders and business partners as a consequence of their having identified them as such;
- take into account basic expectations as set out in international standards and agreements with which the company is committed to comply, and reflect the group's support for, and are in accordance with, the Voluntary Guidelines and Principles to which it subscribes;
- are topical in the light of the broader public debate – climate change, and human rights and security, for example; and
- ensure that the group is transparent in its reporting, and provides a complete picture within the context of the sustainability of its business.

### *Sustainability framework*

Due cognisance is given to the sustainability framework within which the group operates, and to the fact that specific issues of concern may vary from operation to operation, depending on local circumstances and needs. Examples of this include:

- reporting on human rights and security in respect of the group's employment of private and public security personnel in, for example, the DRC, Colombia, Guinea and Ghana;
- reporting on HIV & AIDS, which is a major concern in southern Africa, and malaria, which is crucially important in West and East Africa; and
- land management and, specifically, relocation at the African operations (outside southern Africa).

### *Values-based reporting*

As AngloGold Ashanti is a values-driven organisation, its values and business principles underpin everything that it does and how it reports. The group's values were reviewed and renewed during the year, and this report reflects the changes that have been implemented.

Accordingly, each section of this report not only handles a particular topic, but also a key value for the company.

How  
we report

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Report to Society 2008

Using  
this report

The primary format for sustainable reporting by AngloGold Ashanti is the Online Report to Society, which is available at [www.aga-reports.com](http://www.aga-reports.com), and which is published at the same time as the Annual Report. In addition to both HTML and pdf versions of the information contained in this printed report, further information on specific issues, links to other documents may be accessed from this website.

Navigating a report of this size can be difficult. The following is a quick guide to what you can expect to find:

#### INTRODUCTION

The front of the report – pages 1 to 27 – provides the context for sustainable development within AngloGold Ashanti. These include:

- a profile of the group's operations (page 6);
- an illustration of the cycle of the group's operations – from exploration to closure – and the primary sustainable development challenges that exist across this cycle;
- the group's primary stakeholders and its approach to stakeholder engagement (page 16). An extensive list of stakeholders appears at [www.aga-reports.com/08/stakeholder-engagement.pdf](http://www.aga-reports.com/08/stakeholder-engagement.pdf);
- the primary and material issues faced and addressed by the group in terms of sustainable development, illustrated by region (page 12) and by issue (page 14);
- a letter from CEO Mark Cutifani, reflecting on the group's sustainable development performance during the year, and the challenges that it faces (page 18);
- a glossary of terms and acronyms (page 232); and
- a feedback form for readers (page 237).

#### PERFORMANCE

At the outset, we deal with our economic performance

The Economic performance section of this report provides an account of the operating, financial and economic performance of the group in 2008. This section includes the group's value added statement for the year and should be read in conjunction with the Annual Financial Statements. Included in this section is an extensive report on payments to government, which has been produced to fulfil AngloGold Ashanti's commitment to the Extractive Industries Transparency Initiative (EITI). A case study dealing specifically with the issue of addressing the conversion of a country's mineral wealth into a sustainable asset, particularly in developing countries, is dealt with on page 196.

AngloGold Ashanti is a values-based organisation and, as such, reports against its values in this report. The group's values may be found at: [www.anglogoldashanti.com/Values.htm](http://www.anglogoldashanti.com/Values.htm).

the report from the independent assurers (page 26);





Using  
this report

Each of the sections in this report relates to the company's values:

*Safety is our first value.*

This value – which relates to both safety and health in the workplace – is addressed in the section on Safety and Occupational Health on pages 68 to 87. Given the emphasis in this area and the intensive work undertaken by the company during the year, case studies dealing with the development of a safety blueprint for the group (page 188) and specific initiatives undertaken on South Africa (page 192) have been developed. The group's response to HIV & AIDS and malaria is dealt with on pages 118 and 130, respectively.

*We treat each other with dignity and respect.*

This commitment is largely dealt with in the section on Human Resources on Employment (pages 88 to 113) and Community Relations (pages 138 to 155). This section also refers to the group's compliance with Voluntary Principles on Human Rights and Security, and AngloGold Ashanti's annual submission in respect of the Voluntary Principles may be found at [www.aga-reports.com/08/AGA-VPHRS.pdf](http://www.aga-reports.com/08/AGA-VPHRS.pdf). A significant development for the company in 2008 was the establishment of a new security discipline with a specific remit to implement the Voluntary Principles, and a case study dealing with this issue may be found on page 212.

*We value diversity.*

This value is covered in the section on Employment, which also provides a comprehensive picture of the group's status as, and approach to being, an employer. This section also includes commentary related specifically to the South African Mining Charter, and may be found in the Employment section.

Rights which appears on pages 112 to 117, but also on the

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Report to Society 2008

*We are accountable for our actions and undertake to deliver on our commitments.*

While this value is addressed throughout the report, the section on Ethics and Governance (page 52) discusses the ethical basis from which the group operates, and the systems and processes that are in place to deal with sustainable development matters. This section should be read in conjunction with the Corporate Governance section in the Annual Financial Statements. Included in this section are the references to the company's support for voluntary bodies of which it is both a member and an active participant, including the International Council on Mining and Metals (ICMM), the Global Reporting Initiative (GRI), the Extractive Industries Transparency Initiative (EITI), the UN Global Compact, the Voluntary Principles on Human Rights and Security, the Responsible Jewellery Council (RJC), International Cyanide Management Code for the Manufacture, Transport, and Use of Cyanide in the Production of Gold (Cyanide Code).

*The communities and societies in which we operate will be better off for AngloGold Ashanti having been there.*

This value is largely addressed in the Community section of the report on pages 138 to 157, which should be read in conjunction with the Environmental section of the report (page 160). The group's response to HIV & AIDS and malaria are dealt with on pages 118 and 130, respectively.

*We respect the environment.*

This value is dealt with in the Environment section on page 160. In addition, a schedule of significant environmental incidents reported during the year is available on the website at [www.aga-reports.com/08/significant-incidents.htm](http://www.aga-reports.com/08/significant-incidents.htm) and a table providing a detailed response to the GRI environmental indicators is available

COMPLIANCE  
The next section of the report deals with the company's reporting in terms of GRI, the UN Global Compact, the Voluntary Principles, and the EITI. An index is provided. See page 216.

**Global  
Reporting  
Initiative  
TM  
Responsible  
Jewellery  
Council**

as a pdf at [www.aga-reports.com/08/GRI-environment.pdf](http://www.aga-reports.com/08/GRI-environment.pdf).

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Report to Society 2008

To the Board of Directors and Management of AngloGold Ashanti Limited

*Introduction*

We have been engaged by AngloGold Ashanti Limited (AngloGold Ashanti) to conduct an assurance engagement on selected

subject matter reported in AngloGold Ashanti's Report to Society 2008, for the purposes of expressing a statement of independent assurance, for the year ended 31 December 2008. The assurance report applies only to the hard copy publication of the Report, and as set out on the pages referenced below.

The following subject matter reported in the Report to Society was selected for an expression of limited assurance:

*Community:*

•

Total amount of corporate social investment (CSI) spend in US\$ (page 156)

The following subject matter reported in the Report to Society was selected for an expression of reasonable assurance:

*Economic performance:*

•

Value added statement for the year ended

•

BEE spend as a % of total spend (page 49)

31 December (page 39)

•

Total payments to government in terms of the

Extractive Industries Transparency Initiative

(EITI) Principles in US\$ (page 41-44)

*Ethics and governance:*

•

Legal issues that arose in 2008 (page 59)

•

Political donations in US\$ (page 62)

•

Voluntary compliance (page 59-62)

*Safety and health:*

•

Total number of fatalities (page 76)

•

Total number of new silicosis cases identified for

•

Group

Fatality Injury Frequency Rate (FIFR) (page 79)

compensation in South Africa (page 83)

•

Group

Lost Time Injury Frequency Rate (LTIFR) (page 80)

•

Total number of medical surveillance examinations

•

Total number of shifts lost due to injuries on duty in

undertaken in South Africa (page 83)

South Africa (page 80)

•

Total number of new Noise Induced Hearing Loss (NIHL)

•

Total number of instructions received to close significant

cases compensated in South Africa (page 85)  
sections of mining operations in South Africa in

•

Total number of new tuberculosis (TB) cases diagnosed  
terms of Section 54 of the South African Mine  
in South Africa (page 86)

Health and Safety Act 29 of 1996 (page 80)

•

Total number of new occupational lung disease (OLD)  
cases compensated in South Africa (page 83)

*Regional health:*

*HIV & AIDS – South African operations:*

•

Total number of voluntary counselling and testing (VCT)

•

Total number of employees provided with anti-retroviral  
encounters (page 123)  
therapy (ART) (page 125)

•

Total number of participants in the wellness

•

Total HIV & AIDS programme costs in ZAR (page 126)  
programme (page 124)

*Malaria – African operations*

•

Malaria cases per quarter for Geita, Iduapriem and

•

Total malaria programme spend in US\$ (page 135)  
Obuasi (page 134)

•

Malaria lost time injury frequency rate (MLTIFR) for  
Geita, Iduapriem and Obuasi (page 134)

*Human resources:*

•

Total number of employees and contractors

•

Total training and development expenditure  
employed (page 93)  
in US\$ (page 102)

•

Percentage of employees under union

•

Total number of South African employees  
representation (page 97)  
participating in Adult Basic Education and

•

Percentage of woman employed in South Africa (page 108)  
Training (ABET) (page 103)

•

Percentage of historically disadvantaged South Africans  
(HDSAs) participating in management (page 106)

*Environment:*

- Progress made with the implementation of the Cyanide
- Total cyanide usage in kg (page 171)  
Code (page 172)
- Total fresh water usage in m  
3  
(page 174)
- Total number of major environmental incidents (page 166)
- Total energy usage in GJ (page 176)
- Total rehabilitation and decommissioning liability (US\$) (page 168)
- Greenhouse gas emissions in tonnes of  
•  
Mine closure (page 167)  
CO  
2  
e (page 179)  
Report  
of the independent assurers  
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Report to Society 2008

*Community:*

- Local economic development (page 154)

*GRI Application level:*

- Self declaration of GRI application level (page 5)

*Directors' responsibility*

AngloGold Ashanti's directors are responsible for the preparation and presentation of the identified selected subject matter in accordance with internal corporate policies and procedures, and the Global Reporting Initiative's (GRI) new generation (G3) guidelines.

*Responsibility of the independent assurers*

Our responsibility is to express to the directors an opinion on the selected subject matter contained in the Report, for the year ended 31 December 2008, based on our assurance engagement.

*Work performed*

We conducted our engagement in accordance with the International Standards for Assurance Engagements 3000, "Assurance Engagements other than audits or reviews of historical financial information" (ISAE 3000) issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain assurance on the selected subject matter as per our terms of engagement.

AngloGold Ashanti's internal corporate policies and procedures were used as criteria to evaluate the selected subject matter.

In terms of evaluating the 'A+' application level, the specific application level criteria as stipulated by the GRI new generation (G3) guidelines, have been used.

*Our work consisted of:*

- units in South Africa, the Obuasi and Iduapriem operations in Ghana, and the Geita operation in Tanzania;

- conducting interviews with management at the sampled operations and at Head Office;

- applying the assurance criteria in evaluating the data generation and reporting processes;

- performing key controls testing for reasonable assurance;

- testing the accuracy of data reported on a sample basis for reasonable assurance;

- reviewing the consistency between the subject matter and related statements in AngloGold Ashanti's Report to Society; and

- reviewing the validity of AngloGold Ashanti's self-declaration of the GRI (G3) Application Level in the Report.

*Inherent limitations*

Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used for determining, calculating, sampling or estimating such data. We have not carried out any work on data reported for prior reporting periods, nor in respect of future projections and targets. We have not conducted any work outside of the agreed

scope and therefore restrict our opinion to the agreed subject matter.

*Conclusion - Limited assurance*

On the basis of our limited assurance procedures, nothing has come to our attention causing us to believe that the subject

matter selected for limited assurance for the year ended 31 December 2008, is materially mis-stated.

*Conclusion - Reasonable assurance*

PricewaterhouseCoopers Inc.

Director: Carmen Le Grange

Registered Auditor

Johannesburg

9 March 2009

31 December 2008, is free from material mis-statements.

On the basis of our reasonable assurance procedures, the subject matter selected for assurance for the year ended

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Report to Society 2008

obtaining an understanding of the systems used to generate, aggregate and report data at selected sites and business

31

Key developments

31

Renewing the vision, mission and values

31

The year in review

48

Case studies

performance

Economic

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Report to Society 2008





## VISION, MISSION AND VALUES

### OUR VISION

To be the leading mining company.

### OUR MISSION

We create value for our shareholders, our employees and our business and social partners by safely and responsibly exploring for, mining and marketing our products. Our primary focus is gold and we will pursue value-creating opportunities in other minerals where we can leverage our existing assets, skills and experience to enhance the delivery of value.

### OUR VALUES

*Safety is our first value.*

We place people first and correspondingly put the highest priority on safe and healthy practices and systems of work. We are responsible for seeking out new and innovative ways to ensure that our workplaces are free of occupational injury and illness. We live each day for each other and use our collective commitment, talents, resources and systems to deliver on our most important commitment ... to care.

*We treat each other with dignity and respect.*

We believe that individuals who are treated with respect and who are entrusted to take responsibility respond by giving their best. We seek to preserve people's dignity, their sense of self-worth in all our interactions, respecting them for who they are and valuing the unique contribution that they can make to our business success. We are honest with ourselves and others, and we deal ethically with all of our business and social partners.

*We value diversity.*

We aim to be a global leader with the right people for the right jobs. We promote inclusion and teamwork, deriving benefit from the rich diversity of the cultures, ideas, experiences and skills that each employee brings to the business.

*We are accountable for our actions and undertake to deliver on our commitments.*

We are focused on delivering results and we do what we say we will do. We accept responsibility and hold ourselves accountable for our work, our behaviour, our ethics and our actions. We aim to deliver high-performance outcomes and undertake to deliver on our commitments to our colleagues, business and social partners, and our investors.

*The communities and societies in which we operate will be better off for AngloGold Ashanti having been there.*

We uphold and promote fundamental human rights where we do business. We contribute to building productive, respectful and mutually beneficial partnerships in the communities in which we operate. We aim to leave host communities with a sustainable future.

*We respect the environment.*

We are committed to continually improving our processes in order to prevent pollution, minimise waste, increase our carbon efficiency and make efficient use of natural resources. We will develop innovative solutions to mitigate environmental and climate risks.

performance

Economic

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Report to Society 2008

## KEY DEVELOPMENTS

- Continued restructuring to focus on new company strategy.
- New company vision, mission and values developed.
- Business improvement project launched.
- Conclusion of rights issue, reduction in hedge book and successful bond refinancing.
- Energy efficiency measures mitigate impact of electricity crisis at the South African operations.
- Gold production of 4.98 million ounces.
- Rising input costs have significant effect on total cash costs across the industry, mitigated to some extent by the fall of the South African rand against the US dollar.
- Significant payments to government, reported in line with the guidelines of the Extractive Industries Transparency Initiative (EITI).

## RENEWING OUR VISION, MISSION AND VALUES

In late 2007, AngloGold Ashanti embarked on an internal consultative process to review the company's vision, mission and values. The new vision, mission and values statement was approved for implementation by the group Executive Committee in June 2008. The revised vision, mission and values statement appears on page 30.

The rationale for the review was to better promote and reflect a strong sense of responsibility and to establish a clear framework for the values that underpin the building of a globally competitive business model. This was developed together with a succinct articulation of the strategy and vision for the business. See the case study: *Renewing our commitment to doing things the right way*, at [www.aga-reports.com/08/renew-values.htm](http://www.aga-reports.com/08/renew-values.htm).

## THE YEAR IN REVIEW

### *Management systems and accountability*

Following the comprehensive restructuring and asset review process undertaken at the end of 2007, 2008 was a year of further change and consolidation for AngloGold Ashanti.

Management restructuring continued to take place as a new strategy – focused on safety, improved productivity and enhanced shareholder value – was implemented. The executive team was restructured, and – among other appointments – an Executive Vice President, Sustainability, was appointed to oversee this strategic issue. The group moved towards a regional operating structure, with three operating heads, responsible for operations teams in Africa, the Americas and Australasia, who report directly to the CEO. The Africa operations comprise two divisions, one based in Accra, Ghana, and one in Potchefstroom, South Africa. Further details on the company structure and strategy may be found in the Annual Financial Statements at [www.aga-reports.com](http://www.aga-reports.com).

Beauty Mazibuko

*Project Manager, Corporate Office, South Africa*

“I manage projects from the feasibility stage to the commissioning stage. Projects need to meet requirements, be on time, and within budget. I believe that AngloGold Ashanti's corporate values highlight, to both an internal and external audience, what is important to us.”

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Report to Society 2008

*Performance in 2008*

Turbulence in financial markets around the world had an effect on AngloGold Ashanti's performance during 2008, with several factors standing out as having had the greatest impact. Among the most significant of these were the:

- satisfactory performance of the gold market relative to that of other commodities, although gold's 'safe haven' status was affected by the depth of the financial crisis, which resulted in de-leveraging and a flight to cash across a wide range of investments;
  - rapid decline in the value of the rand against the US dollar in the fourth quarter; and
  - restrictions placed on production during the first four months of the year by the South African power utility, Eskom, as a result of national power shortages.
- Key elements of economic performance during 2008 included:
- gold production of 4.98 million ounces, down by 9% on 2007;
  - average gold price received 23% lower at \$485 per ounce as a consequence of the reduction in the hedge book;
  - rising input costs, resulting in total cash costs increasing by 24% to \$444 per ounce; and
  - adjusted headline loss of \$897 million.

Group overview – key economic data

2008	
2007	
% change	
Gold produced (000oz)	
4,982	
5,477	
(9)	
Average gold spot price (\$/oz)	
872	
697	
25	
Average received gold price (\$/oz)	
485	
629	
(23)	
Total cash costs (\$/oz)	
444	
357	
24	
Total production costs (\$/oz)	
567	
476	
19	

Ore Reserves

(Moz)

75

73

3

Revenue

1

(\$m)

3,743

3,113

20

Gold income

1

(\$m)

3,619

3,002

21

Gross profit (loss)

1

(\$m)

594

(248)

340

Adjusted gross (loss) profit

1 2

(\$m)

(384)

835

(146)

Adjusted headline (loss) earnings

3

(\$m) (897)

278

(423)

Adjusted headline (loss) earnings per share

(US cents)

(283)

99

(386)

Dividends paid per share

(US cents)

13

45

(71)

Average R/\$ exchange rate

8.25

7.03

17

Exchange rate at year-end

9.46

6.81

39

Share price at year-end:

JSE (R/share)

252

293

(14)

NYSE (\$/share)

27.71

42.81

(35)

Market capitalisation at year-end

(\$m)

9,795

11,878

(18)

1

*The group changed its accounting policy regarding the accounting of incorporated joint ventures to the equity method to provide more relevant financial data as returns from these investments are limited to dividends which are more representative of the income flows.*

*Incorporated joint ventures were previously accounted for using the proportionate consolidation method.*

*Comparative figures have been*

*restated to conform to the changes in accounting policy.*

2

*Adjusted for the gain (loss) on unrealised non-hedge derivatives and other commodity contracts.*

3

*Adjusted for the gain (loss) on unrealised non-hedge derivatives and other commodity contracts and fair value adjustment on the convertible bond.*

Good progress was made in strengthening the company's balance sheet. The company undertook a rights offer, a reduction in its hedge book and completed a successful bond refinancing.

•

During July 2008, \$1.7 billion was raised by way of a successful rights offer at a ratio of 24.6403 rights offer shares for every 100 AngloGold Ashanti shares held on 4 July 2008. As a result of this offer, 69,470,442 new ordinary shares of 25 SA cents each were issued at a subscription price of R194.00 a share. The rights offer proceeds were used primarily to reduce the hedge book.

•

In particular, the hedge commitments ended the 2008 financial year at 5.99 million ounces as compared with 11.28 million ounces at the end of December 2007, a reduction of 5.29 million ounces (47%) in the hedge performance

Economic

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Report to Society 2008

book for the year. This was done at a total cost of \$1.1 billion. The December 2008 hedge book represents 2% of resources compared to 5% in 2007. The reduced hedge commitments will help to significantly improve the company's exposure to the spot price of gold during 2009, thus enabling AngloGold Ashanti to benefit from the relatively strong gold market currently prevailing.

- Following the rights offer, AngloGold Ashanti's net debt level was reduced to \$1.28 billion as at the end of December 2008. The R2 billion South African corporate bond that matured in August was fully redeemed, giving AngloGold Ashanti a net debt to earnings ratio (before interest, taxation, depreciation and amortisation) of 1.26 as compared with a ratio of 1.08 in 2007.

- In November 2008, AngloGold Ashanti secured a Term Facility with Standard Chartered Bank to refinance the \$1 billion convertible bond due for redemption in February 2009. The Term Facility, which is extendible to November 2010, will give the company flexibility in the current straitened economic circumstances and time to secure longer-term, cost-effective financing.

Information on the group's financial performance is drawn from the company's Annual Financial Statements 2008 ([www.aga-reports.com](http://www.aga-reports.com)), which is published concurrently with the Report to Society 2008. AngloGold Ashanti also provides a comprehensive review of the operational activities of the group and its individual operations on a quarterly basis. See [www.anglogoldashanti.com](http://www.anglogoldashanti.com).

#### *Benefits across the life cycle*

AngloGold Ashanti's core business is mining and exploration for gold. Silver, uranium and sulphuric acid are produced as by-products. While gold-bearing rock is a non-renewable resource with a finite lifespan during which it may be exploited, the metal, once mined, is potentially available in perpetuity as it is generally recycled. The volume of gold scrap recycled varies substantially from year to year and typically peaks when prices increase. In 2008, approximately 25% of gold consumed came from recycled sources. However, gold is rarely destroyed, and gold which is not recycled is held and treasured as a store of value or for sentimental reasons, or as a useful commodity.

While AngloGold Ashanti recognises the limited life of its operations, the company's mission is to create value for a broad range of its stakeholders – shareholders, employees and business and social partners. A key imperative for the company is therefore the broader economic impact that accrues to these stakeholder groups during the lifetime of these operations and, once mining has ceased, from the skills and economic opportunities that have been established during a mine's life. Thus, while the financial performance of the business is an important indicator of the extent to which AngloGold Ashanti has succeeded in this, the value that accrues to the countries and communities in which the company operates is equally important. (See pages 10 and 11 for a depiction of aspects of the life cycle in which AngloGold Ashanti participates and the sustainability challenges presented.)

CC&V, USA

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*Ensuring benefits in the long term*

AngloGold Ashanti's performance in adding value to the communities and countries in which it operates is often difficult to judge over a short period of time (such as a financial year) and should be seen rather in the context of the life of the operation. At the heart of the dilemma of assessing the economic contribution to the broader community is the very real requirement that shareholders' money be spent wisely and that real returns be delivered to them, without other stakeholders being disadvantaged.

Mining projects are often very capital intensive, with long lead times, from the commitment of resources (people and capital) to the delivery of returns. For such an investment to be made, the company (on behalf of its shareholders) must assess at the outset the degree of risk that it will tolerate with regard to, among other things, the risk of an exploration project actually delivering a mine; construction and staffing risks; social, political and currency risks; and the medium- to long-term view of the market. Similar assessments are also made on an ongoing basis for existing operations. An important factor regarding the degree of risk attributed to a specific country or operation is the level of certainty provided by that country's fiscal and regulatory regime.

The recent spike in commodity prices (which in some commodities has receded rapidly in recent months) has led to increased debate internationally on the contribution that companies in the resource sector can and should make to economic and social development in their host countries. As commodity prices have increased, so pressure on governments, from their own constituents, from non-governmental organisations (NGOs) and from lending institutions (such as the World Bank) to ensure that their electorates benefit fully from resource industry revenues, has intensified. The role of the resource sector in development has been a subject of debate since the 1980s when the concept of the 'resource curse' or 'paradox of plenty' was first put forward.

AngloGold Ashanti recognises that the global resources industry across a range of commodities has not always contributed positively to the development and well-being of the countries and communities in which it has operated. The resources industry – comprising as it does a wide range of small, medium and large players – is typically tarred with a single brush and is itself constrained by the limitations imposed by a cyclical market. In reality, there are a number of characteristics which are unique to the resource sector and which ensure that the industry will always be subject to the scrutiny of governments and their electorates. This issue is discussed in some detail in the case study: *Converting mineral wealth to national treasure: the challenges of mining and development*, on page 196 of this report, or at [www.aga-reports.com/08/resource-debate.htm](http://www.aga-reports.com/08/resource-debate.htm).

The group endeavours to approach this issue in an holistic way, looking at the economic contribution to the national fiscus as only one measure of several. Others include the provision of jobs (and frequently skills development and training to fill those jobs), infrastructural development (both as part of the mine's development, which may be of use to communities, and specifically for the community), formal and informal performance

Economic

Eugene Codjoe

*Control Room Operator, Iduapriem, Ghana*

"The statement 'business is people; people are our business' demonstrates AngloGold Ashanti's commitment to providing a favourable work environment for our employees.

I think it attracts potential employees too."

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local economic development and corporate social investment initiatives. See the case study: New road paves the way for economic development in the DRC, at [www.aga-reports.com/08/DRC-roads.htm](http://www.aga-reports.com/08/DRC-roads.htm).

Another illustration of the way in which mutual benefit may be achieved is the renegotiation of the water contract at CC&V.

Also, the group is able to manage its significant procurement expenditure so that it has a positive impact on local and regional economic activity. The total amount spent on the purchase of goods and services required to operate mines and produce refined metal (including market development costs net of other income) was \$1,550 million in 2008 (2007: \$1,188 million). It is group policy that, as far as it is possible and practical to do so, goods and services should be procured locally and regionally. In South Africa, there are specific programmes in place to transform the company's procurement base to include black economic empowerment (BEE) imperatives. This is discussed in greater detail on page 49.

#### *Withdrawal of exploration teams from the DRC*

Following the outbreak of fighting between the military and 'rebels' in remote areas of the eastern Democratic Republic of Congo (DRC) in November 2008, AngloGold Ashanti withdrew all personnel from three isolated exploration camps as a precautionary measure. Given reduced levels of exploration activity, the personnel from these camps, together with some personnel at the main base camp at Mongbwalu, were encouraged to begin their annual end-of-year leave early. The exploration camps were repopulated, though in smaller numbers, during January 2009 as the security situation improved. With the focus of exploration activities being on desktop studies at this stage, the camps had, at the time of writing, not been brought up to full complement. AngloGold Ashanti is represented in the DRC by its subsidiary, Ashanti Goldfields Kilo, which has its head office in the capital, Kinshasa. The company's exploration activities take place within the 10,000km

2

properties

known as Concession 40 in the Ituri region of the Orientale Province and are concentrated around the city of Mongbwalu.

#### *Exploration, DRC*

#### *Rand Refinery, South Africa*

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0  
 1,000  
 2,000  
 3,000  
 4,000  
 5,000  
 6,000  
 7,000  
 Gold production  
 (000oz) attributable  
 06  
 05  
 04  
 07  
 08  
 4,982  
 5,477  
 5,635  
 6,166  
 5,829  
 0  
 100  
 200  
 300  
 400  
 500  
 600  
 700  
 Average gold price received  
 (\$/oz)  
 06  
 05  
 04  
 07  
 08  
 485  
 629  
 577  
 439  
 394

*Operating performance*

Total attributable gold production for 2008 (that is, attributable to AngloGold Ashanti as a result of the ownership structure and not total production by operations) declined by 9% to 4.98 million ounces (2007: 5.48 million ounces), making the company the third largest producer of gold in the world. This decline in production was largely a result of reduced volumes and lower grades mined at the South African operations owing to safety- and power-related stoppages; reduced production in Argentina as a result of poor grades and intermittent plant breakdowns, and in Tanzania, where poor plant availability and delays in accessing higher grades affected output negatively. Among the best performing operations were Moab Khotsonq, which is in ramp-up phase, and Mponeng in South Africa, Iduapriem in Ghana and Sigui in Guinea.

In South Africa, the effect on production of restrictions imposed on the company by the national power utility, Eskom, was less severe than initially expected. The expected shortfall was mitigated to some extent by

improvements achieved in energy efficiency and by an earlier-than-expected restoration of optimal power. While power shortages may have an impact on future production, the company has been working with Eskom and government through the Chamber of Mines of South Africa and Business Unity SA (BUSASA), the employer federation, to minimise any such occurrences. See the case study: AngloGold Ashanti's response to the power crisis, at [www.aga-reports.com/08/power-crisis.htm](http://www.aga-reports.com/08/power-crisis.htm).

In late 2008, AngloGold Ashanti launched the Business Improvement Project (BIP), a company-wide change management process to secure the future of the organisation as a global gold producer. The BIP is a response to declining production levels, falling returns and increasing costs of production – and it signals the need for a change in the current strategy in order for AngloGold Ashanti to grow and thrive. It will be implemented over the next three to five years, starting with pilot sites and then across the company's global operations, with the aim of improving productivity. See case study at [www.aga-reports.com/08/BIPProject.htm](http://www.aga-reports.com/08/BIPProject.htm).

Attributable gold production (000oz)

2008

2007

2006

2005

Argentina

154

204

215

211

Australia

433

600

465

455

Brazil

407

408

339

346

Ghana

557

527

592

680

Guinea

333

280

256

246

Mali

409

441

537

528

Namibia

68

80

86

81

South Africa

2,099

2,328

2,554

2,676

Tanzania

264

327

308

613

United States

258

282

283

330

Total

4,982

5,477

5,635

6,166

performance

Economic

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*Rand Refinery, South Africa*

CC&V

258

66

Yatela

Sadiola

172

170

Morila

333

Siguiri

200

357

Iduapriem

Obuasi

Navachab

68

87

Serra Grande

320

Cerro

Vanguardia

154

314

Savuka

66

TauTona

600

Mponeng

362

Kopanang

Moab Khotsong

192

143

Tau Lekoa

Great Noligwa

330

264

Geita

433

Sunrise Dam

Attributable gold production by operation: 2008 (000 oz)

Brasil

Mineração

N

Surface operations

92

'000 Ounces

4,982

Total group production

- 37 -



0  
 50  
 100  
 150  
 200  
 250  
 300  
 350  
 400  
 450  
 Total cash costs – group  
 (\$/oz)  
 06  
 05  
 04  
 07  
 08  
 444  
 357  
 308  
 281  
 264

*Uranium, an important by-product*

Uranium is produced at three of AngloGold Ashanti's mines in the Vaal River area in South Africa. It is extracted from gold-bearing ore as a by-product.

Uranium grades achieved are much lower than those achieved at dedicated uranium mines in other uranium-producing countries. The average recovered grade of uranium processed at AngloGold Ashanti's uranium plant is around 0.25kg/t. If it were not processed as a by-product, this uranium would be disposed of in the residue of the gold-bearing ore onto the tailings dams, along with other waste from the mining and processing operations.

Monitoring of tailings for radioactivity is not necessary as any remaining unrecovered uranium is in a diluted form, and below environmentally set of radiation. The processing of uranium complies with strictly enforced international legislation.

In 2008, the group produced 1.3 million pounds of uranium, which generated revenue of \$15 million, representing a contribution to group revenue of 0.4%.

The group has stated it intends to continue to benefit from the growing demand for uranium and it is likely that uranium production will increase during the year ahead. At the same time, the company has restructured its long-term uranium contracts to create greater exposure to spot prices.

*The gold market*

The average gold price received of \$485 per ounce for the year, was 23% lower than in 2007, due to significant restructuring of the hedge book during the year. Total revenue from gold production amounted to \$3,619 million, while revenue from each of the group's three major by-products – uranium, silver and sulphuric acid – was \$15 million, \$23 million and \$18 million, respectively.

*Rising costs of production*

Rising production costs was one of the most significant features of the year, particularly in South Africa, where inflation rose to 11,3% for the 12 months to December 2008. Also in South Africa, the rise in dollar production costs was offset to some degree by the rapid weakening of the South African rand in the fourth quarter of the year. Consequently, the group's total cash costs rose by 24% year-on-year to \$444 per ounce, from \$357 per ounce in 2007.

performance

Economic

0

200

400

600

800

1000

1200

1400

Annual capital expenditure

(\$m)

06

05

04

07

08

1,201

1,059

817

722

585

*Vaal River, South Africa*

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Value added statement for the year ended 31 December	
2008	2007
%	%
\$ million	
contributed	
contributed	
Gold income	
3,619	
3,002	
Purchases of goods and services in order to operate mines and produce refined metal, including market development costs net of other income	
(1,550)	
(1,188)	
Value added by operations	
2,069	
55	
1,814	
65	
Fair value gain on option component of convertible bond	
25	
1	
47	2
Profit on disposal of assets	
55	
1	
7	
–	
Dividends from investments and interest received	
66	
2	
45	
2	
Government	
Deferred taxation	
289	
8	
88	
3	
Utilised in the group	
Retained income	
1,236	
33	
793	
28	
Total value added	
3,740	
100	
2,794	100

Value distributed	
Employees	
Salaries, wages and other benefits	
986	
26	
966	
35	
Government	
- Current taxation	
92	
3	
189	
7	
Providers of capital	
- Finance costs and unwinding of obligations	
114	
3	
120	
4	
- Dividends paid	
41	
1	
125	
5	
- Minorities	
40	
1	
32	
1	
Other	
- Impairment of tangible and intangible assets and investments	
1,608	
43	
1	
-	
- Loss on non-hedge derivatives and other commodity contracts	
297	
8	
792	
28	
Total value distributed	
3,178	
85	
2,225	80
Reinvested in the group	
- Amortisation and depreciation	
562	
15	
569	
20	

3,740

100

2,794 100

Distribution of wealth – 2008

Employees for remuneration 26%

State of taxes

3%

Providers of capital

5%

Reinvested in the group

15%

Other

51%

15%

51%

26%

3%

5%

Distribution of wealth – 2007

Employees for remuneration 35%

State of taxes

7%

Providers of capital

10%

Reinvested in the group

20%

Other

28%

7%

28%

20%

35%

10%

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*Distributing value to employees*

In total, 62,895 people were employed by AngloGold Ashanti in 2008, 2% more than in 2007. This was largely a result of an increase in staffing levels at the Australia and United States operations. For more details on the group's employment profile in 2008, see the Employment section of this report on page 95. By far the greatest percentage of economic distributions made during the year, at 84%, was to employees (including executive directors) – an amount of \$986 million. Total distributions to employees (excluding executive directors) amounted to \$983 million.

Employee benefits

2008

2007 restated

1

(\$m)

(%)

(\$m)

(%)

Salaries, wages and other benefits

826

84%

797

83%

Health care and medical schemes,  
including defined post-retirement  
medical expenses

65

6%

69

7%

Contribution to pension and  
provident plans

46

5%

48

5%

Retrenchment costs

9

1%

19

2%

Share-based payment expense

40

4%

33

3%

Total included in cost of sales,  
other operating expenses  
operating special items and  
corporate administration and  
other expenses

986

100%

966

100%

1

*The 2007 numbers have been restated to equity account joint ventures.*

All permanent employees participate in some form of retirement funding scheme to which the company makes a contribution. In some cases this is the legislated contribution to the country's social security scheme, while in others it is a contribution to a private or company-run scheme. The specific nature of the benefits and contributions varies from region to region. These benefits are funded primarily on a defined contribution basis, with a very small percentage of employees on defined benefit schemes. (Defined benefit schemes are closed to new members, with new employees participating in defined contribution schemes.) Funding for the liabilities resulting from the defined benefit schemes is provided for by the company on an ongoing basis.

Around 24% of employees, largely in South Africa, participate in the group's share option scheme and an additional 48%, all in South Africa, are members of the Bokamoso Employee Share Ownership Plan (ESOP). The Bokamoso ESOP was implemented as part of the group's BEE programme (see page 48). The first vesting date (in which employees become able to exercise their rights to trade their shares or exercise their options) is in November 2009. In advance of this, a research project into employee debt levels was undertaken, and an education programme, developed by the Bokamoso ESOP Trust with the company's participation, will assist employees in planning for the best use of their 'dividends' from vesting.

performance

Economic

50

150

May

Mar

Jan

Jun

Jul

\$

100

300

Feb

R

200

250

Apr

Aug

Sep

Oct

Nov

Dec

20

30

40

R/share

\$/share

AngloGold Ashanti share price performance – R and \$ (2008)

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The group's share price performance reflected trends in international markets and the global economic outlook and, consequently, employees did not benefit from share price appreciation. The AngloGold Ashanti share price opened the year at R293 on the JSE. It closed the year at R252, with a year high and a low of R349 and R150, respectively.

*Distributions to shareholders*

AngloGold Ashanti is a publicly listed company and is traded on stock exchanges in South Africa (share code on the JSE – ANG), the United States (NYSE – AU), Australia (ASX – AGG), the United Kingdom (LSE – AGD), Ghana (AGA and AAD), France (Euronext, Paris – VA) and Belgium (Euronext, Brussels – ANG BB).

The company's shares are highly liquid with around 80.6% of the group's shares being held in free float.

The graph above depicts the geographical location of the company's shareholders as at 31 December 2008. The largest percentage shareholding (excluding the shareholdings of Anglo American plc (16.1%) and the Government of Ghana (3.2%), that is, of the free float) is in the Americas (44.9%), followed by South Africa (37.0%) and the United Kingdom (7.3%).

Dividends declared for 2008 amounted to \$41 million (2007: \$125 million).

*Payments to government*

Governments (or their provincial representatives) are shareholders in a number of operations or in the company itself:

- In Argentina, the Province of Santa Cruz has a 7.5% interest in Cerro Vanguardia.

- The Government of Guinea holds a 15% stake in the Siguiiri mine.

- The Government of Mali holds an interest of 20% in each of the Morila, Sadiola and Yatela mines.

- The Government of Ghana holds a 3% interest in AngloGold Ashanti.

AngloGold Ashanti is a member of the Extractive Industries Transparency Initiative (EITI) and supports the EITI's request for transparency in the disclosure of payments to government and receipts from governments.

The following payments were made to governments (on a country basis) by AngloGold Ashanti, or its subsidiaries or the joint ventures that the company manages, during the year under review:

*Rand Refinery, South Africa*

Geographical distribution of combined total shares identified

31 December 2008 (%)

1.6%

1.1%

46.0%

2.0%

1.0%

3.6%

9.1%

35.7%

Americas

South Africa

United Kingdom

Asia Pacific / Middle East

Rest of Europe

Switzerland

France

Belgium

\* Free float, that is, figures exclude Anglo

American and government of Ghana position



Argentina (\$000)

Dividends paid to government

888

Taxation paid in 2008\*

4,368

Provision for taxation\*

1,130

Withholding tax (STC, royalties, etc)

13,536

Other indirect taxes and duties

1,599

VAT paid

20,067

VAT refunded

(16,698)

Employee taxes and other contributions\*\*

2,869

Property tax

3

Other\*\*\*

8,186

Total

35,948

Australia (\$000)

Dividends paid to government

—

Taxation paid in 2008\*

43,229

Provision for taxation\*

(23,928)

Withholding tax (STC, royalties, etc)

12,860

Other indirect taxes and duties

—

VAT paid

136

VAT refunded

(28,057)

Employee taxes and other contributions\*\*

9,556

Property tax

—

Other

—

Total

13,796

Brazil

(\$000)

Dividends paid to government

—

Taxation paid in 2008\*



44,751  
 Provision for taxation\*  
 31,833  
 Withholding tax (STC, royalties, etc)  
 —  
 Other indirect taxes and duties  
 4,461  
 VAT paid  
 6,509  
 VAT refunded  
 —  
 Employee taxes and other contributions\*\*  
 22,397  
 Property tax  
 313  
 Other (financial contribution on  
 mining exploration)  
 2,991  
 Other (tax over vehicles ownership)  
 199  
 Total  
 113,454  
 Colombia (\$000)  
 Dividends paid to government  
 —  
 Taxation paid in 2008\*  
 277  
 Provision for taxation\*  
 58  
 Withholding tax (STC, royalties, etc)\*  
 1,171  
 Other indirect taxes and duties  
 239  
 VAT paid  
 327  
 VAT refunded  
 —  
 Employee taxes and other contributions\*\*  
 708  
 Property tax  
 332  
 Other (tenement fees)  
 2,934  
 Total  
 6,046

\*  
*Includes capital gains tax*  
 \*\*

*Includes remittance made to government but borne by employees as individual taxation, eg PAYE, UIF.*

\*\*\* *Tax on exports*  
 performance

Payments to government:

Economic

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DRC (\$000)

Dividends paid to government

—

Taxation paid in 2008\*

—

Provision for taxation\*

—

Withholding tax (STC, royalties, etc)

—

Other indirect taxes and duties

218

VAT paid

—

VAT refunded

—

Employee taxes and other contributions\*\*

487

Property tax

—

Other

—

Total

705

Ghana (\$000)

Dividends paid to government

1,379

Taxation paid in 2008\*

1,912

Provision for taxation\*

8,316

Withholding tax (STC, royalties, etc)

17,504

Other indirect taxes and duties

9,266

VAT paid

230

VAT refunded

(5,075)

Employee taxes and other contributions\*\*

11,570

Property tax

49

Other

399

Total

45,550

Guinea (\$000)

Dividends paid to government

1,500

Taxation paid in 2008\*

—

Provision for taxation\*  
 23,728  
 Withholding tax (STC, royalties, etc)  
 40,145  
 Other indirect taxes and duties  
 1,490  
 VAT paid  
 –  
 VAT refunded  
 –  
 Employee taxes and other contributions\*\*  
 3,332  
 Property tax  
 –  
 Other  
 1,230  
 Total  
 71,425  
 Mali (\$000)  
 Dividends paid to government  
 38,000  
 Taxation paid in 2008\*  
 42,075  
 Provision for taxation\*  
 53,997  
 Withholding tax (STC, royalties, etc)  
 21,750  
 Other indirect taxes and duties  
 2,359  
 VAT paid  
 2,422  
 VAT refunded  
 (2,986)  
 Employee taxes and other contributions\*\*  
 9,382  
 Property tax  
 –  
 Other  
 4,579  
 Total  
 171,578

\*

*Includes capital gains tax*

\*\*

*Includes remittance made to government but borne by employees as individual taxation, eg PAYE, UIF.*

Payments to government:

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Namibia (\$000)

Dividends paid to government

—

Taxation paid in 2008\*

5,042

Provision for taxation\*

5,693

Withholding tax (STC, royalties, etc)

1,789

Other indirect taxes and duties

—

VAT paid

2,055

VAT refunded

(5,354)

Employee taxes and other contributions\*\*

2,013

Property tax

—

Other\*\*\*

392

Total

11,630

South Africa

(\$000)

Dividends paid to government

—

Taxation paid in 2008\*

6,468

Provision for taxation\*

11,584

Withholding tax (STC, royalties, etc)

—

Other indirect taxes and duties

—

VAT paid

—

VAT refunded

(90,713)

Employee taxes and other contributions\*\*

170,098

Property tax

1,870

Other

—

Total

99,307

Tanzania (\$000)

Dividends paid to government

—

Taxation paid in 2008\*

715  
 Provision for taxation\*  
 (3,861)  
 Withholding tax (STC, royalties, etc)  
 6,966  
 Other indirect taxes and duties  
 18,251  
 VAT paid  
 5,428  
 VAT refunded  
 (3,785)  
 Employee taxes and other contributions\*\*  
 12,165  
 Property tax  
 –  
 Other\*\*\*\*  
 369  
 Total  
 36,248  
 United States  
 (\$000)  
 Dividends paid to government  
 –  
 Taxation paid in 2008\*  
 300  
 Provision for taxation\*  
 (12)  
 Withholding tax (STC, royalties, etc)  
 –  
 Other indirect taxes and duties  
 –  
 VAT paid  
 –  
 VAT refunded  
 –  
 Employee taxes and other contributions\*\*  
 3,795  
 Property tax  
 840  
 Other (production mine tax)  
 1,450  
 Other (severance tax)  
 1,328  
 Total  
 7,701  
 \*

*Includes capital gains tax*

\*\*  
*Includes remittance made to government but borne by employees as individual taxation, eg PAYE, UIF.*

\*\*\* *Tax on exports*

\*\*\*\* *Comprises annual road levy to the Geita district, forest clearance fees and airport taxes.*

performance

Economic

Payments to government:

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The following instances of tax exemptions or reduced taxation rates are reported:

Operation

Description

Standard

Rate paid by

Legal basis for

of tax

rate

business unit

tax concession

Argentina:

Cerro Vanguardia

Income tax rate

35%

30%

At the time that CVSA was

for corporations

allocated a tax rate (as part of

the fiscal stability programme

which is valid for 30 years), the

corporate tax rate was 30%.

Tax on financial

0.6% on debits;

Did not exist when fiscal

payments

0.6% on credits.

0%

stability programme was

awarded.

Import duties

Varied, dependent 0%

In line with Argentinian

on type of goods

Mining Investment Law

imported.

(24196), mining companies

registered under this special

fiscal regime are exempt.

Presumed

1%

0%

Mining companies are

minimum

exempt from this tax.

income tax

Brazil:

Brasil Mineraça

~

o

State VAT on

12% to 18%



Exempt  
Statutory regulation  
exports (ICMS)  
Federal value  
5% to 25%  
Exempt  
Statutory regulation  
added tax  
Drawback  
12% to 18%  
Exempt  
Statutory regulation  
incentive  
Turnover taxes  
9.25%  
Exempt  
Statutory regulation  
on exports  
State VAT on import 18%  
Exempt  
Company agreement  
of machinery and  
equipment  
Serra Grande  
State VAT on  
12% to 18%  
Exempt  
Statutory regulation  
exports (ICMS)  
Federal value  
5% to 25%  
Exempt  
Statutory regulation  
added tax  
Drawback incentive  
12% to 18%  
Exempt  
Statutory regulation  
Turnover taxes  
9.25%  
Exempt  
Statutory regulation  
on exports  
Ghana:  
Iduapriem and  
Import duty on  
10%  
0%  
Act of Parliament  
Obuasi

mining equipment  
Other  
10%  
5%  
Act of Parliament  
Royalties  
In excess of 3%  
3%  
Stability agreement signed  
18 February 2004, valid for  
15 years  
Mali:  
Morila  
VAT on local  
18%  
Exempt  
Legislation  
purchases  
with effect  
from 1 July  
2008  
Sadiola/Yatela  
Fuel tax  
Varies monthly  
Exempt  
Mining agreement signed  
on 20 March 1990 – valid for  
30 years.  
VAT exemption  
18%  
Exempt  
Started on 1 July 2006.  
on transactions  
Renewable on demand.  
with registered  
Approved by the Minister  
Mali business units  
of Finance.  
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*Assistance from government*

No significant financial assistance was received by the company or the operations from government in any of the jurisdictions in which the company operates. Any assistance received is detailed below.

Assistance from government

Country

Value (\$000)

Description

Argentina

Cerro Vanguardia

13,724

Subsidies/rebates

3,320

Other financial benefits from government

Mali

Sadiola/Yatela

6,873

Tax relief (see details above).

*Investing in the future*

AngloGold Ashanti recognises that much needs to be done today to sustain its operations into the future. As the market for gold is the fundamental driver of the business, the company has for many years been involved in the active development of the gold market. Looking internally, the need to discover and develop future mines, both in new areas and around existing operations, drives the group's exploration programme. At the same time, significant capital is expended every year to sustain current infrastructure and to extend current operations, and to develop new projects.

*Gold market development*

Since its inception AngloGold Ashanti has been committed to growing the market for its product. The company's marketing programmes aim to increase the desirability of gold to sustain and grow demand. AngloGold Ashanti is an active member of the World Gold Council (WGC), and AngloGold Ashanti's subscription to the WGC accounts for the bulk of the company's marketing spend. The company remains involved in independent projects to grow jewellery demand in partnership with companies such as Tanishq (a subsidiary of the Tata Group) in India. It has also supported the development of gold concept stores in China, under the 'Just Gold' brand. AuDITIONS, the company's own global gold jewellery design competition brand, continues to grow and has become a powerful corporate marketing tool.

For further information on the group's gold market development initiatives see the website at [www.anglogoldashanti.com](http://www.anglogoldashanti.com) or the Annual Financial Statements at [www.aga-reports.com](http://www.aga-reports.com)

*Exploration and development*

Total exploration expenditure amounted to \$183 million in 2008, of which \$77 million was spent on greenfields exploration, \$86 million on brownfields exploration and the balance of \$20 million on pre-feasibility studies. The primary aim of both the greenfields and brownfields exploration programmes is to identify new attributable Mineral Resource ounces of gold.

performance

Economic

Rhonda Hrack

*Haul truck driver, CC&V, USA*

"Employees and management can work together, hand-in-hand, by sharing ideas to improve not only production and safety, but to also better our surrounding communities."

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Cripple  
Creek  
& Victor  
Yatela  
Sadiola  
Morila  
Siguirí  
54  
112  
Iduapriem  
Obuasi  
Navachab  
Serra Grande  
Anglo Gold  
Ashanti  
Brasil  
Mineração  
69  
Cerro  
Vanguardia  
Savuka  
TauTona  
Mponeng  
Kopanang  
Moab Khotsong  
Tau Lekoa  
Great Noligwa  
Geita  
419  
Sunrise Dam  
Capital expenditure by operation (\$000): 2008  
3  
3  
1  
18  
12  
27  
20  
15  
18  
89  
47  
26  
86  
60  
11  
53  
19  
Boddington  
N

Greenfields exploration was conducted in six countries – Australia, China, Colombia, the DRC, the Philippines and Russia. Approximately 304,000 metres of various types of drilling was completed during the year, together with the drill testing of existing priority targets and the delineation of new targets in Australia, Colombia, Russia, the DRC and China. The most prospective of these were Tropicana in Australia and La Colosa in Colombia, where a combined total of 13 million attributable Measured, Inferred and Indicated Mineral Resource ounces of gold were defined by AngloGold Ashanti's greenfields exploration teams during the year to 31 December 2008.

Another \$36 million of expensed brownfields exploration and capital expenditure of \$50 million aimed at identifying replacement ounces was undertaken in and around most of AngloGold Ashanti's existing operations. In 2008, most success was achieved at the South African, Australian, Ghanaian and Guinean operations, and as a result of the brownfields exploration programme 27.5 million ounces were successfully added to the company's total Mineral Resource.

For further information on the exploration programme see the website at [www.anglogoldashanti.com](http://www.anglogoldashanti.com) or the Annual Financial Statements 2008, at [www.aga-reports.com](http://www.aga-reports.com).

*Capital expenditure*

A great deal of emphasis is placed by the company on capital investment both to sustain operations and to develop operations and margins. In 2008, the group capital expenditure was \$1,201 million (2007: \$1,059 million). Stay-in-business expenditure, including that spent on Ore Reserve development, amounted to \$547 million, while new project development amounted to \$654 million.

For further information on the exploration programme see the website at [www.anglogoldashanti.com](http://www.anglogoldashanti.com) or the Annual Financial Statements, at [www.aga-reports.com](http://www.aga-reports.com).

*Black economic empowerment*

AngloGold Ashanti is largely supportive of the legislation and regulations that encourage the transformation of South African society to fully enable the participation of all South Africans. The group recognises that there is a need for proactive transformation programmes. In addition to the many programmes in place at an operational level, AngloGold Ashanti's contribution to transformation can be reported as follows:

- transferring of assets to and facilitating ownership by historically disadvantaged South Africans (HDSAs);
- transforming the group's procurement base in line with the Mining Charter; and

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- employment equity programmes that promote the recruitment, development and retention of HDSAs, particularly in supervisory and management roles, and in core mining disciplines. This is discussed in greater detail, in the Employment section of this report to be found on page 90, and in the Social and Labour Plan reports for the West Wits and Vaal River regions, which are also available at [www.aga-reports.com](http://www.aga-reports.com).

*BEE ownership of AngloGold Ashanti*

AngloGold Ashanti achieved the conversion of its mining rights for all of its South African operations in 2005. One of the key factors taken into consideration by the Department of Minerals and Energy (DME) in awarding these conversions was the transfer of equity ownership of more than 26% of the company's South African assets to BEE/HDSA companies or HDSAs.

AngloGold Ashanti achieved this through three different types of transactions as discussed below.

- *The sale of assets to HDSA companies:* In January 1998 and July 1998, the then AngloGold sold to ARMgold, an HDSA company, Vaal Reefs 1 to 7 shafts, Western Holdings 1, 2, 3, 4, 6 and 7 shafts and the Welkom gold plant. In January 2002, AngloGold sold the remainder of its assets in the Free State to a combined Armgold and Harmony Joint Venture company. These were the Bambanani, Joel, Matjhabeng and Tshepong mines, and shares in the Jeanette project as well as surface infrastructure. AngloGold Ashanti and the DME recognised the HDSA participation relating to these transactions at 20.8%.

- *The formation of an Employee Share Ownership Plan (ESOP):* In October 2006, AngloGold announced the formation of the Bokamoso ESOP in which all employees at AngloGold Ashanti's South African operations, including the corporate office, who were not participants in any current share incentive scheme, would qualify as beneficiaries. Just over 30,000 employees participate in the Bokamoso ESOP, with 91.5% of eligible employees being HDSAs. A trust was established to acquire and administer the shares issued by the company (2,880,000 E ordinary shares and 980,000 ordinary shares, representing approximately 1.4% of AngloGold Ashanti's issued share capital at that time). The shares will vest annually in five equal tranches to each eligible employee, with the first tranche vesting on the third anniversary of the Bokamoso ESOP's launch (that is, in 2009), and the last on the seventh anniversary (in 2016).

- *Acquisition of equity by BEE company:* In a third transaction, also in October 2006, Izingwe Holdings Limited, a BEE investment company, acquired 1,400,000 E ordinary shares (a 0.5% equity interest in AngloGold Ashanti at that time). Izingwe Holdings Chairman, Siphon Pityana, was appointed to the AngloGold Ashanti Board of Directors in February 2007.

- The combined ESOP and Izingwe transactions represent the transfer of an additional 6% of the South African assets to HDSA ownership, bringing total HDSA ownership to just over the 26% target required in terms of the Mining Charter.

performance

Economic

*Obuasi, Ghana*

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*Local procurement*

AngloGold Ashanti endeavours to support the communities and countries in which it operates through its procurement practices. As far as it is possible, and taking quality and cost into account, all operations have plans in place to increase local procurement. Procurement practices in South Africa, as required by the Mining Charter, are discussed on page 49 and the Social Labour Plan reports at [www.aga-reports.com](http://www.aga-reports.com). Details for other operations may be found in the Country and Operational reports, also available at [www.aga-reports.com](http://www.aga-reports.com). In many cases, and particularly in developing countries, these procurement opportunities are linked to the local economic development initiatives discussed in the Community section of this report.

*Transforming the procurement base*

In South Africa, the company is currently aligning its procurement policies with the Department of Trade and Industry's Codes of Good Practice, and will complete this process by 2009. This code is an integral part of the country's transformation process and is aimed at encouraging new and small suppliers, particularly from historically disadvantaged communities. See case study: New codes of practice shape BEE procurement in 2008, at [www.aga-reports.com/08/BEE-codes.htm](http://www.aga-reports.com/08/BEE-codes.htm).

AngloGold Ashanti regards BEE companies as preferred suppliers. What this means in practice is that BEE companies which comply with AngloGold Ashanti's criteria are placed on the vendor list and receive preferred status in winning contracts, should they be commercially competitive.

Targets have also been set for levels of BEE expenditure over a 10-year period. At the end of December 2008, BEE procurement was 35%, against a target of 41%.

Of total procurement spend in 2008 of R4,222 billion, of which R1,471 billion was spent through BEE companies. Of this R258 million was spent on the procurement of capital goods, R788 million on consumables and R425 million on that of services, all from BEE-related companies. For further detail, see the José Gregorio Ferreira da Mata Filho

*Production Co-ordinator, Brazil*

"During the two years I have been employed at AngloGold Ashanti, I have been exposed to a number of exciting professional highlights such as my involvement in the Cuiabá Mine expansion project. My biggest challenge is managing people on a daily basis but I am learning new people skills every day."

BEE spend as a percentage of total spend (%)

Non-BEE

BEE

65.1%

34.9%

BEE spend as a percentage of capital spend (%)

Non-BEE

BEE

82.4%

17.6%

BEE spend as a percentage of consumables spend (%)

Non-BEE

BEE

46.4%

53.6%

BEE spend as a percentage of services spend (%)

Non-BEE

BEE

71.1%

28.9%

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Social and Labour Plan reports at [www.aga-reports.com](http://www.aga-reports.com).



Geographical analysis of gold income by destination (\$ million)

2008

2007

South Africa

1,370

1,039

North America

1,057

741

Australia

7

90

Asia

255

267

Europe

307

734

United Kingdom

809

409

3,805

3,280

Equity accounted investments included above

(186)

(278)

Total

3,619

3,002

*Taking responsibility for gold*

Gold as a product is benign and does not in itself have a significant impact on health and safety. However, the activities involved in the mining and processing of gold, and some of the by-products generated, have the potential to negatively affect the safety and health of employees and communities, and their environment. When evaluating the associated sustainable development risks and impacts, and in developing plans to mitigate these risks and the impacts of our business, the group looks at the full life cycle of the product, including its production.

No issues of non-compliance with regulations concerning the health and safety effects of products were alleged in 2008. Products are labelled according to internationally accepted norms, regulations and standards. In respect of gold bullion, such labelling typically indicates the name of the refinery and the purity of the bar. No incidents related to product labelling occurred in 2008.

The bulk of the group's gold is sold through well-established and long-term channels. The graphs above, illustrate the delivery destinations, by country, for AngloGold Ashanti's gold. Further details may be found in the Annual Financial Statements 2008 at [www.aga-reports.com](http://www.aga-reports.com).

CASE STUDIES:

Case studies describing some of the challenges that the group faces, and how these are addressed may be found on the Report to Society website at [www.aga-reports.com](http://www.aga-reports.com), or at the specific urls listed below.

GROUP

*Converting mineral wealth to national treasure: the challenges of mining and development*

There has been increased debate internationally over the contribution that companies in the resource sector can and should make to economic and social development in their host countries. As commodity prices have increased, so pressure on governments, from their own constituents, from NGOs and from leading institutions,

to ensure that their electorates are benefiting fully from resource industry revenues intensifies. AngloGold Ashanti recognises that there are sound reasons for this debate and that the global resources industry across a range of commodities has not always contributed to the development and well-being of the countries and communities in which it has operated. This case study looks at the potential contribution that resource entities can make to sustainable development in their host countries. See case study on page 196 of this report, or at [www.aga-reports.com/resource-debate.htm](http://www.aga-reports.com/resource-debate.htm).

performance

Economic

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*AngloGold Ashanti introduces Business Improvement Project*

Towards the end of 2008, CEO Mark Cutifani announced the launch of the Business Improvement Project (BIP), a company-wide change management process to secure the future of the organisation as a global gold producer. The BIP is a response to declining production levels, falling returns and increasing costs of production – and it signals the need for a change in the current strategy in order for AngloGold Ashanti to grow and thrive. It will be implemented over the next three to five years, starting with pilot sites and then across the company's global operations, with the aim of improving productivity. See case study at [www.aga-reports.com/08/BIPProject.htm](http://www.aga-reports.com/08/BIPProject.htm).

SOUTH AFRICA

*AngloGold Ashanti's response to the power crisis*

The South African electricity crisis in January 2008 was critical for AngloGold Ashanti, which used the crisis as a catalyst to review its energy efficiency performance, explore new initiatives to decrease electricity usage, and speed up implementation programmes. In this way the group was able to minimise the impact of this crisis. AngloGold Ashanti aims to continue reducing its power consumption, to ensure that it stays ahead of power requirements and continues to improve efficiencies. See the case study at [www.aga-reports.com/08/power-crisis.htm](http://www.aga-reports.com/08/power-crisis.htm).

*New codes of practice shape BEE procurement in 2008*

AngloGold Ashanti has methodically increased the proportion of goods and services procured from suppliers owned by historically disadvantaged South Africans (HDSAs) as part of its compliance with the Mining Charter, and has regularly reported on its progress in this regard. The company is now establishing systems to enable it to report on its South African procurement activities in line with the Department of Trade and Industry's (DTI's) Codes of Good Practice, and 2008 saw a successful 'test run' of these systems and processes. See case study on at [www.aga-reports.com/08/BEE-codes.htm](http://www.aga-reports.com/08/BEE-codes.htm).

UNITED STATES

*Renegotiating the water contract at CC&V*

EXPLORATION

*New road paves the way for economic development in the DRC*

Land transport in the Ituri region of the Democratic Republic of Congo, where AngloGold Ashanti's subsidiary Ashanti Goldfields Kilo operates an exploration project, is a challenge. The underdeveloped road infrastructure is a legacy of the conflict that has gripped the country and this region in particular for years, and has constrained investment and kept what infrastructure there is in a state of serious neglect. The Congolese have traditionally depended mostly on water transport systems – rivers and waterways – but this is often inefficient. In 2006, in partnership with the United Nations peacekeeping mission in Bunia, Ashanti Goldfields Kilo began a programme to upgrade the road. The benefits are already being seen, both for the company and the people of the area. See the case study at [www.aga-reports.com/08/roads-DRC.htm](http://www.aga-reports.com/08/roads-DRC.htm).

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Victor's water system in 2007. See the case study at [www.aga-reports.com/08/water-CCV.htm](http://www.aga-reports.com/08/water-CCV.htm).

At AngloGold Ashanti's CC&V mine, in the western United States, a reliable water supply is vital. The mine recently renegotiated its water supply contract with the City of Victor, following co-operative efforts to upgrade

and governance

Ethics

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Key developments

54

Renewing the vision, mission and values

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The year in review

68

Objectives for 2009

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Case studies

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## KEY DEVELOPMENTS

- Amendments were made to the Conflict of Interest and the Gifts, Hospitality and Sponsorship policies during the year.

- A few legal issues remain unresolved.

- Voluntary compliance with United Nations Global Compact, ICMM principles, Responsible Jewellery Council, Global Reporting Initiative, Cyanide Code and Voluntary Principles on Human Rights and Security

## RENEWING THE VISION, MISSION AND VALUES

In late 2007, AngloGold Ashanti embarked on a consultative process to review the company's mission, vision and values. The process was built on the launch of the 'Safety is our first value' campaign at the South African operations in November 2007, and was developed further through interactions between executive management and employees in a range of different interventions over the following months.

In respect of ethics and governance, the AngloGold Ashanti values specifically note that:

*We are accountable for our actions and undertake to deliver on our commitments.*

*We are focused on delivering results and we do what we say we will do. We accept responsibility and hold ourselves accountable for our work, our behaviour, our ethics and our actions. We aim to deliver high performance outcomes and undertake to deliver on our commitments to our colleagues, business and social partners, and our investors.*

The new mission, vision and values statement was approved for implementation by the group Executive Committee in June 2008 and appears on page 24 of this report. The group's undertakings or business principles in respect of ethics and governance may be found on the website at [www.anglogoldashanti.com/Values/Values.htm](http://www.anglogoldashanti.com/Values/Values.htm).

For further information on the development and implementation of these values, see the case study: Renewing our commitment to doing things the right way, at [www.aga-reports.com/08/renew-values.htm](http://www.aga-reports.com/08/renew-values.htm) and governance

Ethics

Cellou Dioubate

*Secretary, Siguir, Guinea*

"A successful organisation is one that constantly develops its employees. People should be given the opportunity to develop skills through training and learning."

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## THE YEAR IN REVIEW

### *Leadership and governance*

AngloGold Ashanti remains committed to the highest standards of corporate governance. Corporate governance is the responsibility of the Board of Directors as a whole, with some authority delegated to the Audit and Corporate Governance Committee of the board and the management Disclosure Committee.

The board is guided by the company's founding statements, the board charter, the company's legal obligations in terms of the South African Companies Act of 1973 (as amended), the US Sarbanes-Oxley Act of 2002 (SOx), the company's legal and disclosure obligations to the JSE (where it holds its primary listing), as well as various corporate governance guidelines, such as the King Code on Corporate Governance 2002 (King Code). A Code of Ethics for the chief executive officer, the chief financial officer and senior financial officers also guide conduct. (These codes and documents are available on the website at [www.anglogoldashanti.com/About/Corporate+Governance/Guidelines.htm](http://www.anglogoldashanti.com/About/Corporate+Governance/Guidelines.htm)).

Various other legislative and governance standards also guide the company's legal and disclosure obligations. Management takes day-to-day responsibility for corporate governance and regularly reports to the board and various committees of the board. The board chairman plays an active role in the corporate governance issues faced by the company, interacting regularly with executive directors, senior management and other interested parties, when necessary.

In line with JSE Listings Requirements, the company discloses its compliance in terms of corporate governance with the King Code and explains any areas of non-compliance. The King Code is a set of guidelines to companies aimed at ensuring good governance by both the board and management. AngloGold Ashanti again complied with all material aspects of the King Code and SOx in 2008.

Corporate governance is dealt with extensively in AngloGold Ashanti's Annual Financial Statements, available at [www.aga-reports.com](http://www.aga-reports.com).

*Savuka, South Africa*

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*Awards and recognition for reporting*

AngloGold Ashanti was recognised for reporting as follows in 2008:

- inclusion in the JSE Sustainability Index 2008;
- overall winner of the Southern African Institute of Chartered Secretaries and Administrators and JSE Annual Report Awards in the category 'Top 40' JSE shares; and
- fourth place in the Ernst and Young Sustainability Report awards.

PERFORMANCE IN 2008

*Board structure*

At the end of December 2008, the board of AngloGold Ashanti comprised 10 members (2007: 17). It should be noted that:

- the chairman and deputy chairman are independent;
- eight directors (80%) are independent and non-executive; and
- there are two executive directors (20%).

In October 2008, the board reviewed its definition and criteria for determining which of its members qualified as being independent. This definition may be found at [www.aga-reports.com/08/independence.pdf](http://www.aga-reports.com/08/independence.pdf). The board is guided by a board charter that governs its powers, functions and responsibilities. Among other issues, potential conflicts of interest are a standing item on the board's agenda. The board met on 11 occasions in 2008, including three subcommittee meetings of the board. A formal process is in place to determine the qualification and experience of board members and potential Board members. A formal and regular process is in place to evaluate the performance of the board.

*Board subcommittees*

There are eight board subcommittees that meet on a regular basis to facilitate the activities and deliberations of the board. The subcommittees comprise members of the board and have written terms of reference governing their powers, functions and activities. Members of board committees have access to management and the records of the company, as well as to external professional advisers should the need arise.

The board subcommittees are:

- Audit and Corporate Governance Committee;
- Transformation and Human Resources Development Committee (formerly the Employment Equity and Development Committee);

*Corporate Office, South Africa*

Structure of the board

2008 (%)

Executive directors

Independent

non-executive directors

80%

20%

and governance

Ethics

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- Executive Committee;
- Investment Committee;
- Nominations Committee;
- Political Donations Committee;
- Remuneration Committee; and
- 

Safety, Health and Sustainable Development Committee.

The Safety, Health and Sustainable Development Committee oversees this report. The work of the Transformation and the Human Resources Development Committee is also reported in the Social and Labour Plan reports.

*Safety, Health and Sustainable Development*

The Safety, Health and Sustainable Development Committee is tasked with overseeing the company's performance regarding safety, health and environmental performance, and its social interaction with the communities in which it operates. It is also responsible for establishing targets in relation to each of these areas. The committee comprises non-executive directors and executive management (including the chief executive officer).

The committee met on four occasions during 2008. Members of this committee are Bill Nairn (chairman), Mark Cutifani, James Motlatsi, Siphon Pityana and Joseph Mensah. Members of management are invited to attend meetings at the committee's discretion.

The committee operates in accordance with its Charter which specifically addresses the economic, social and environmental performance of the company. On an annual basis the committee undertakes a self-assessment of its performance against its mandate, which is then reported to and reviewed by the board.

Safety, health and environmental performance, and relations with government, community members and other stakeholders, form an integral part of the management of operations. These aspects are considered when a manager's operational and individual performance is reviewed. Safety targets and performance in particular form part of the Remuneration Policy for senior and middle management at operations. See the Remuneration Report in the Annual Financial Statements regarding the linkage between compensation and performance.

*Transformation and Human Resources Development*

The Employment Equity and Development Committee, which changed its name in October 2008 to the Transformation and Human Resource Development Committee, is responsible for overseeing the company's performance in respect of employment equity, transformation and staff development by taking into account the requirements of applicable legislation, relevant international labour conventions and the monitoring of targets set by the company. The committee is also responsible for developing employee skills in a manner that seeks to retain and nurture talent, and to provide employees with the opportunity to enhance their skills and knowledge. The committee met on four occasions during 2008. Its members are: James Motlatsi (chairman), Frank Arisman, Reginald Bannerman, Mark Cutifani, Bill Nairn and Siphon Pityana.

*Executive management*

The Executive Committee, chaired by Mark Cutifani, is responsible for overseeing the day-to-day management of the company's affairs and for executing the board's decisions. The committee meets at least monthly and is actively involved in the strategic review of the company's values, safety performance, operation and exploration profiles, and financial status. In 2008, Thero Setiloane was appointed Executive Vice President: Sustainability, to oversee and combine the functions relating to sustainable development, and is a member of this committee.

*Sunrise Dam, Australia*

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*Risk management*

Significant emphasis is placed on the assessment, mitigation and management of risk, particularly regarding safety, health, environment and community-related risks.

The board is ultimately responsible for risk management and the group's strategy and policies regarding risk are reviewed by the executive directors and senior management. Management has established a group-wide system of internal control to identify, evaluate and manage significant risks within the group.

A full review of risk control and disclosure is undertaken twice a year and considers key findings from ongoing monitoring and reporting, management assertions and independent assurance reports. These are then reported to the Executive Committee and the Audit and Corporate Governance Committee.

The group takes due cognisance of the precautionary principle in its risk identification and assessment processes. In line with AngloGold Ashanti's adoption of the ICMM Sustainable Development Principles and Framework, risk assessment is undertaken using scientific data and methodologies. A full discussion of the risk management process and some of the risks that could materially affect AngloGold Ashanti may be found in the Annual Financial Statements at [www.aga-reports.com/09/Risk-management.htm](http://www.aga-reports.com/09/Risk-management.htm).

*Legal issues*

The head of AngloGold Ashanti's legal department is responsible for ensuring that significant legal issues considered as part of the risk management process are brought to the attention of the Audit and Corporate Governance Committee, which is responsible for risk management. A register of litigation matters to which the company has a possible financial exposure is maintained and reviewed on a quarterly basis. The following is a summary of the significant legal issues raised during 2008, with feedback on those reported in previous years.

A significant legal issue is defined as one that could result in a potential liability to the company and an issue with a potentially negative consequence for the company's reputation, as assessed by the company executive.

In prior years, significant legal liabilities have been defined as those with an impact of \$1.5 million or higher and/or which could have an adverse effect on the company's reputation as assessed by the company than a monetary threshold. A monetary threshold has therefore not been set for purposes of this report.

*Feedback on legal issues reported in 2007*

- In April 2005 AngloGold Ashanti instituted action against various mining companies and government ministers claiming that the mines upstream from its Vaal River operations are responsible and liable for pumping underground water that arises from their mines. As reported last year, the issue was largely resolved with the formation of the not-for-profit Margaret Water Company. The Margaret Water Company is in the process of purchasing the relevant shafts from the Stilfontein Gold Mining Company (in liquidation). (See case study in 2007 Report to Society: <http://www.aga-reports.com/07/kosh-update.htm>).

Gordon Cassim

*Acting Asset Protection Leader, Johannesburg, South Africa*

"My job is highly rewarding. My responsibility is to safeguard the security of AngloGold Ashanti's employees, assets, visitors and executive residences."

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executive. AngloGold Ashanti has revised the criteria for 2008 and considers reputation risk to be more relevant

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- An action was instituted by Mr. Thembekile Mankayi, claiming approximately R2.6 million (\$0.32 million) for damages allegedly suffered by him through contracting silicosis while employed in mines now owned by AngloGold Ashanti. An exception was filed by AngloGold Ashanti against the claim, which was argued at a hearing in February 2008 and upheld in the judgment delivered in June 2008. The plaintiff has been given leave to appeal the judgment, and a date is awaited for the appeal to be heard by the Supreme Court of Appeal. In response to the effects of silicosis in labour-sending communities, a number of mining companies, under the auspices of the Chamber of Mines, together with the National Union of Mineworkers (NUM) and the Department of Health (at national and regional level) have embarked on a project to assist in the delivery of compensation and relief to affected communities.

- In a similar action, claims have been lodged by 19 plaintiffs against Anglo American Corporation of South Africa regarding damages resulting from lung diseases allegedly contracted during the plaintiffs' former employment with Anglo American. Exceptions filed by Anglo American against 10 of the claims were upheld, reducing the number of claims to nine. Pleadings have closed in these matters, and no trial date is expected until the first quarter of 2011.

*Legal issues that arose during 2008*

- In Mali, on 13 May 2008, Yatela SA, SEMOS SA, Morila SA, AngloGold Ashanti Exploration and Somilo, were served with papers from the Action for Environment and Health (APES). APES was formed in May 2008 and alleged that mining companies are causing damage to the environment. APES applied for an urgent court action requesting the Presiding Judge to appoint an environmental expert, a doctor and a veterinarian to determine what harmful impact the mining activities have had on the environment, human health and animal health, respectively. In addition, APES filed a petition for damages for various losses caused by the actions, practices, methods and substances undertaken and sued by the above mentioned companies. APES were claiming damages in the amount of FCFA 150 billion (approximately \$357 million) for harm caused to the people and their environment and to the petitioner itself. The amount claimed was unsubstantiated. In November 2008, the Judge made his final decision and rejected APES' request to nominate experts and for the mining companies to pay the approximately \$357 million. APES may appeal this decision. AngloGold Ashanti management believes that this case has no merit and that the appeal is unlikely to be upheld.

*Engaging with employees, business partners/stakeholders*

AngloGold Ashanti recognises that a wide range of people – employees, their families, communities and others – have interests in its business. Similarly, AngloGold Ashanti has an interest in the communities and countries in which it operates.

A wide variety of formal and informal structures are in place to deal with these business and social partners and other stakeholders, and a comprehensive, but not exhaustive list of these appears at [www.aga-reports.com/08/stakeholders.htm](http://www.aga-reports.com/08/stakeholders.htm). Also see page 16 which deals with stakeholder engagement, and the Country and Operational Reports at [www.aga-reports.com](http://www.aga-reports.com).

In addition to extensive internal communications systems that are in place at an operational level, employee surveys are undertaken to enable employees to raise issues of concern. See case study on Keeping a finger on the pulse in Brazil, at [www.aga-reports.com/08/collective-bargaining.htm](http://www.aga-reports.com/08/collective-bargaining.htm). Employees are also encouraged to raise issues with their line management; significant issues may be escalated through management, to the executive and to the board.

*Engaging with shareholders*

The group has an active investor relations programme in place and regularly engages with significant shareholders. All pertinent information resides on the company's website and is updated regularly and timeously. Shareholders may provide feedback to the company in both a formal and informal way. See the Corporate Governance section of the Annual Financial Statements for further information.

*Voluntary compliance*

In addition to its legal regulatory obligations, AngloGold Ashanti firmly believes in self-regulation and holds the view that local and international industry leaders should establish robust standards against which companies

should perform and be measured. The group is actively involved in a wide range of organisations and initiatives, and is either a member of or signatory to the organisations listed overleaf. It actively supports their aims and objectives, and participates in their development and functioning:

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Voluntary memberships in 2008

Organisation

Date of adoption/membership

AngloGold Ashanti's participation

United Nations Global

August 2004 (Ashanti, August 2001).

The principles of the Global Compact Compact (UNGC)

are considered by the company and reported in the Report to Society.

International Council of

Founding member in 2001.

Active participation in drafting

Mining Metals (ICMM)

codes of practice.

([www.icmm.com](http://www.icmm.com))

Responsible Jewellery

Founding member in 2006.

Formerly known as the Council for Council (RJC)

Responsible Jewellery Practices, the

([www.responsible-](http://www.responsible-jewellery.com)

RJC was re-named late in 2008.

[jewellery.com](http://www.responsible-jewellery.com))

AngloGold Ashanti is represented

on the board by Alan Fine.

Global Reporting Initiative

2003

Organisational Stakeholder of GRI.

(GRI) ([www.global](http://www.global-reporting.org)

[reporting.org](http://www.global-reporting.org))

Extractive Industries

2006

Organisational supporter.

Transparency Initiative (EITI)

([www.eitransparency.org](http://www.eitransparency.org)).

International Cyanide

Founding signatory to the Code 2005.

A key target of the code is to achieve

Management Code for

full participation by all signatories,

the Manufacture,

and an independent audit of this by

Transport, and Use of

all operating subsidiaries of participants.

Cyanide in the Production

of Gold (Cyanide Code)

([www.cyanidecode.org](http://www.cyanidecode.org))

Voluntary Principles on

May 2007.

Signatory.

Human Rights  
([www.voluntaryprinciples.org](http://www.voluntaryprinciples.org))  
and governance  
Ethics  
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## Aims

Developments during the year

The Global Compact provides a framework for businesses

AngloGold Ashanti is an active participant in the local to align their operations and strategies with 10 universally UNGC committee, administered by the National Business accepted principles in the areas of human rights, labour, Initiative in South Africa. The committee meets quarterly the environment and anti-corruption.

to network, share ideas and solve challenges related to the implementation of the Global Compact.

The ICMM was formed by the world's leading mining

During the year the ICMM launched the finalised leadership position in sustainable development. ICMM Assurance Procedures for corporate members, issued members believe that by acting collectively the mining, a position statement on indigenous people, and launched minerals and metals industry can best ensure its continued a good practice note on biodiversity, mine closure, access to land, capital and markets as well as building HIV & AIDS, TB and malaria. Guidelines were also published trust and respect by demonstrating its ability to contribute in the Resource Environment Series and on REACH. successfully to sustainable development.

The leadership guidance section of Phase 1 of Fatal Accident Presentation was completed in 2008 and published in 2009. Work is in progress on Phase 2.

The council's aim is to promote responsible ethical, social AngloGold Ashanti, through its representation on the and environmental practices throughout the diamond and gold board, continues to participate in the development of jewellery supply chain, from mine to retail. standards and related practices.

GRI has pioneered the development of the world's most AngloGold Ashanti's 2004, 2005 and 2006 reports widely used sustainability reporting framework. The framework were compiled in accordance with GRI 2002. The 2007 sets out the principles and indicators that organisations can use report was compiled in accordance with GRI's G3 to measure and report their economic, environmental and guidelines. social performance.

The EITI is a coalition of governments, companies, civil society As a matter of principle, AngloGold Ashanti has established groups, investors and international organisations. It supports a practice of disclosing all payments made to governments improved governance in resource-rich countries by the in its annual Report to Society, regardless of whether the verification and full publication of company payments and country is a formal supporter of the EITI. Furthermore, in government revenues from oil, gas and mining.

countries where governments have indicated a desire to be part of the process, AngloGold Ashanti is actively involved in contributing to the success of the initiative. These countries include Ghana, Guinea, Mali and the DRC.

The Cyanide Code was developed by a multi-stakeholder Ongoing implementation of the code. See page 172 for steering committee under the guidance of the United Nations progress on compliance by AngloGold Ashanti.

Environmental Programme (UNEP) and the then International Council on Metals and the Environment (ICME). The code is a voluntary industry programme for gold mining companies.

It focuses exclusively on the safe management of cyanide and cyanidation mill tailings and leach solutions. Companies that adopt the code must have any mining operations that use cyanide to recover gold audited by an independent third party to determine the status of code implementation. Those operations that meet the code's requirements can be certified. The objective of the code is to improve the management of cyanide in gold mining, to assist in the protection of human health, and to reduce the environmental impacts of cyanide.

These Voluntary Principles were developed out of a multi- A review of security issues, including the application of stakeholder process involving companies and NGOs as a the Voluntary Principles was undertaken during the year. means of helping companies in the extractive sector to improve See case study: Improving security practice in line with their performance in relation to security risk assessment and the Voluntary Principles on Security and Human Rights, the control of security operatives, and to improve relations with on page 212.

communities on security issues.

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Following a strategic review of AngloGold Ashanti's organisational memberships during the year, the company stepped down from its seat on the Strategic Management Advisory Group of the Communities and Small-scale Mining (CASM) initiative, and, while remaining involved, is focusing its efforts on the ICMM Artisanal and Small-scale Mining Working Group, which is the industry's liaison point with the CASM.

Membership by operations and regions of voluntary organisations may be found in the Country and Operational Reports at [www.aga-reports.com](http://www.aga-reports.com).

#### *Disclosure*

AngloGold Ashanti subscribes to a policy of full, accurate and consistent communication in respect of both its operating and financial affairs. A Disclosure Policy (see <http://www.anglogoldashanti.com/About/Corporate+Governance/Guidelines.htm>) has been adopted by the company to guide and ensure compliance with the rules of the various exchanges on which AngloGold Ashanti is listed and provide timely, accurate and reliable information to stakeholders, including investors and potential investors, regulators and analysts. This Disclosure Policy

is applicable to all employees of AngloGold Ashanti and its subsidiaries and members of the Board of Directors. It deals with:

- communication with stock exchanges;
- disclosure standards;
- methods of public disclosure;
- regular disclosure and market guidance;
- other meetings, presentations and disclosure, mine-site visits, group meetings and presentations, and private meetings with analysts and investors;
- communication of information on the website;
- authorised spokespersons;
- dealing with rumours and market speculation; and
- closed periods.

Adherence to this policy is guided by the company's Disclosure Committee, which meets periodically. The Annual Financial Statements and the Report to Society were both reviewed by the Disclosure Committee. A review of the company's Disclosure Policy is in process, and the revised policy is expected to be published in 2009.

#### *Political donations*

Given South Africa's fairly recent transition to democracy, a policy on party political donations was developed specifically to cater for this region. Where political donations are made in other countries they are subject to similar criteria, including full disclosure. The policy is available at [www.anglogoldashanti.com/About/Corporate+Governance/Guidelines.htm](http://www.anglogoldashanti.com/About/Corporate+Governance/Guidelines.htm).

AngloGold Ashanti believes that the principle of multi-party democracy, as contained in the founding provisions of South Africa's constitution, deserves support. When appropriate, the group has provided financial support to political parties with the aim of promoting political competition and public scrutiny of policy and law-making. The group's purpose in this is not to advance its immediate, narrow commercial interests; however, the group will continue to vigorously argue the case for good governance, and to encourage a policy-making environment in which there is a healthy and robust competition of ideas. A subcommittee comprising independent non-executive members of the board has been set up specifically to deliberate on any political donations. The committee did not meet during the year and no political donations were made. It is anticipated that donations will be considered in the run-up to the general elections in South Africa in 2009.

Political donations were made by operations in Brazil and the United States. The Brazilian operations contributed \$476,415 (BRL805,000) towards political parties in the municipalities in which its operations are located. In the United States both the Democratic (\$15,150) and Republican (\$11,150) parties received donations in accordance with the Colorado campaign finance laws.

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*Dealing with contractors*

AngloGold Ashanti endeavours to do business with those companies that share its business ethics and values. Human rights screening is an important part of the group's investment decisions and in reviewing prospective contractors and business partners. (See the Human Rights section of this report on page 112).

The group's procurement and supply chain operations aim to apply of AngloGold Ashanti's principles at two levels.

- *At a contractual level.* Suppliers are assessed for capability as well as product acceptability in terms of standard and quality. Contracts have specific clauses in them relating to safety, health, labour and environmental issues as these are applicable to the contract, and to the country and community in which the goods or services are being delivered.

- *Strict application of policy regarding gifts.* This ensures that no supplier receives undue favour and that employees do not compromise their integrity and impartiality.

Interaction with contractors and suppliers takes place formally on an annual basis, primarily in respect of gifts and hospitality, and also in respect of the company's values and business principles. An internal Group Forensic Unit investigates suspected fraud, malpractice and unacceptable activities. In 2008, 169 cases were investigated of which 16 resulted in disciplinary action and nine were reported to the authorities for criminal investigation. A Supplier Monitoring Committee (SMC) considers and takes action against contractors or suppliers found to have breached our Code of Ethics. In 2008, 24 cases were tabled at the SMC: this resulted in four companies being excluded, six companies being given warnings, with five companies being monitored.

*Policies and procedures*

AngloGold Ashanti has a number of policies and procedures in place to ensure that employees are aware of what is expected of them and conform as appropriate. Employee induction in respect of these policies and procedures is mandatory. Some of the policies in place are discussed below.

- The Market Abuse (Insider Trading) Policy applies to employees and directors and effectively prohibits them from trading shares when they have access to unpublished, material information concerning the company or its operations.

- A Gifts, Hospitality and Sponsorship Policy aims to ensure that no supplier receives undue favour and that employees do not compromise their integrity and impartiality by the receipt or giving of gifts. The policy was amended during the year to include sponsorships.

- A Conflict of Interest Policy aims to ensure that the company's commercial transactions take place in a manner that ensures the integrity and fairness of the company's contract and tender processes. The policy applies to all employees (temporary, part-time and full-time), who may have actual, potential or perceived conflicts of interest between their personal interests and the interests of the company. The policy was amended during the year to include the coherent and comprehensive response that must be made once a conflict has been declared.

- A Code of Ethics for Employees, a Code of Ethics for Senior Financial Officers, and a Confidential Reporting (whistle-blowing) Policy encourages employees and other stakeholders confidentially and anonymously to report acts of an unethical or illegal nature affecting the company's interests.

These policies are available at [www.anglogoldashanti.com/About/Corporate+Governance/Guidelines.htm](http://www.anglogoldashanti.com/About/Corporate+Governance/Guidelines.htm).

*Code of Ethics and confidential reporting (whistle-blowing) in practice*

To comply with the obligations of SOx and the King Code, and in the interests of good governance, the company has systems and procedures to introduce, monitor and enforce its ethical codes (including risk related to corruption at all operations). The whistle-blowing policy and process encourages employees and other stakeholders confidentially and anonymously to report acts of an unethical or illegal nature that are prejudicial to the company's interests and compromise its values.

Specifically, AngloGold Ashanti's whistle-blowing process provides a channel for the reporting of practices in conflict with the group's business principles, such as unlawful conduct and financial malpractice, or that endanger the public and the environment. The process encourages reports to be made in good faith, in a

responsible and ethical manner. Senior management oversees compliance with the Code of Ethics by:

- assessing the integrity of new appointees in the selection and promotion process;

- adherence to the policy when delegating authority;

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- induction and training of directors and employees in the company's values, policies and procedures;
- risk assessment of all business units for risk related to corruption; and
- 

compliance with a strict disciplinary code of conduct.

Employees are informed of the company's policies and procedures at engagement and regularly thereafter.

Employees are encouraged to discuss concerns with their direct managers first where this is appropriate and, if not resolved or where management is involved, to report these through the whistle-blowing line or directly to the internal audit or legal departments. The codes and the whistle-blowing policy are available on the company's website at [www.aga-reports.com/08/governance.policies.htm](http://www.aga-reports.com/08/governance.policies.htm).

There are several means by which reports can be submitted such as the intranet, internet, telephone, fax and post. An initiative is being undertaken to implement text messaging as a medium for reporting.

All reports made in terms of the whistle-blowing policy are administered by a third party, Tip-Offs Anonymous, which ensures all reports are treated confidentially or anonymously, depending on the preference of the caller.

The information is relayed through a reporting structure to an independent official and internal audit for investigation. Feedback on reports is given when requested. A report is provided to the Audit and Corporate Governance Committee on a quarterly basis. Both the Code of Ethics and the Confidential Reporting Policy are available on the company website at [www.anglogoldashanti.com](http://www.anglogoldashanti.com).

The whistle-blowing process was reviewed during the year to ensure that it was accessible to all employees, in applicable languages and time zones where possible.

Whistle-blowing issues are categorised on the basis of information made available regarding the alleged offence.

Reports received in 2008

Category

Completed

In progress

Total

Bribery and corruption

1

1

Conflict of interest

2

2

Enquiry

5

1

6

Fraud

8

6

14

Irregularities

5

7

12

Misconduct

6

4

10

Theft

2

2  
Unethical behaviour  
1  
1  
Unfair labour practice  
2  
2  
Total  
27  
23  
50  
Whistle-blowing reports received  
2008  
Bribery and  
corruption  
2%  
Conflict of  
interest 4%  
Enquiry 12%  
Fraud 28%  
Irregularities 24%  
28%  
24%  
20%  
12%  
2%  
4%  
2%  
4%  
4%  
Misconduct 20%  
Theft 4%  
Unethical  
behaviour 2%  
Unfair labour  
practice  
4%  
*Cerro Vanguardia, Argentina*  
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In 2008, a total of 50 reports were made (2007: 39): 27 investigations had been completed by year-end and 23 were still in progress. These reports related largely to fraud, perceived irregularities and misconduct. The results of the investigations completed by year-end are shown in the table on page 66. Of the 27 investigations completed, four resulted in criminal investigations, two resulted in disciplinary action (reprimands) and two employees resigned.

Results of cases completed

Category	Allega-	Allega-	Coun-	Crimi-	Disci-
Em-					
En-					
Indep-					
Infor-					
Non					
Resol-					
Total					
tions					
tions					
selling	nally				
plined	ployee	quiry	endent	mation	Anglo-
ved					
could					
un-					
repor-					
resig-					
review					
provi-					
Gold					
with					
not be	foun-				
ted					
ned					
con-					
ded					
Ashanti	depart-				
proven	ded				
ducted					
issue					
ment					
Bribery					
-					
1					
-					
-					
-					
-					
-					
-					
-					
-					
1					

and  
corruption  
Enquiry

—  
— —

—  
—  
—

4

—  
1

—  
—

5

Fraud

—  
— —

4

—  
—

—  
3

—  
—

1  
8

Irregu-  
larities

—  
— 1

—  
—

1

—  
—

—  
1

2  
5

Miscon-  
duct

2  
— —

—  
2

1

—  
—

—  
—

1



6  
Unfair  
labour  
practice

—  
— —  
—  
—  
—  
—  
—  
1  
—  
1  
2  
Total  
2  
1  
1  
4  
2  
2  
4  
3  
2  
1  
5  
27

*Obuasi, Ghana*  
Kristina Vlahov  
*Knowledge and Information Administrator, Perth, Australia*  
“Continued emphasis needs to be placed on  
people’s safety at work.”

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*Marketing and communications and customer privacy*

AngloGold Ashanti does not conduct extensive marketing programmes, other than ongoing investor relations initiatives. The latter are conducted in line with the regulations of the markets in which the company is listed and the company's own Disclosure Policy. No sanctions or non-adherence to codes or regulations were reported in 2008.

OBJECTIVES FOR 2009

- Adopt and implement a revised Disclosures Policy, which aims to broaden disclosure to include a wider range of stakeholders.
- Develop a mechanism for identifying, managing and minimising material compliance risks.
- Promote greater understanding and adherence to compliance policies and ethical standards among employees.

*Sunrise Dam, Australia*

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CASE STUDIES:

Case studies describing some of the challenges that the group faces, and how these are addressed, may be found on the Report to Society website at [www.aga-reports.com](http://www.aga-reports.com), or at the specific urls listed below.

GROUP

*Renewing our commitment to doing things the right way*

On 10 October 2007, prompted by the one million fatality-free shifts achieved at Great Nologwa mine in South Africa, Chief Executive Officer, Mark Cutifani declared 'Safety' as the 'first value' of AngloGold Ashanti. AngloGold Ashanti then embarked on a consultative review of the company's mission, vision and values, building on the commitment of 'Safety is our first value'. The communication strategy for the values roll-out was designed to ensure that the message reached its target audience, namely AngloGold Ashanti employees at all levels, and that it was well understood. See the case study at [www.aga-reports.com/08/value-renew.htm](http://www.aga-reports.com/08/value-renew.htm).

*Development of an Integrated Global Incident Reporting System for AngloGold Ashanti*

There are occasions where incidents take place across a broad range of disciplines including safety, health, security, community and the environment in a global company. It is often beneficial to distribute the details of these incidents across the company and share learning points arising from these incidents globally. To achieve this, the company is in the process of developing a system to formalise the reporting of incidents into a common portal available to all AngloGold Ashanti sites around the globe. The long-term objectives of the system are to effect a decrease in repeat incidents, and to provide timeous and accurate information across a broad range of categories. See case study at [www.aga-reports.com/08/incident-reporting.htm](http://www.aga-reports.com/08/incident-reporting.htm).

*African operations to benefit from new whistle-blowing process*

In 2008 the company's effective whistle-blowing process and the design and development of new methods was reviewed to make access to this confidential reporting service more accessible to employees in African operations. AngloGold Ashanti's "whistle-blowing" process was first established in 2003 to provide a channel for shareholders, the public, employees, suppliers, contractors and any other interested parties to report practices that are in conflict with AngloGold Ashanti's business principles, which constitute unlawful conduct or financial malpractice, or which endangers the public or the environment. See case study at [www.aga-reports.com/08/whistle-blowing.htm](http://www.aga-reports.com/08/whistle-blowing.htm).

*Yatela, Ghana*

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Key developments

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Safety: our first value

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The year in review

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Performance in 2008

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Safety

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Objectives for 2009

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## KEY DEVELOPMENTS

- Re-evaluation of the group's mission, vision and values, and affirmation of safety and health as the group's first value.
- Significant interventions in the Southern African Division on the work practice aspects of safety and health, including introduction of the 'Care' and 'It's OK' initiatives.
- Start of a group-wide occupational safety and health leadership transformation project to assist in developing a strategic safety and health 'blueprint'.
- Continued progress with group's strategic response to silicosis and striving for continued improvement through ongoing investigation into methods of dust control and sampling methods.
- Significant improvement in safety performance. FIFR at a record low level but, regrettably, 14 people died in accidents at the group's operations. An 11% reduction in LTIFR.
- Excellent progress with OHSAS 18001 implementation – the final two operations being recommended for certification in December 2008.
- Occupational health and safety system and practices protocol developed.

## SAFETY: OUR FIRST VALUE

A key part of the company's safety initiative in 2008 was the assertion that safety is the group's first value. This was the focus of the extensive safety initiative conducted during the year to ensure that this value is both understood by all and put into practice at all levels within the group. The following is an extract from AngloGold Ashanti's statement of values:

### *Safety is our first value*

*We place people first and correspondingly put the highest priority on safe and healthy practices and systems of work. We are responsible for seeking out new and innovative ways to ensure that our workplaces are free of occupational injury and illness. We live each day for each other and use our collective commitment, talents, resources and systems to deliver on our most important commitment ... to care.*

Further details on AngloGold Ashanti's values and business principles may be found at: [www.anglogoldashanti.com/Values/Values.htm](http://www.anglogoldashanti.com/Values/Values.htm).

As the group's values were reviewed during the year, so the group's undertakings or business principles are now in the process of being reviewed and revised where appropriate. The business principles regarding safety and health serve also as the group policy, and guide regional and operational policies and practices. The process of engagement in developing the new values and the communication around this are discussed in the case study: Renewing the commitment to doing things the right way, at [www.aga-reports.com/08/values.htm](http://www.aga-reports.com/08/values.htm).

## THE YEAR IN REVIEW

Significant emphasis continued to be placed on safety and health during the year with the implementation of the company's updated vision, values and related business principles.

### *Management systems and accountability*

#### *Group level leadership*

In line with the increased emphasis on the management systems that underpin safety and health, a group-level safety manager oversees and reports on integrated practices, guides policy and reviews performance. The Group Manager: Safety (assisted by safety and health experts respectively) reports to the Executive Vice President: Sustainability, who reports on safety and health matters at the company's regular Executive Committee meetings and safety executive meetings.

and health

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*Board responsibility*

At board level, oversight of safety and health falls within the ambit of the Safety, Health and Sustainable Development Committee. This committee meets quarterly and is empowered in terms of the authority and responsibility delegated to it by the board. One of the primary stated objectives of this committee is to ensure the elimination of all work-related accidents and diseases. Further discussion of the roles and responsibilities of this committee, and its composition and activities during the year may be found in the Ethics and Governance section on page 52 of this report and the Corporate Governance section of the Annual Financial Statements 2008 at [www.aga-reports.com](http://www.aga-reports.com).

*Developing a safety and health 'blueprint'*

In line with the group's change to the positioning of its safety and health policy and strategy, and the implementation of a global 'safety is our first value' initiative, AngloGold Ashanti embarked on an occupational safety and health leadership transformation project to create a strategic 'blueprint' for occupational safety and health in the company. The project is being conducted in conjunction with external consultants, ZEAL, and with the full involvement of the group's safety and health management structures. This included extensive consultation with core disciplines, operational management and union leadership. Other external parties and specialists are also being consulted. See the case study: Developing a new blueprint for safety and health for AngloGold Ashanti, on page 188 of this report, or at [www.aga-reports.com/08/safety-blueprint.htm](http://www.aga-reports.com/08/safety-blueprint.htm).

The project team undertook site visits as well as in-depth management and employee interviews through both face-to-face and focus group sessions. Additionally, an extensive employee safety and health culture survey was conducted. The aim of this process was to achieve a better understanding of the group's current management cultures, structures and systems. In addition, an analysis of the macro environmental drivers, industry trends and best practice was undertaken in order to develop future scenarios that might affect safety and health. Initial outcomes from this project will be available in early 2009 for consideration by the executive. Strategic initiatives to instil a culture of care have been effective across the group. These are supported by empowering people to take responsibility for their own safety and health and that of their colleagues, and by recognising safety achievements. See case study: New approach to safety and health in South Africa pays dividends, on page 192 of this report, and at [www.aga-reports.com/08/safety-SA.htm](http://www.aga-reports.com/08/safety-SA.htm).

*Safety and health policy*

While the group-level safety and health policy is applicable to all operations, each operation also has in place safety and health policies that have been developed to take into account country- and operation-specific conditions, regulations and requirements. Unions and employees are generally involved in the development of these policies and, in South Africa this interaction has typically been formal and enshrined in recognition agreements. Policies and agreements vary from region to region, taking into account local collective bargaining structures, legislation and site-specific circumstances. Local policies and agreements typically cover issues such as: the provision of personal protective equipment, joint management-employee safety and health committees, participation of employee representatives in inspection and audits, training and education, grievance mechanisms, and the right to refuse unsafe work.

Julia Marumo

*Supervisor, Moab Khotsong, South Africa*

"AngloGold Ashanti has given me the opportunity to occupy a position of authority and lead a team. I believe the company is progressive and is a strong believer in its own people".

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*Safety and health systems*

The management of safety and health at an operational level is the responsibility of line management, with the general manager of each operation ultimately being accountable for performance. He or she is, in turn, supported by specialist safety and health personnel at corporate, regional and operational levels. Health care services are provided to all employees at all operations and, in some cases, to their dependants. In South Africa and at many of the African operations, health care services are largely made available by company-owned and managed facilities, while at other operations these are outsourced to third-party service providers. All employees have access to primary health care, occupational health care and emergency medical facilities as a minimum. If appropriate company hospital facilities are not available, mechanisms are in place for onward referral.

The roll-out of the OHSAS 18001 safety and health management standard continued during the year, with the final two operations being recommended for certification by year-end. A safety and health systems and practice assessment protocol which is consistent with OHSAS 18001 was developed and implemented at all operations during the course of the year. All relevant role-players have been familiarised with its requirements, and the majority of the preliminary assessments had been carried out by year-end. See case study, Implementing a health and safety systems and practice protocol to monitor compliance with OHSAS 18001, at [www.aga-reports.com/08/safety-protocol.htm](http://www.aga-reports.com/08/safety-protocol.htm).

Work on safety improvement programmes began during the year at exploration sites in the Democratic Republic of Congo (DRC), Colombia and Tropicana (Australia). An assessment of existing systems was undertaken in the DRC and in Colombia, where a dedicated safety and health manager was also appointed.

*Risk assessments and accident reviews*

The identification and mitigation of risk is a vital part of the company's operations and an integral part of the safety and health management process. Matters relating to safety and health are considered as part of the group's risk management strategy. Risk assessments are conducted regularly at both a group and operational level and are related to specific events or issues.

In the event of a fatal accident, a formal review is undertaken by mine management, with unions (in South Africa) and the regulatory authorities. In South Africa, the Department Minerals and Energy (DME) undertakes an *in loco* inspection immediately following a fatal accident, as well as an independent inquiry to which management and unions contribute. In addition, all fatal accidents within the group are the subject of an intensive internal investigation by a corporate office team, whose findings and recommendations are presented to, and considered by, the group's executive team.

*Mponeng, South Africa*

and health

Safety

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*Regulatory issues*

In South Africa, there were major developments on safety and health front from a regulatory point of view.

- Safety audits as instituted by the former President of the country, Thabo Mbeki, were undertaken across the mining industry to determine the degree of compliance by mining operations with safety and health provisions as prescribed by the Mine Health and Safety Act. All of AngloGold Ashanti's operations in South Africa were audited. The results of the audits had recently been made public at the time of drafting of this report, and were in the process of being analysed.

- Amendments to the Mine Health and Safety Act were tabled before Parliament and subsequently approved by the Parliamentary Portfolio Committee and the National Assembly in September 2008. They are expected to be promulgated during 2009. AngloGold Ashanti, through the Chamber of Mines, made submissions to the DME on the content of the amendments. The amendments provide for a significant broadening of the powers of the DME's safety inspectorate, with provisions for higher fines for non-compliance as well as greater levels of criminal liability for employers.

Also during the year, the Council of Australian Governments identified national harmonisation of occupational safety and health laws as a priority and a national review is being undertaken.

*AngloGold Ashanti's reaction to the amendments to the South African Mine Health and Safety Act*

AngloGold Ashanti supports and encourages all initiatives that its management believes will improve the safety and health performance of the mining industry. The new amendments have been welcomed, save for five provisions. The most controversial provision is one that seeks to render mine management responsible for the actions or omissions of employees, even where proper instructions and guidance have been provided. It is feared that a provision of this kind could deprive the industry of its most experienced managers as they may fear prosecution for incidents for which they would bear no practical responsibility. The industry, through the Chamber of Mines, is engaging with the Presidency on the wisdom and the constitutionality of these sections.

*Employee involvement*

In line with the group's overall commitment to collective bargaining and employee participation, a great deal of emphasis is placed on the involvement of employees in both safety and health strategy and performance. This is reflected in the design of the safety and health transformation process discussed above.

Agreements governing the management of safety and health, which were negotiated with representative unions or were developed with the co-operation of employees, are in place at all operations.

Around 83% of the group's global workforce are either members of a recognised union or participate in a formal collective bargaining process. Based on this statistic and the group's emphasis on a participative approach to safety and health, it is estimated that at least 90% of the total workforce is represented in formal joint management-employee safety and health committees. Their role is to monitor and advise on occupational safety and health programmes, and hence participate in the management of safety and health through forums created specifically for this purpose.

More detail on the the level of employee participation is given below.

- In *Argentina*, there is strong employee participation in safety and health matters.

- While the *Australian* workforce is not unionised, employees are encouraged to participate in matters relating to safety and health. All work groups have designated safety and health representatives who have been trained for that role and work in co-operation with management to address matters of concern and inspect areas of work.

*Savuka, South Africa*



- In *Brazil*, while union agreements do not formally address safety and health issues, employees and unions are actively involved in formal joint health and safety committees that help monitor and advise on safety and health matters. An internal committee for accident prevention (called CIPAMIN) has been set up at both Brasil Mineraçã

~o and Serra Grande and provides for employee representatives to actively participate in risk identification and mitigation.

- In *Ghana*, collective bargaining agreements cover safety and health management and relationships. At both Iduapriem and Obuasi, safety and health representatives from each department participate in monthly safety and health meetings.

- In *Guinea*, the union is involved in safety and health matters. Safety and health champions nominated from each department participate in monthly safety and health meetings, and in accident investigations.

- In *Mali*, the union (which represents all Malian employees) participates in the election of safety representatives and participates in monthly safety and health management meetings as well as in investigations into accidents and incidents. All safety representatives meet once a quarter.

- In *Namibia*, a safety and health agreement with the union (which represents 80% of the workforce) governs the management of safety and health.

- In *South Africa*, each mine and plant has a formal safety and health agreement that has been developed between management and union representatives. Around 95% of the workforce is covered by collective bargaining agreements. These agreements have been developed to meet the requirements of the Mine Health and Safety Act and consider mine- and plant-specific circumstances. In line with the Act, joint health and safety committees function at each operation. In 2008, 36 full-time safety and health stewards and 2,666 safety and health representatives (who are elected by employees, trained by management and designated and appointed in terms of the Act) were in place.

- In *Tanzania*, employee representatives (one for every 50 employees) make up the Safety and Health Representative Committee which meets twice a month with management to discuss relevant issues.

- CC&V in the *USA* is not unionised. Employees are encouraged to participate in safety and health issues and regular safety meetings are held, from weekly meetings with operating staff to joint meetings once per month. The provision of training – both formal and on-the-job training – in respect of safety and health matters receives priority, with an emphasis on ensuring that employees are both competent to carry out their duties and their responsibilities safely, and that they are able to identify and deal with hazards in the workplace. A wide range of safety and health training initiatives were undertaken at the various operations in 2008. Further detail may be found in the country reports at [www.aga-reports.com/08/Country-reports.htm](http://www.aga-reports.com/08/Country-reports.htm). The safety and health area has not escaped the pressure of skills shortages experienced elsewhere in the group. High staff turnover levels among safety and health specialists is an area of concern and plans to address this are being put in place at the affected operations.

Kathleen Booth

*Mine Geologist, Sunrise Dam, Australia*

“We are accountable for our actions and undertake to deliver on our commitments. Values reflect a company’s integrity and facilitate the way we move forward as a leader in the mining sector.”

and health

Safety



Contractors employed to undertake short- and long-term mining operations, and specialist services, are subject to the group's safety and health policies and practices. The group's safety and health policy, procedures, standards and requirements form an integral part of procurement and contractor engagement processes. Contractor safety and health performance is a key criterion when the company considers the appointment or re-appointment of contractors.

*Emergency preparedness*

Emergency preparedness plans are in place at all operations except Navachab, where a draft plan is currently being finalised. Emergency preparedness plans are reviewed regularly and regular training is undertaken. Where communities are located in close proximity to operations, communities are involved in emergency preparations. See Country and Operational Reports for further detail on specific plans in place at each operation.

*Emergency preparedness at the Australian operations*

The Australian region has two levels of emergency preparedness in place: a crisis management plan, run from the company's office in Perth, and a site emergency plan at Sunrise Dam mine.

The crisis management plan is only activated if the sites under its management require support to manage emergency issues arising from a significant incident. Sunrise Dam's site-based integrated emergency management plan addresses all possible emergencies that may occur on site. Exploration sites are covered under the crisis management plan.

The two plans are regularly tested through desktop exercises and scenario enactments that are planned, executed and reviewed by the actual teams involved.

Sunrise Dam has established a mutual aid agreement for support on emergency matters with neighbouring mining companies and the Shire of Laverton.

A mine-based emergency response team has an annual training schedule in place that requires members to participate when on site as part of their shift roster. The focus of this training is on the theory and application of fire-fighting, hazardous chemical response, vehicle extraction and first-aid rescue. After each training session, desktop exercises and planned scenario debriefs are used to plan for future training.

The Sunrise Dam team was the best performing team at the annual surface mine emergency response challenge held under the auspices of the Chamber of Minerals and Energy of Western Australia in Kalgoorlie in May 2008. The team's captain also received recognition, and a team member received an award for his service to emergency management in the mining industry. In November, the Sunrise Dam team was again the winner in the underground mine emergency response challenge.

*Sunrise Dam, Australia*

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## PERFORMANCE IN 2008

Both lagging indicators (reflecting historical performance and trends) and leading indicators (those that may cause or lead to certain performance levels and which may be site-specific) are monitored on an ongoing basis to assess and manage safety and health performance across the group. They are also used to inform the development of strategies for their management in the future. Reporting on safety and health, which is undertaken at an operational, regional and group level, is based on performance assessments in line with country-specific legislation and norms. AngloGold Ashanti reports key indicators in line with the GRI guidelines and other international benchmarks.

It should be noted that the Morila mine is no longer being managed by AngloGold Ashanti, although the company continues to hold a 40% interest in this operation. Morila's safety statistics are reported by Randgold Resources and have been excluded from AngloGold Ashanti's aggregate group statistics in 2008.

## SAFETY

It is with regret that AngloGold Ashanti reports that 14 employees lost their lives during the course of work in 2008. There were 11 fatal accidents at the South African operations, two fatal accidents at Obuasi Mine in Ghana and one at Serra Grande mine in Brazil. The names and details of those who died are recorded on page 77.

### Safety

Sicelo Ntuli

*Manager: Business Strategy, Corporate Office, South Africa*

"I provide specialist support to the Chief Executive Officer, and senior management of the organisation, in defining AngloGold Ashanti's business strategy. This is achieved by business analysis which then facilitates the decision-making. I am very excited at the vision and strategy that Mark Cutifani and the executive team have for AngloGold Ashanti. If things work in our favour, we could be poised for significant growth."

*CC&V, USA*

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*In memoriam:* in remembrance of those who died at work during 2008

Name and age

Date 2008

Operation

Occupation

Home

Families

Thabo Lekhafola (42)

10 January

Kopanang,

Underground Qachas Nek,

Thabo leaves

South Africa

assistant

Lesotho

his wife Masebina

and six children.

Sekhumane

28 January

Great Nologwa,

Loader

Maseru,

Sekhumane

Lenstsoe (49)

South Africa

operator

Lesotho

leaves his wife

Makutloano and

one child.

Kwame Siekuu (52)

10 February

Obuasi,

Foreman

Gbanko-Kaleo Kwame leaves

Ghana

Wa, Ghana

his wives Yalanyee

and Theresa, and

four children.

Raimundo Armando

12 February

Serra Grande,

Maintenance

Serrita

Raimundo leaves

Matias (38)

Brazil

mechanic

Pernambuco

his wife Marilene



Province,  
and three children.  
Brazil  
Vusumzi Ndiki (38)  
7 March  
Kopanang,  
Mining team  
Nqamakwe,  
Vusumzi leaves  
South Africa  
member  
Butterworth,  
his mother,  
Eastern Cape, Nosandile Ndiki.  
South Africa  
Tumelo Daemane (43)  
26 June  
TauTona,  
Stope  
Leribe,  
Tumelo leaves his  
South Africa  
multi-task  
Lesotho  
wife Mamathole  
team  
and three children.  
member  
Paulino Luis Cossa  
11 August  
Mponeng,  
Locomotive  
Maputo,  
Paulino leaves  
(40)  
South Africa  
operator  
Mozambique  
his wife Bonita  
and two children.  
Mankunzana  
15 August  
TauTona,  
Stope driller  
Umtata,  
Mankunzana  
Tshungwana (47)  
South Africa  
Eastern Cape, leaves his wife  
South Africa  
Nofezile and two

children.

Bar Gamalenkosi

18 September Savuka,  
Scraper Nhlango, Nhlango,

Bar leaves his wife

Dlamini (43)

South Africa

winch

Swaziland

Nonhlanhla

operator

and two children.

Moitlhokedi

27 September TauTona,

Stope driller

Kanye,

Moitlhokedi

Chankana (55)

South Africa

Botswana

leaves his wife

Ontefetse and four

children.

Ramarou Johannes

2 October

TauTona,

Development Mohaleshoek,

Ramarou was

Mfukeni (34)

South Africa

driller

Lesotho

single and leaves

no children.

Kwadwo Gido (45)

25 October

Obuasi, Ghana

Foreman,

Wa,

Kwadwo leaves

general

Ghana

his wife Abena

underground

and four children.

duties

Clement Morolong

2 December

Moab Khotsong, Locomotive

Leribe,

Clement leaves

(44)

South Africa  
operator

Lesotho  
three children.

Koos Snyman (58)

18 December

Mponeng,  
Electrician

Fochville,

Koos leaves

South Africa

South Africa

his wife Erica and

three children.

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The board and management of AngloGold Ashanti extend their deepest sympathies to the families and colleagues of those who died. It is the company's sincere objective to eliminate accidents at work, especially fatalities, and a significant amount of effort and attention is being given to this.

While this performance falls short of AngloGold Ashanti's objective of eliminating all fatal incidents at work, these statistics represent a significant improvement on the previous year (when 34 people died at work) and the best-ever performance of the group.

The group continues to provide special support to the families and children of those who have died at work. The Masifunde Fund (meaning 'Let us learn' in isiZulu) was established in 2000 to provide for the cost of tuition, boarding and books at public schools for the children of employees killed in South African mine accidents. This is over and above the regular financial and in-kind support provided to the families of the deceased. While the company recognises that there is no compensation sufficient to make up for the loss of a loved one, it is hoped that the contribution made by the fund to the education and development of the children of mineworkers who died will provide some financial relief to the bereaved families.

0  
5  
10  
15  
20  
25  
30  
35  
40

Fatal accidents  
(2004 to 2008)

06  
05  
04  
07  
08  
14  
34  
37  
25  
31  
0.5  
1.0  
1.5  
2.0  
2.5  
3.0  
3.5  
4.0  
0.0

Fatal accidents 2008

K. Kopanang  
GN. Great Noligwa  
O. Obuasi  
SG. Serra Grande  
O  
GN  
K

SG

TT

4

1

2

1

2

M

S

MK

2

1

1

TT. TauTona

M. Mponeng

S. Savuka

MK. Moab Khotsong

*Cerro Vanguardia, Argentina*

and health

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0.00  
0.05  
0.10  
0.15  
0.20  
0.25

FIFR per million hours worked

06  
05  
04  
07  
08  
0.09  
0.21  
0.22  
0.14  
0.19

Causes of fatal accidents 2008 (%)

Fall of ground

43%

Inundation

7%

Machinery

7%

Trucks and tramming

22%

Heavy mobile equipment

14%

Electricity

7%

43%

7%

14%

22%

7%

7%

Fatal Injury Frequency Rate (FIFR) per million hours worked

2008

2007

2006

Argentina

Cerro Vanguardia

0.00

0.00

0.00

Australia

Sunrise Dam

0.00

0.00

0.00

Brazil  
Brasil Mineração  
0.00  
0.00  
0.00  
Serra Grande  
0.43  
0.49  
0.00  
Ghana  
Iduapriem  
0.00  
0.00  
0.00  
Obuasi  
0.10  
0.19  
0.08  
Guinea  
Siguiri  
0.00  
0.00  
0.31  
Mali  
Sadiola  
0.00  
0.00  
0.00  
Yatela  
0.00  
0.00  
0.43  
Namibia  
Navachab  
0.00  
0.00  
0.00  
South Africa  
Great Noligwa  
0.07  
0.11  
0.36  
Kopanang  
0.14  
0.22  
0.14  
Moab Khotsong  
0.08  
0.57  
0.27  
Mponeng

0.14  
0.42  
0.30  
Savuka  
0.33  
0.79  
0.00  
Tau Lekoa  
0.00  
0.58  
0.15  
TauTona  
0.35  
0.40  
1.23  
Tanzania  
Geita  
0.00  
0.00  
0.00  
USA  
CC&V  
0.00  
0.00  
0.00  
Group  
0.09  
0.21  
0.22  
0  
1  
2  
3  
4  
5  
6  
7  
8  
9  
LTIFR per million hours worked  
06  
05  
04  
07  
08  
8.24  
7.70  
6.77  
6.56  
7.32  
*Obuasi, Ghana*





Lost Time Injury Frequency Rate (LTIFR) per million hours worked

2008	
2007	
2006	
Argentina	
Cerro Vanguardia	3.98
	3.34
	3.13
Australia	
Sunrise Dam	1.83
	2.63
	1.81
Brazil	
Brasil Mineração	3.06
	2.30
	2.33
Serra Grande	1.29
	2.47
	1.76
Ghana	
Iduapriem	1.63
	0.46
	1.15
Obuasi	2.10
	2.72
	2.29
Guinea	
Siguiri	0.42
	0.41
	0.77
Mali	
Sadiola	0.87
	1.11
	1.02
Yatela	1.15
	0.39
	0.43
Namibia	
Navachab	0.00
	4.59
	4.09

South Africa
Great Noligwa
14.66
14.46
12.21
Kopanang
12.86
13.10
15.22
Moab Khotsong
11.98
13.48
15.75
Mponeng
11.44
13.08
10.70
Savuka
15.20
25.99
19.30
Tau Lekoa
16.57
19.07
24.99
TauTona
13.46
18.14
17.09
Tanzania
Geita
0.86
0.68
0.63
USA
CC&V
4.83
2.53
0.00
Group
7.32
8.24
7.70

The number of fatalities – 14 in 2008 – was a significant improvement on the group’s performance in 2007, when 34 people died at work. The Fatal Injury Frequency Rate (FIFR), at 0.09 per million hours worked, was consequently 59% lower, compared with the 0.21 per million hours worked in 2007. Eleven of the 18 operating mining units did not experience a fatal incident (10 in 2007). The Lost Time Injury Frequency Rate (LTIFR) improved by 11% to 7.32 injuries per million hours worked.

In South Africa, Section 54 of the Mine Health and Safety Act provides for the Mine Safety Inspectorate to close part or all of a mine should it believe that any particular occurrence or condition may endanger the health and safety of any individual on the mine. In 2008, AngloGold Ashanti received 34 instructions in terms of Section

54 to close significant sections of mining operations. Not all of these followed fatal incidents, as was the case in 2007. In 2008, 44 full shifts were lost as a result of the imposition of these Section 54 orders (2007: 38). In response to each Section 54 instruction, an investigation is undertaken, remedial actions are proposed and implemented, and a presentation is made to the Safety Inspectorate to communicate the remedial work undertaken.

AngloGold Ashanti believes that good safety performance and efficient production go hand-in-hand. The company is working very closely with its counterparts in the unions and the Safety Inspectorate to ensure both compliance with standards and improvement in performance.

*Serra Grande, Brazil*

and health

Safety

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## AWARDS AND ACHIEVEMENTS

The following mines did not experience a fatal accident in 2008:

Cerro Vanguardia, Argentina

Sadiola and Yatela, Mali

Sunrise Dam, Australia

Navachab, Namibia

Brasil Mineração, Brazil

Tau Lekoa, South Africa

Iduapriem, Ghana

Geita, Tanzania

Siguiri, Guinea

CC&V, United States

*South Africa*

•

In June 2008, Mponeng received recognition from the Mine Health and Safety Council for achieving one million fatality-free shifts.

•

In June 2008, Moab Khotsong achieved one million fatality-free shifts, and on 10 August 2008 recorded one year without an occupational fatality.

•

In September 2008, Savuka recorded one year without a fatal accident.

•

In September 2008, Great Noligwa recorded one million fatality-free shifts.

•

In November 2008, Kopanang achieved one million fatality-free shifts (its the eighth such award).

*Ghana*

•

In August 2008, Obuasi recorded one million fatality-free shifts.

*Australia*

•

Sunrise Dam's emergency response team was the best-performing team at the annual Chamber of Minerals and Energy emergency response challenge in the surface mine category Kalgoorlie in May 2008, and took first place in the underground challenge in November.

•

Sunrise Dam won the Great Improvement in Safety and Health and Health Performance Award in the Downer EDI Annual Mining Awards in the fourth quarter of 2008.

*Obuasi, Ghana*

*Mponeng, South Africa*

*Kgomotso Mosote*

*Section Operator, Savuka, South Africa*

“Being exposed to the metallurgical environment has been a great learning experience for me; I have been fascinated and inspired by

the way in which management works with the operational team to find solutions to challenges that sometimes arise in our underground environment. AngloGold Ashanti is a great company to work for and I believe that skills transfer is a corporate value that we need to aggressively embark on”.

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OHSAS 18001 certification

Mine

Date certified

Argentina

Cerro Vanguardia

December 2006

Australia

Sunrise Dam

December 2007

Brazil

Brasil Mineração

May 2008

Serra Grande

September 2007

Ghana

Iduapriem

January 2008

Obuasi

December 2008

Guinea

Siguiri

December 2008

Mali

Sadiola

March 2008

Yatela

March 2008

Namibia

Navachab

December 2007

Recertified in

December 2008

South Africa

Great Noligwa

September 2008

Moab Khotsong

June 2008

Mponeng

July 2008

Kopanang

August 2008

Savuka

July 2008

TauTona

September 2008

Tau Lekoa

October 2008

Tanzania

Geita

November 2007

USA

CC&V

October 2007

## HEALTH

Occupational health risks to employees differ significantly from region to region and depend on the type of mining operation. The most significant occupational health risks within the company include: occupational lung disease (OLD), which comprises silicosis and occupational tuberculosis (TB) in underground operations that are host to quartz-bearing rock; noise-induced hearing loss (NIHL); heat stress; and radiation. Occupational health regulations require ongoing biological monitoring for lead, mercury and arsenic, among others.

The occupational health risks, and the company's approach to their management, are outlined in more detail in the sections that follow.

### *Medical surveillance*

Medical surveillance for occupational illness is undertaken at all operations except CC&V, where comprehensive medical care facilities are available to employees and the risk of occupational illness is deemed to be low. The facilities and systems in place are dependent on the risk profile of each operation, as well as the requirements of local legislation. Information relating to operational occupational health surveillance programmes and specific issues that are dealt with may be found in the Country and Operational Reports, which are available on the website at [www.aga-reports.com/08/Country-reports.htm](http://www.aga-reports.com/08/Country-reports.htm).

### *Siguiri, Guinea*

and health

Safety

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Typically, occupational health surveillance examinations take place when an employee joins the company, at periodic intervals during employment (depending on the risk, local regulatory requirements and standards) and when he or she is transferred from one operation to another or leaves the organisation (retirement or resignation). In South Africa, 51,057 medical surveillance examinations were undertaken by the group's two occupational health centres (2007: 51,064). Across the group, a total of 66,039 medical surveillance examinations were conducted.

In 2007, the group identified a need to improve occupational health practices and medical surveillance at Obuasi in Ghana, Geita in Tanzania and Navachab in Namibia; this remained an area of focus in 2008. Work began on the occupational health facility at Obuasi in June and a risk-based medical surveillance programme was introduced. The hospital at Iduapriem in Ghana is also being expanded and should result in improved occupational health care through the addition of, among other things, an X-ray facility. A new hospital was opened at Siguiri in Guinea in 2008.

No new cases of occupational illness were reported in Brazil, Argentina, Australia or the United States. A review of occupational health practice was undertaken at Sunrise Dam in Australia and at CC&V in the United States during the year.

#### *Occupational Lung Disease (OLD)*

The most significant occupational hazard for employees is exposure to respirable silica dust, which can cause OLD. OLD includes TB, TB silicosis and obstructive airways diseases. TB incidence and prevalence levels are aggravated by the high rate of HIV prevalence in the mining population, with HIV being a major factor in the development of TB. It is estimated that about 85% of employees diagnosed with TB are also HIV-positive.

In 2008, 761 cases of OLD (all at the South African operations) were compensated by the Medical Bureau for Occupational Diseases (MBOD). This represents a rate of 22 per 1,000 employees. In 2007, there were 207 cases of OLD in South Africa, which were compensated by the MBOD (a rate of six per 1,000 employees). The apparent deterioration in the OLD rate is attributable to the MBOD addressing historical backlogs.

#### *Silicosis*

Silicosis is a disease characterised by lung fibrosis caused by the inhalation of particles containing respirable crystalline silica dust. It represents a risk in underground mining areas where there are high concentrations of quartz within the orebody. While the threat of silicosis persists in South Africa, efforts to eradicate the disease have largely been successful at the group's operations in Brazil, as a result of the mechanisation of many processes, successful dust management programmes, intensive monitoring, and Brazilian legislation that limits the number of years that employees may work underground.

In South Africa, all employees exposed to silica dust undergo a chest X-ray every six months, along with an annual clinical examination, and a three-yearly lung function test. Employees diagnosed with early-stage silicosis are referred to the Medically Affected Employee Policy (MAEP) where they are counselled and efforts are made to place them in lower-risk areas.

In South Africa, 442 new cases of silicosis (pure silicosis and all combinations of silicosis) were identified and submitted to the MBOD for compensation (a rate of 13 per 1,000 employees). In 2007, 462 cases were submitted to the MBOD (a rate of 14 per 1,000 employees).

The case of Mr Thembekile Mankayi was heard in the High Court of South Africa in July 2008. This follows a claim received in October 2006 by AngloGold Ashanti for compensation in respect of damages suffered by Mr Mankayi following his alleged contraction of silicosis. Mr Mankayi was employed by the company at Vaal Reefs Mine from 1979 to 1995. AngloGold Ashanti successfully defended this action on the basis that section 35 of the Compensation for Occupational Injury and Diseases Act (Act 130 of 1993) (COIDA), which precludes common law redress and provides compensation directly to the mineworker, was also intended to apply to the Occupational Diseases in Mines and Works Act (ODMWA). Compensation for silicosis is currently provided for under the latter. Following the judgement, Mr Mankayi filed an application for leave to appeal the ruling under the auspices of the Supreme Court of Appeal in Bloemfontein. In the light of the fact that this issue is of

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importance both to Mr Mankayi and to the South African mining industry, AngloGold Ashanti has not opposed leave to appeal, which has been granted. The appeal may be heard in 2009 or 2010.

AngloGold Ashanti recognises that silicosis is a significant issue for past, current and future employees.

The group has adopted a comprehensive programme to address silicosis that targets:

- the desired reduction and eventual elimination of the disease by addressing its cause – silica dust; and

- the identification, care and compensation of those afflicted.

A concerted effort to limit silica exposure within the underground operations involves:

- engineering measures to limit the generation of and exposure to dust by employees;

- monitoring and management of any exposure, and the development and implementation of administrative controls;

- education of employees, management of protective measures and cultivating an understanding of both the hazard and the impacts of exposure; and

- the use of personal protective equipment.

the occupational exposure limit (OEL) of 0.1 mg/m

3

. This is in line with the industry-agreed target, in terms of body, the Mine Health and Safety Council.

As part of an ongoing process aimed at continuous improvement, the company continues to investigate both methods of dust management and monitoring methodologies. Progress in respect of dust levels thus far has been as a result of a combination of factors, including the implementation of engineering controls such as:

- adherence to ventilation standards;

- effective watering-down practices;

- water quality management; and

- footwall treatment programmes.

The installation of upgraded air filtration equipment was also completed during the year.

and health

Safety

*Geita, Tanzania*

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The AngloGold Ashanti South African division reported that 3.1% of employees were exposed to dust levels above which 95% of all individual samples must be below this limit. These industry targets were agreed by a tripartite

Adherence to administrative controls is critically important in the programme (for example, adherence to blast re-entry times and individual employee shift duration). The provision of personal protective equipment to employees working in high-risk areas (such as those involved in ore transport and tipping) is also important, and compliance requires continual focus.

The slow rate of certification of employees suffering from silicosis by the South African MBOD, and subsequent compensation in terms of national legislation, is still a concern. Inadequate systems and a lack of resources continued to result in significant delays and, even more worrying, many silicosis sufferers are presumed to be unidentified and without compensation. This legacy is a common and significant issue for the gold mining industry in South Africa and was the basis of an industry initiative undertaken under the auspices of the Chamber of Mines, and involving AngloGold Ashanti, Gold Fields, Harmony, the DME and the National Union of Mineworkers (NUM), to identify affected former mining industry employees in need of care and to improve access to follow-up treatment and compensation systems.

*Noise-induced hearing loss (NIHL)*

NIHL develops as a consequence of consistent exposure to high levels of noise (in excess of 85dBA) over an extended period of time. The onset of NIHL is painless and progressive, often resulting in a lack of diagnosis until significant hearing loss has occurred.

AngloGold Ashanti has hearing conservation programmes in place at all operations, with three clear objectives:

- the implementation of engineering controls to reduce noise at source;
- the provision of hearing protection devices to protect the wearer from excessive noise levels; and
- medical surveillance to detect any loss of hearing as early as possible.

More than a decade ago, AngloGold Ashanti embarked on a programme to monitor noise levels in the workplace and to implement engineering controls to reduce noise. Initially, emphasis was placed on muffling all pneumatic rockdrills. A programme to silence all underground ventilation fans then began and was completed in 2006. The programme is now targeting other noisy equipment and areas, such as air hoists, water jets and pressure-reducing valve stations.

All at-risk employees undergo regular audiometric testing. Where appropriate, employees are provided with hearing protection devices. In 2008, a selection of hearing protection devices were tested and a range of preferred devices are now available as standard store items.

In 2008, 77 cases of NIHL were compensated across the group (all in South Africa). This is a rate of 2 per 1,000 employees, which is unchanged from 2007.

See case study for an update on: Progress made in dealing with noise management at AngloGold Ashanti in South Africa, at [www.aga-reports.com/08/noise-SA.htm](http://www.aga-reports.com/08/noise-SA.htm).

*Pulmonary tuberculosis (TB)*

In South Africa, pulmonary TB in silica-exposed employees is classified and treated as an occupational illness. The risk of contracting TB is increased by both silica exposure and HIV infection, with these factors acting multiplicatively in increasing relative risk. AngloGold Ashanti's approach to HIV & AIDS and malaria are dealt with in the regional health section on page 120.

TB control remains rigorous within the South African mining industry. Extensive information, education and training of employees is in place to ensure that employees and their supervisors are informed of the symptoms of the disease. Active case-finding using six-monthly digital X-rays undertaken by mobile units at mine sites, and fixed digital X-ray units at the two occupational health centres, remains in place. Detailed investigation, admission to hospital until the risk of infection is past, and World Health Organisation-based Directly Observed Therapy (DOTS) resulted in the achievement of a cure rate which exceeded the WHO target of 85%. Regarding multi-drug resistant (MDR) and extremely drug resistant (XDR) TB, AngloGold Ashanti achieved some level of success, with cure levels above those of state-run facilities.

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In 2008, 874 employees were diagnosed with TB, a rate of 26 per 1,000 employees (2007: 923 employees, a rate of 27 per 1,000 employees). The Bill and Melinda Gates Foundation-funded Thibela programme, now in its third year, is running very well and although there is insufficient evidence to accurately assess the results of these interventions in terms of a declining incidence and prevalence of TB, early indications are that there has been a positive effect in the TB incidence rate at TauTona. See the case study: Twelve thousand participate in TB research programme, at [www.aga-reports.com/08/Thibela.htm](http://www.aga-reports.com/08/Thibela.htm).

While TB is not classified as an occupational illness outside South Africa, surveillance and treatment programmes are implemented internationally. At Obuasi in Ghana, 52 cases of TB were identified. One case of TB was identified at Iduapriem in Ghana, one at Sadiola and Yatela in Mali, one at Geita in Tanzania and one at Brasil Mineração in Brazil. Two cases were identified in the DRC.

#### *Heat and physical fitness*

As heat is potentially a concern at all underground operations, heat management protocols and practices are in place and are effective and robust. In 2008, 382 cases of heat illness were reported by the South African operations, most of which (380) were heat-related cramps. Two cases of heat exhaustion were reported and there were no cases of heat stroke during the year.

The South African heat stress management programme was extended to Ghana during the year and it is the intention that this, combined with the installation of large-scale refrigeration plants, will successfully manage the temperature in the working environment, thus resulting in improved working conditions.

#### *Wellness of employees*

As, increasingly, the focus in occupational health management has shifted towards a holistic approach to address the overall health and wellness of employees, so the monitoring of medical absence, the medical reasons for the departure of employees, and overall health at exit have all become more important. In a broader sense, a project reviewing the health care, funding and access to health care provision mechanisms for the dependants of lower-level employees was begun during the year and is ongoing.

The overall absentee rate for employees in South Africa (for work and non-work related reasons) was 5.39% in 2008 (2007: 5.36%). (The 2007 figure is slightly higher than that of the previously reported, because sick leave taken over weekends or public holidays is now included.)

The company's MAEP provides a fair and transparent process to deal with employees who have medical conditions resulting in their being unable to continue in their current occupations. The primary aim of the MAEP is to place employees in occupations where they may continue to work safely and productively, although this is not always possible. In 2008, 1,116 employees were determined to be permanently unfit to continue working in their current occupations, 117 of whom were accommodated in substantive alternative occupations while the remainder were medically discharged. A further 381 employees with early (not yet compensable) indications of occupational illnesses were identified: 161 elected to remain in their current occupations, 50 were placed in lower-risk working environments; and 178 chose to be medically discharged.

#### OBJECTIVES FOR 2009

The following objectives have been set in respect of safety and health performance in 2009:

- completion of the safety transformation project and the development of a 'blueprint' for safety and health;
- zero fatal accidents;
- 20% reduction in all injury rates;
- continue to strengthen occupational safety and health systems across all operations; and
- continue to improve dust control to achieve 2013 milestones in South Africa and eliminate silicosis.

Safety

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CASE STUDIES:

Case studies describing some of the challenges faced by the group and how these are addressed these may be found on page 186 of this report, the Report to Society website at [www.aga-reports.com](http://www.aga-reports.com), or at the specific urls listed below.

GROUP

*Developing a new blueprint for safety and health for AngloGold Ashanti*

Good progress was made in inculcating a safety and health culture within the group during the year, with an emphasis on safe work practices at all levels. The Occupational Safety and Health Leadership Transformation Project was initiated in April 2008 to develop a global occupational health and safety blueprint. This initiative is aligned with broader

business transformation initiatives currently under way within the company. See case study on page 188 and at

*Implementing a safety and health systems and practice protocol to monitor compliance with OHSAS 18001*

AngloGold Ashanti has developed a protocol to assist with compliance with the OHSAS 18001 standards. The protocol is unique in that it aims at going beyond compliance with internationally accepted occupational health and safety standards by measuring related performance, practices and levels of compliance. The system can also be used

BRAZIL

*Serra Grande introduces FMEA to improve safety performance*

In July 2008, Serra Grande, Brazil, acquired a Failure Mode and Effect Analysis (FMEA) system, prompted by a fatal incident which occurred on 12 February 2008. During the investigation into this accident, it was recommended that a tool to facilitate the identification of the basic causes of incidents was needed. The FMEA is a procedure for analysing potential failures within a system of work and for classification of the effect of failures on the system.

SOUTH AFRICA

*New approach to safety and health in South Africa pays dividends*

Several processes aimed at ensuring a broad understanding of and support for the vision that safety is the foremost value within the company have been implemented in the Southern Africa Division. The FIFR for the division improved by 59% year-on-year while the LTIFR improved by 13%. This case study explores the strategy development and implementation, as well as the implementation of various workplace initiatives such as the 'Care' and 'It's OK' processes and white flag days. See the case study on page 192 of this report, or at [www.aga-reports.com/08/safety-SA.htm](http://www.aga-reports.com/08/safety-SA.htm).

*Twelve thousand participate in TB research programme*

About 12,000 AngloGold Ashanti employees at the TauTona, Great Nologwa, Moab Khotsong and Tau Lekoa mines are participating in the largest TB research programme undertaken in the South African mining industry. The Thibela TB programme, which was launched towards the end of 2005, is being funded by the South African Mine Health and Safety Council and the International Consortium to Respond Effectively to the AIDS/TB Epidemic (CREATE). See [www.aga-reports.com/08/thibela.htm](http://www.aga-reports.com/08/thibela.htm).

*Progress made in dealing with noise-induced hearing loss (NIHL) at AngloGold Ashanti in South Africa.*

Working in a noisy environment continues to pose a risk for employees. In 2008, 77 cases of NIHL compensated. This represents a rate of two per 1,000 – a remarkable decrease from 26 per 1,000 employees, recorded in 2002. Measures to prevent full-scale deafness in employees who have been diagnosed with early NIHL include counselling in understanding the risks and exposure to deafness in their current designations and the importance of personal [www.aga-reports.com/08/safety-blueprint.htm](http://www.aga-reports.com/08/safety-blueprint.htm).

[www.aga-reports.com/08/safety-protocol.htm](http://www.aga-reports.com/08/safety-protocol.htm).

to facilitate a gap analysis of health and safety management systems. See the case study at [www.aga-reports.com/08/safety-protocol.htm](http://www.aga-reports.com/08/safety-protocol.htm). See

protection equipment. See the case study at [www.aga-reports.com/08/noise-SA.htm](http://www.aga-reports.com/08/noise-SA.htm).

the case study at [www.aga-reports.com/08/MSG-FMEA.htm](http://www.aga-reports.com/08/MSG-FMEA.htm).

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## Employment

### KEY DEVELOPMENTS

- Revision of the company's vision and values, and their communication to employees.
- Development of the System for the Management of People, based on the Requisite Organisation model.
- Restructuring of responsibilities and hierarchy in line with corporate strategy.
- Implementing a company-wide approach to collective bargaining.

### RENEWING THE VISION, MISSION AND VALUES

AngloGold Ashanti's values, as reviewed and redefined in 2008, are underpinned by the philosophy that 'People are our business... our business is people'. The group's values specifically state:

*We treat each other with dignity and respect*

*We believe that individuals who are treated with respect and who are entrusted to take responsibility respond by giving their best. We seek to preserve people's dignity, their sense of self-worth in all our interactions, respecting them for who they are and valuing the unique contribution that they can make to our business success. We are honest with ourselves and others, and we deal ethically with all of our business and social partners.*

*We value diversity*

*We aim to be a global leader with the right people for the right jobs. We promote inclusion and teamwork, deriving benefit from the rich diversity of the cultures, ideas, experiences and skills that each employee brings to the business.*

Giving life to this are the group's undertakings or business principles related to the group's labour practices. AngloGold Ashanti's values are displayed in full on the company website. For further information on the development and implementation of these values, see the case study: Renewing our commitment to doing things the right way, at [www.aga-reports.com/08/renew-values.htm](http://www.aga-reports.com/08/renew-values.htm).

### THE YEAR IN REVIEW

#### *Management systems and accountability*

Operational restructuring has been undertaken across AngloGold Ashanti over the past year to align the company's structure with the revised corporate strategy and the new executive team, and to bring the created in 2009 to ensure that appropriate skills are located even closer to the operations. Key developments here include the appointment in late 2007 of three operational heads (one in Australasia, one in Africa and one in the Americas) and the separation of divisional responsibility in Africa (home to the majority of the group's operations), into West Africa and Southern Africa divisions.

The group's leadership structure, from the board to the board subcommittees and Executive Committee is discussed in the Ethics and Governance section of this report, starting on page 52.

The group is led by an Executive Committee that meets on a regular basis and has oversight of all group functions. Details of the executive team members may be found on the website at [www.anglogoldashanti.com](http://www.anglogoldashanti.com). Given AngloGold Ashanti's renewed vision and values and revised company strategy, a complete review of the group's human resources management systems and structure, called the System for the Management of People (SMP) is being undertaken. This is considered a strategic imperative within the context of a changing world of work, the current socio-economic climate and continued key skills shortages in the mining industry. See box on: Restructuring the organisation to fit the strategy, on the opposite page.

This SMP is particularly relevant for the management of the group's talent at all levels and across all operations. See the case study, Managing talent using the requisite organisation model, at [www.aga-reports.com/08/requisite-model.com](http://www.aga-reports.com/08/requisite-model.com).

leadership of the company closer to the operations. As a follow-up to this structure, country offices will be

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*Restructuring the organisation to fit the strategy*

Following the revision of AngloGold Ashanti's corporate strategy over the past two years, and the implementation of leadership changes following the appointment of CEO Mark Cutifani, the need arose for the adaptation of the group's global human resources strategy to deliver into the group's new vision.

Explains Robbie Lazare, Executive Vice President for Human Resources, "The organisation needs to be structured to service our identified priorities, one of them being safety, which is our first value. The other priority is how we improve our delivery model. How do we ensure that we have the right level of skills and the right number of skills at the appropriate sites?"

In addition to the operational restructuring into three time-zone based units (Africa, Australia and Americas), the African operations – consisting of 16 mines – are being divided into four country structures.

"We have also restructured the services departments, the business development and technical areas, based on a conscious decision that we will move from being an international company to being a global company," he adds. Core to this is the implementation of global standards for human resources across the group that will not only allow better management of people at an operational level, but will allow these same resources to be available to the group in a truly global sense.

"This need has led to the development of an holistic human resources model for the group, based on requisite organisation principles developed by Elliott Jaques. This is not just about structure – it is about all the sub-systems, talent pool, performance management and pay and everything else that we do. We are redesigning the whole of human resources – a System for the Management of People (SMP) – over a period that is likely to take around six months for design and three to five years in implementation.

"At the same time," comments Lazare, "we have to make sure that our own internal model takes into account the future world of work."

"The physical place where one works, particularly at a senior level and in technical disciplines, is not as important as it was in the past. What is more important to the new generation of engineers and company leaders is that you give them the space to work in a community of practice where disciplines often work from the bottom up (not top down as is the conventional model of work). We need to provide a space for building this community of, say mining engineers, where our top skills can virtually join a community of practice to share information and develop solutions to individual and shared challenges.

"Where this is all going to lead is to a leaner organisation that is much more technologically advanced, possibly more mechanised and, importantly, that has a far greater virtual working space.

"Another thing that we have to get to grips with is that skills have become a global resource, not a country resource. Boundaries have opened up. An individual can work anywhere if he or she is happy with the pay and conditions, or simply wants a change. We need to build an organisation that can offer challenges across a variety of disciplines, and across countries, so that an individual does not have to leave our group to pursue career advancement," Lazare says.

*Robbie Lazare*

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Cripple  
Creek  
& Victor  
421  
Yatela and  
Sadiola  
681  
Morila  
Sigui  
Iduapriem  
Obuasi  
Navachab  
Serra Grande

2,987

Cerro

Vanguardia

1,072

TauTona

Mponeng

and Savuka

Kopanang

Moab Khotsong

Tau Lekoa

Great Noligwa

Geita

Sunrise Dam

Employment at AngloGold Ashanti by operation

(including contractors): 2008

930

2,934

1,780

5,722

1,108

482

3,116

410

Brasil

Mineração

Number of employees

(including contractors)

N

3,034

4,737

6,031

5,743

4,623

6,909

Employment

Adrian van Tonder

*Executive Assistant to the Executive Vice-President: Human Resources*

*Corporate Office, Johannesburg, South Africa*

“AngloGold Ashanti’s values form fundamental pillars supporting the business and its strategic objectives. They shouldn’t just be expressed, but lived. You can apply the six values to your personal life as well, and becoming a better individual will have a direct impact on the job.”

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AngloGold Ashanti as an employer

AngloGold Ashanti is a significant employer in many of the countries in which it operates. The majority of the group's employees (including contractors) are in South Africa 68.6%, Ghana 12%, Tanzania 5% and Brazil 6.7%.

In 2008, AngloGold Ashanti employed 62,895 people (calculated on a monthly average basis), comprising 50,206 (78%) permanent employees and 12,689 (22%) contractors. This was an increase year-on-year of some 2.2%. In 2007, there were 61,522 people, comprising 47,383 (77%) permanent employees and 14,139 (23%) contractors. Further details appear in the table below.

Total number of employees and contractors

Operation

2008

2007

Employees

Contractors

Total

Total

Argentina

a

756

316

1,072

1,017

Cerro Vanguardia

756

316

1,072

Australia

169

1,029

1,198

781

Sunrise Dam

77

333

410

Boddington

92

696

788

Brazil

2,679

1,416

4,095

4,352

Brasil Mineração

1,954

1,033

2,987

Serra Grande

725

383

1,108

Ghana	
4,991	2,511
7,502	
7,549	
Iduapriem	
732	
1,048	
1,780	
Obuasi	
4,259	
1,463	
5,722	
Guinea	
1,489	
1,444	
2,933	
2,917	
Siguiri	
1,489	
1,444	
2,933	
Mali	
606	
1,005	
1,611	
1,615	
Morila	
242	
439	
681	
Sadiola	
242	
333	
575	
Yatela	
122	
233	
355	
Namibia	
482	
0	
482	
409	
Navachab	
482	
0	
482	
South Africa	
33,216	
3,911	
37,127	

36,976  
TauTona  
3,849  
774  
4,623  
Mponeng  
5,482  
203  
5,685  
Savuka  
1,179  
45  
1,224  
Tau Lekoa  
2,650  
384  
3,034  
Great Noligwa  
5,472  
271  
5,743  
Moab Khotsong  
2,914  
1,823  
4,737  
Kopanang  
5,620  
411  
6,031  
Other  
1  
6,050  
6,050  
Tanzania  
2,130  
986  
3,116  
3,226  
Geita  
2,130  
986  
3,116  
USA  
350  
71  
421  
405  
CC&V  
350  
71  
421

Other

2

3,338

3,338

Total AngloGold Ashanti

50,206

12,689

62,895

61,522

1

*Other consists of Sustainable Development Operations East Rand, metallurgy, SA Regional Services, Sustainable Development, SARS*

*Engineering at West Wits and Vaal River and workshops.*

2

*Other consists of corporate offices, AngloGold Ashanti Health, the exploration offices, Rand Refinery and other non gold producing entities.*

Persisting global skills shortages, particularly in the resources sector and in southern Africa, contributed to continued high turnover levels, although there has been some improvement on the prior year owing to the implementation of strategic retention programmes. This high turnover trend is likely to abate somewhat with the global economic downturn and following the implementation of the revised system for the management of people across the group. In 2008, the level of turnover amongst permanent employees within the group was 8%.

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Turnover levels for all operations, of all employees and women are reported in the table opposite. Separation by age group cannot be reported as it is not specifically recorded by the company for management purposes as it is not deemed to be a material indicator.

AngloGold Ashanti is committed to providing employment in the countries and regions in which it operates and, in the event of any restructuring, the preservation of jobs is paramount. See the case study: Preserving jobs, at Great Noligwa Mine, at [www.aga-reports.com/08/GreatNoligwa-jobs.htm](http://www.aga-reports.com/08/GreatNoligwa-jobs.htm)

Employment

0

10,000

20,000

30,000

40,000

50,000

60,000

70,000

Total number of employees

(including contractors) – group

06

05

04

07

08

62,895

61,522

61,453

63,993

65,400

*Rand Refinery South Africa*

Reasons for separation from the

group (%)

Resignation

46%

Dismissal

34%

Medical

separation

20%

Retrenchment

(voluntary)

7.6%

34%

4%

46%

6%

7.6%

20%

0.8%

Death in service 6%

Retirement

4%



Retrenchment  
(involuntary)

0.8%

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Turnover levels (%)  
 2008  
 2007  
 All All  
 employees  
 Women  
 employees  
 Corporate  
 Corporate office  
 19  
 7  
 18  
 Argentina  
 Cerro Vanguardia  
 20  
 2  
 16  
 Australia  
 21.5\*  
 Perth office  
 30  
 8  
 Sunrise Dam  
 25  
 9  
 Exploration  
 23  
 7  
 Brazil  
 Brasil  
 Mineração  
 8  
 10  
 8  
 Serra Grande  
 12  
 16  
 8  
 Ghana  
 Iduapriem  
 7  
 0.3  
 3.4  
 Obuasi  
 4  
 0.2  
 10  
 Guinea  
 Siguiiri  
 4  
 0.06

2.5  
Mali  
Morila  
9  
0  
6  
Sadiola and Yatela  
5  
0.18  
3.4  
Namibia  
Navachab  
6  
2  
4.4  
South Africa  
TauTona  
19  
1  
11  
Mponeng and Savuka  
10  
1  
11  
Tau Lekoa  
11  
1  
11  
Kopanang  
14  
1  
10  
Great Noligwa  
19  
0.3  
12  
Moab Khotsong  
9  
1  
10  
Tanzania  
Geita  
13  
0.6  
15  
USA  
CC&V  
15  
3.67  
15  
Group

8

0.5

10.5

*\* Australia was not reported separately for 2007*

Given the global economic circumstances prevailing at the end of 2008, it is likely that some operational restructuring will ensue in 2009, which may result in the reduction of a number of jobs. Where possible, this will be through a process of natural attrition or voluntary separations. As at the end of December 2008, the following restructuring is planned for 2009:

- further reduction in production at Great Nologwa that is likely to result in the loss of about 283 jobs;
- replacement of contractor labour with permanent employees at Savuka; and
- increase in mining jobs (by about 500) as mine production builds up and a decrease in contractor jobs by about 400 as mine labour replaces contractor employees at Moab Khotsong.

*Iduapriem, Ghana*

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Eliodoro Aroca Ramirez

*Environment Auxiliary, Colosa, Colombia*

“I was a displaced citizen in Colombia due to the country’s guerilla war, during which I lost all my assets. After losing everything I owned, I got the opportunity to work for AngloGold Ashanti’s Colosa project, I feel as though I have been born again.”

*Fundamental human rights conventions*

Certain human rights conventions, including those relating to freedom of association and collective bargaining, are entrenched in South African legislation and the constitution, as well as in laws and regulations in Argentina, Brazil, Australia, Namibia, Tanzania, Mali, and the United States. In addition, AngloGold Ashanti is committed to upholding the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work. Specifically the company seeks to ensure the implementation of fair employment practices by prohibiting forced, compulsory or child labour and implementing these practices through country, operation and shaft level recognition and collective bargaining agreements, including non-discrimination agreements and codes.

No breaches of the ILO declaration were alleged, nor were any charges brought against the company in connection with these during the year. No operations are deemed to be at risk in this regard.

Policies are in place at all operations to protect employees from prejudice and, in some countries, to promote the advancement of certain groups of employees. Discrimination, including racial and sexual harassment and discrimination against the disabled, is prohibited in terms of the company’s business principles, as well as by legislation in most of the countries where our operations are situated. In many of the countries in Africa, South America and Australia in particular, the rights and promotion of indigenous peoples, of the historically disadvantaged and of women are provided for in legislation and adopted and followed by the company. No cases of discrimination were alleged or reported during the year. (See section on diversity and on women in mining below).

See the section on Human Rights on page 112 of this report.

Employment

*Iduapriem, Ghana*

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*Freedom of association and collective bargaining*

AngloGold Ashanti recognises that freedom of association is a fundamental right of all employees and particular country. See case study: Reviewing our approach to industrial relations, at [www.aga-reports.com/08/collective-bargaining.htm](http://www.aga-reports.com/08/collective-bargaining.htm).

Good progress was made with the implementation of new collective bargaining processes and structures in Ghana. See case study: Update on collective bargaining Ghana, at [www.aga-reports.com/08/collective-bargaining-Ghana.htm](http://www.aga-reports.com/08/collective-bargaining-Ghana.htm).

In total, around 86% of all employees are either members of a union or catered for through collective bargaining agreements. The exceptions to the collective bargaining arrangements are the United States and Australia, where employees are not members of unions, but where a high degree of employee participation is encouraged. This is common practice in both countries. However, new workplace relations legislation currently being drafted in Australia will encourage the engagement between management and unions through collective bargaining agreements, provided regulatory minimum entitlements are met. Further details on the level of union participation and the unions involved are indicated in the Country Reports, which may be found at [www.aga-reports.com](http://www.aga-reports.com).

Union and collective bargaining participation in South Africa, where the group has the most number of employees, is 97%. This includes those that participate in terms of an agency shop agreement, which exists across the lower bargaining unit at the South African operations. This industry-wide agreement provides for the contribution by non-union members of 0.75% of basic monthly pay to a fund which is used to address the work and social needs of that bargaining group and has been negotiated because union members pay 1% of their basic pay as union dues. The outcome of wage negotiations with the unions applies to all employees within that bargaining unit, whether they are union members or not. Excluding the agency shop agreement (that is direct union membership), union participation in South Africa is 87%.

There were no significant disputes or strikes at any of the group's operations during the year. Days and shifts lost owing to industrial action are described more fully below.

Employees by country

(including contractors) 2008 (%)\*

South Africa 68%

Ghana

12%

Brazil

7%

Tanzania

5%

Guinea

5%

1%

68%

12%

2%

7%

5%

5%

2%

1%

2%

Mali

2%

Argentina

2%

Australia

2%

Namibia

1%

USA

1%

*\* Due to rounding up percentages may add up to >100%*

*Sunrise Dam, Australia*

contractors, and adheres to collective bargaining agreements with due regard to the relevant legislation of a  
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Mali

•

A single eight-hour shift was lost by the mining contractor at Sadiola and Yatela on 21 October 2008 when the union (SECNAMI) wanted a change in the shift roster system. This was subsequently agreed to by management and the issue was resolved on 31 October 2008.

South Africa

•

All business units were affected by the Congress of South African Unions (COSATU) legal protest and strike action on 23 July 2008 and 6 August 2008 respectively. The protest and strike action was in response to the Eskom power crisis. Attendance numbers were slightly affected on 23 July 2008. On the evening of 5 August and on 6 August, a total stayaway affected all operations.

Key negotiations or agreements in 2008 are set out below.

Namibia

•

Substantive wage agreements were concluded in December 2008 regulating wage and conditions of employment for 2009-10.

Mali

•

Wages (January 2008) at Morila, and at Sadiola and Yatela.

Ghana

•

Salary and wage review (January 2008), 2008 bonus scheme (January 2008) and senior staff duty allowance (January 2008) at Iduapriem.

•

Wages and salaries (June 2008) and duty allowance (August 2008) at Obuasi in Ghana.

Tanzania

•

Remuneration policy and overtime policy (June 2008) at Geita.

Brazil

•

Salary adjustment for employees to compensate for higher than anticipated levels of inflation (August 2008).

Guinea

•

Wage review (January 2008) at Siguiri.

South Africa

•

Two year wage agreement concluded in 2007

Employment

South Africa: unionised employees

(including contractors) 2008 (%)

National Union of

Mineworkers

76.6%

No union

13.1%

76.6%

0.3%

2.8%

7.3%

13.1%



UASA

Solidarity

SAEWA

Union representation and collective bargaining agreements % of employees covered

100

90

80

70

60

50

40

30

20

10

3

2

1

4

5

65%

6

7

8

1. Argentina

2. Australia

4. Brazil – Serra Grande

5. DRC

27%

98%

100%

96%

100%

97%

96%

0%

100%

58%

69%

7%

0%

9

10

11

12

13

14

6. Ghana – Obuasi

7. Ghana – Iduapriem

8. Guinea

10. Mali – Morila

- 11. Namibia
- 12. South Africa
- 13. Tanzania
- 14. USA

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7.3

2.8

0.3

9. Mali – Sadiola and Yatela

3. Brasil Mineração

ã

*Benefits and conditions of service*

AngloGold Ashanti aspires to be an employer of choice in the regions and countries in which it operates, offering attractive and fair remuneration practices and conditions of service.

AngloGold Ashanti's employee remuneration is above the legislated minimum wage requirements in the various states where it operates.

- In the South African mining sector, wages and conditions of service are competitive. In respect of certain categories of employees, wages and conditions of service are negotiated through a collective bargaining process, and compare favourably with minimum wages set by the statutory determinations and competitors.

- In Ghana, minimum wages are set by the state for government employees. AngloGold Ashanti's operations exceed these requirements and, in addition, provide benefits such as a provident fund, which is not provided for in legislation but was negotiated through the collective bargaining process.

- In Tanzania, a minimum wage has been legislated for the mining industry. This is well above other legislated minimum wages in the country as part of that government's intention that mineworkers should benefit from the mineral wealth of the country.

Generally, conditions of service, including minimum notice periods and negotiation practices with employees and employee representatives are guided by country legislation, collective bargaining agreements and individual contracts of employment. It follows therefore that these vary from region to region. See the Country and Operational Reports for further detail. ([www.aga-reports.com](http://www.aga-reports.com))

As a minimum, AngloGold Ashanti provides access to primary health care for all employees as a basic condition of service. Increasingly, health care benefits are provided to dependants as well. Details on the specific housing and health care benefits that are provided to employees at the various operations may be found in the Country Reports at [www.aga-reports.com](http://www.aga-reports.com).

allowances, home ownership and accommodation, life assurance, death and disability cover, educational/study assistance, and share ownership and share incentives.

For some employees the provision of housing or accommodation is a benefit, while for others who are employed at mines in remote locations (such as Argentina and Australia) it is a condition of service. For a significant proportion of South African employees who are drawn from neighbouring countries or from rural areas in South Africa, the provision of accommodation is both historical and necessary. Many of these employees choose not

Callie Lonn  
*Schemes Coach: Mining and Rock Engineering, Vaal River, South Africa*

"I have been with AngloGold Ashanti since 1976 and I have enjoyed my time immensely, my day-to-day responsibilities include managing the mining and rock engineering schemes training in Vaal River and West Wits which includes management trainees, learner diplomates, learner officials and trainee shift bosses."

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Additional benefits include, but are not limited to, maternity and paternity leave, retirement funds, housing

to relocate their families to their place of employment and live in company-provided residences. (See box below and overleaf).

Formal performance and career development review processes are in place at all operations, for either individuals or teams. In South Africa, where most of the group's employees are based, a formal skills development plan is in place for all disciplines at all operations in line with the company's Social and Labour Plans (SLPs). Skills development plans are reviewed and updated annually.

SLPs are provided for by South African legislation. In AngloGold Ashanti's case, they are submissions made in respect of the company's two regions of operation (West Wits and Vaal River), and make certain undertakings in respect of training and development, employment equity and the management of human resources. SLPs focus particularly on redressing the imbalances of the previous socio-economic environment with regard to historically disadvantaged South Africans (HDSAs). These submissions were made as part of the company's application for the conversion of its mineral rights under the Mineral and Petroleum Resources Development Act (MPRDA) and were accepted by government. Progress made against these plans is reported annually to the Department of Minerals and Energy (DME). See the Social and Labour Plan Reports at [www.aga-reports.com](http://www.aga-reports.com).

#### *Company-provided accommodation in South Africa*

Given historical labour patterns and the labour-intensive nature of mining operations, by far the most formalised on-mine, employee-only accommodation is that provided in South Africa. Here, historically and still today, a significant proportion of employees are drawn from surrounding countries and from rural areas within the country.

#### *Residences*

While the company has been introducing more family accommodation and encouraging home ownership, the provision of accommodation for employees drawn from areas beyond the immediate vicinity of the mines remains a necessity. An area of focus has been the transformation of these hostels, or residences, so as to provide greater privacy and a better quality of life to those who live there. The change from their previous name of hostels to residences is intended to reflect this transformation process.

A central AngloGold Ashanti Accommodation Forum and regional Accommodation Forums, comprising management and union representatives, meet on a regular basis to plan for both current and future management of the residences. Issues that are dealt with by these forums include food, accommodation, health and safety, leisure activities, industrial relations and communication.

At the end of 2008, 52% of employees working in South Africa were housed in company-provided residences (2007: 51%). The increase of 1% from 2007 is attributable to Moab Khotsong staffing for full production. In 2004, 62% of employees resided in company-provided hostels.

The programme to upgrade residences continued during the year, with particular efforts being made to reduce the numbers of individuals in each room, including converting communal rooms into single room accommodation. This process is expected to be completed by 2019 in the West Wits area and in 2014 in the Vaal River area, at a total cost to the company of R381.4 million (\$46.2 million) of which R83 million (\$10.1 million) has been spent to date.

At the end of 2008, 9% of all residence-based employees were accommodated in single person accommodation, with 672 units having been converted during the year. Since 2005 when this initiative began, 2,139 single rooms have been created. The average number of individuals per room has been reduced from eight in 2005 to six in 2008.

A case study on: Upgrading residences in South Africa, is available at [www.aga-reports.com/08/residence-upgrade.htm](http://www.aga-reports.com/08/residence-upgrade.htm).

#### *Employment*

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*Company-provided accommodation in South Africa Cont.*

In South Africa, meals are provided to employees living in residences; their nutritional value is carefully planned and monitored by an independent nutritional expert. The minimum calorific value required by underground workers (as stipulated by a Chamber of Mines study) is 13,500kJ – AngloGold Ashanti's meals provide between 15,000 and 17,000kJ per day.

Although the majority of women invited to work in mining are drawn from the local community, it has nevertheless become necessary to plan for residence accommodation for women. The company's plan is to accommodate women in existing residences but in dedicated blocks.

*Promotion of home ownership*

The company has continued to promote home ownership as an important aspect of its accommodation strategy. The sale of residential units and vacant stands that was embarked upon in 2005 has continued, with priority being given to current incumbents of these properties, with transactions concluded at market value. The formalisation of the West Wits and Vaal River villages and adjacent land and properties into the municipal areas of Merafong and Matlhosana respectively, also continued. See case study in: Report to Society 2006: Long-term sustainability of mine villages at [www.anglogoldashanti.com](http://www.anglogoldashanti.com).

Following comprehensive technical planning and extensive consultation with accommodation forums, local authorities and other stakeholders, the process is now well under way and is expected to be completed in 2010 at a total cost to the company of R6.5 million. The aim of this process is to make available disused mine-owned housing and land as accommodation within a sustainable community that is independent of the mine.

Accommodation assistance payments to lower level employees (should they choose not to live in residences or if they do not qualify for mine-based housing) have been substantially increased in recent years, again to improve the general quality of living of employees. At the end of September 2008, this amounted to R1,200 per month for employees at the lower level.

*Hostel, South Africa*

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*Training and development of people*

A great deal of emphasis is placed on the training and development of people. Training and development initiatives at all levels – from Adult Basic Education and Training (ABET) and skills development, to graduate training and executive development programmes – underpin the group’s system for the management of people and will ensure that the group has the requisite skills in the future.

Direct total training and development expenditure in 2008 amounted to \$35 million (2007: \$31.4 million), an increase of 12% on the prior year. Data related to the average hours of training per employee is not collated across the group as this is not deemed a meaningful measure given the number of people involved, the significant differences in skills sets and the diversity of operations. Further details on training and development initiatives may be found in the Country Reports at [www.aga-reports.com](http://www.aga-reports.com)

It is AngloGold Ashanti’s goal that all employees should become functionally literate and numerate or, at the very least,

have access to literacy training. For more than a decade the group has offered ABET to employees at its South African operations and this was introduced in Namibia in 2007. All employees at the operations in Australia and the United States are literate, as are most employees in Argentina, Brazil and Ghana. See box below for further information, as well as the Country Reports and the Social and Labour Plan Reports available at [www.aga-reports.com](http://www.aga-reports.com).

*Skills development in South Africa*

As part of the initiative at the South African operations to upgrade employees’ skills, and to create development opportunities for HDSAs in particular, the company has identified a pool of high-potential employees for whom development plans have been put in place and mentors appointed.

A Central Skills Development Committee has been set up as a consultative forum between management and unions to deal with issues such as skills development and employment equity. This forum meets on a quarterly basis. Skills Development Committees have also been set up at each business unit. A particular area of emphasis for these committees is the promotion of ABET. These committees play an active role in marketing ABET to employees and recognising ABET achievements. A major stumbling block in the promotion of literacy in the past has been a lack of interest in attending ABET classes on the part of employees.

**ABET**

There are four ABET centres in the West Wits area and six in the Vaal River area, capable of accommodating 1,140 learners per intake, both on a full-and part-time basis. ABET levels range from Pre-ABET (which is equivalent to Grade 0) to National Qualifications Framework (NQF)2 Fundamentals (four subjects of the NQF2 qualification). In addition, the company supports two ABET centres for community members (one at Wedela in Carletonville and one in Orkney), and community members may attend the mine-based ABET centres should they not be fully utilised at any time.

**Employment**

*ABET training, South Africa*

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*Mponeng, South Africa*

*Skills development in South Africa cont.*

A total of 10,070 employees and 573 community members participated in ABET during the year, at a cost to the company of R9.5 million. In 2007, there were 4,122 participants at a cost of R9.2 million (\$1.3 million). Of the 10,070 employees, 8,302 have been exposed to Recognition of Prior Learning (RPL) and the remaining 1,768 participated in formal classroom training. Of the employee classroom learners, 30.8% attended ABET on a full-time basis. Full-time ABET is provided to learners drawn from the community as the majority of prospective learners are without work and the training equips them with a qualification and makes their skills more marketable. Incentives are provided to employees to attend ABET to encourage greater participation in the programme. These are paid to employees who pass their ABET courses and range from R250 for Pre-ABET (which is paid by the mine) to R1,170 for ABET Levels 1 to NQF1, which is paid for by the Mining Qualifications Authority (MQA). In 2008, the overall ABET pass rate was 69.9%.

The success of the ABET programme in 2008 is attributable to a combined effort involving management, ABET facilitators and organised labour to work towards the common goal of a literate workforce.

*Bursaries and learnerships*

Internships and bursaries are also offered in South Africa to promote the development of HDSAs and women. A full-time internship programme develops employees for specific career paths, while the three-year management trainee programme equips graduates and diplomates with the skills required for middle-management positions. Miner and artisan learnerships (of between one and two years in duration) provide technical and supervisory skills. In addition, a bursary programme for full-time tertiary studies in critical fields is provided to employees and potential employees. Statistics related to these programmes are provided in the table below, and further information may be found in the Country Reports and the Social and Labour Plan Reports at [www.aga-reports.com](http://www.aga-reports.com).

In 2008, there were 61 bursars, 73 management trainees, 274 miner and artisan learnerships and 82 officials' learnerships in the South African operations (excluding corporate office). This was largely in line with the plan for the year. There is focus on both HDSAs and women in these programmes:

- 72% of bursars were HDSAs; 29% were women;

- 

- 71% of management trainees were HDSAs; 34% were women; and

- 

- 87% of learnerships were HDSAs; 10% were women.

(The definition of HDSA includes white women).

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The group's Management Development Programme (MDP) and Intermediate Management Development Programme (IMDP) continued during the year, with 27 and 34 employees, respectively, participating at a cost to the company of around \$474,131. In 2007, 33 participants attended each programme at a combined cost of \$490,000. Increasingly, participants are drawn from operations around the world and this is again providing a valuable forum for diversity management and training.

A Southern African Division Programme was implemented in 2007 to give more managers exposure to managerial development. The Managerial Mastery Programme (MMP), an extension of the MDP and IMDP, was attended by 21 participants in 2008 (2007: 22) at a cost of approximately \$108,713.

Training for life (also called portable skills training in South Africa) is aimed at delivering training and development in skills that are widely applicable and transferable, providing employees and ex-employees with the skills to remain economically active, whether through formal employment or self-employment, when they are no longer employed by the company. This training is also given in preparation for career endings, whether as a result of ill health, retrenchment, downscaling or mine closure. Portable skills training was provided to 1,177 employees and community members in South Africa during the year (2007: 750). Training is provided on both a part-time and full-time basis and includes training for bricklaying, welding and wiring, forklifting and plumbing.

Bursaries and scholarships for employees, their dependants and community members are offered at all operations. Emphasis is placed, where possible, on giving scholarships and bursaries to candidates from local communities first, and then to people from the region in which the operation is located.

#### Employment

Ricardo Carrizo

*Laboratory Auxiliary, Cerro Vanguardia, Argentina*

“Respect for the environment is the most important value for me. There are different ways to sensitise employees about how we can minimise our mining activity's impact on the environment.”

*Kopanang, South Africa*

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Bursaries and scholarships offered

2008

2007

Argentina

66

48

Cerro Vanguardia

66

48

Australia

10

6

Perth office

(incorporating

Sunrise Dam.

Exploration

10

6

Brazil

107

198

Brasil Mineração

41

91

Serra Grande

66

107

Colombia

12

0

Exploration

12

0

DRC

1

1

Exploration

1

1

Ghana

17

24

Iduapriem

12

18

Obuasi

5

6

Guinea

4

0

Siguiri

4

0

Mali

20

20

Morila

10

10

Sadiola and Yatela

10

10

Namibia

6

5

Navachab

6

5

South Africa

62

50

South African

operations

61

49

Corporate office

1

1

Tanzania

3

3

Geita

3

3

USA

CC&V

15

13

*Scholarship programme in Australia*

The AngloGold Ashanti Australia Scholarship programme is open to full-time students studying in Australia, in specific company-

critical disciplines in which skills shortages have been identified.

These include geology, mineral resource management, metallurgy and geophysics. In addition to covering study-related expenditure,

each scholarship holder has access to on-site workplace

experience, often a prerequisite to their courses. Students are

recruited through local universities.

*Serra Grande, Brazil*

15

13

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*Diversity and equal opportunity*

AngloGold Ashanti recognises and promotes the diversity of the people within its host countries and within the company. It is cognisant of requirements in certain countries to address past and institutionalised inequities, while affording all employees the opportunity to develop further in their chosen careers.

In South Africa, the employment of HDSAs is promoted and regulated by legislation, specifically the Employment Equity Act, the MPRDA and the Mining Charter. Employment equity targets and performance are set and monitored by a board subcommittee, and are reported annually to the South African Department of Labour and the Department of Minerals and Energy (DME).

Good progress continued to be made with the advancement of HDSAs in 2008. At the end of December, HDSAs made up 30% of the board (33% in 2007); HDSAs made up 36% of management (2007: 30%). (Managerial employees are defined as those in supervisory and management roles in Paterson job grades D-Lower and above).

See case study on: Grappling with South Africa’s employment equity challenge, at [www.aga-reports.com/08/employment-equity.htm](http://www.aga-reports.com/08/employment-equity.htm).

*Exploring diversity at Savuka mine*

Given the nature of historical recruitment practices (with large numbers of employees being drawn from neighbouring countries) and indeed the diversity that is evident in South Africa itself (which has 11 official languages), recognising a wide diversity of cultures, languages and customs and developing an understanding and tolerance of differences is an area of focus. The programmes at Savuka mine in the West Wits region of South Africa are typical. Included in the diversity training and sensitisation programme in 2008 were:

- a one-day cultural diversity course, attended by close on 300 people from all levels at the mine;
- an in-house CARE programme, in which all employees participate, and in which the issue of diversity and of visible respect for one another is an integral component;
- meetings of the employment equity steering and subcommittees, made up of management and union representatives, at which issues related to diversity and discrimination are discussed; and
- drawing on the mine’s own diversity when conducting interviews for potential recruits and development planning.

Employment

0  
5  
10  
15  
20  
25  
30  
35  
40

South Africa – HDSAs in management – target vs actual

(%)

Target (five-year plan)

Actual

06

05  
04  
07  
08  
40  
40  
40  
40  
40  
32  
33  
26  
30  
36

*Navachab, Namibia*

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In South Africa, historical recruitment practices have also created a reliance on the employment of people from neighbouring countries, primarily Lesotho, Mozambique, Botswana and Swaziland. These practices have resulted in a dependence on the part of these countries on the South African mining industry both indirectly – to provide jobs and support for large proportions of their economically active populations and their dependants – and directly through remittances that are provided. The Mining Charter requires that South African mining companies do not discriminate against foreign nationals in their employment practices. At the end of 2008, in line with the reporting required by the Mining Charter on this aspect, some 31.19% of employees in South Africa were drawn from outside the borders of the country (2007: 34.7%). This number has been slowly decreasing over the years.

Elsewhere in Africa, the employment of locals and the replacement of expatriate employees at senior levels is a priority which is supported by skills transfer programmes and the appointment of understudies. Frequently this, too, is regulated by legislation. Localisation plans and programmes are in place in Ghana, Guinea, Mali, Namibia and Tanzania to limit the placement of expatriate employees and the training and development of the indigenous population. In some countries, such as Namibia, work permits for expatriates are only renewed if the appropriate level of progress has been made with the localisation programmes.

Given the increase in mining activity in East, West and Central Africa in recent years, the shortage of technical skills in these regions and the finite time horizon of mining and exploration activities, this is a challenging target area.

The promotion of diversity and specific groups of employees is also regulated in:

- Namibia, through the Affirmative Action Act;
- Mali, through equal opportunity employment regulations within labour legislation;
- Ghana, through the Labour Act and Minerals and Mining Act and immigration legislation that covers the employment of women, the disabled and expatriate employees;
- Australia, through the commonwealth, state and federal legislation dealing with equal opportunities for women, workplace relations, human rights, racial discrimination and disability discrimination;
- Brazil, specifically related to the disabled;
- Guinea, where regulations exist in respect of gender and expatriates; and
- Colombia, where the level of gender representation is prescribed by law within the public sector; expatriate levels and regulated by law in all sectors.

Countries from which South

African employees are drawn (%)

South Africa

68%

Lesotho

18%

Mozambique

8%

Swaziland

5%

Botswana

1%

68%

18%

8%

1%

5%

*Savuka, South Africa*

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Expatriate employees (%)

2008

2007

Brasil Mineração

0.1%

n/a\*

Iduapriem

0.7%

0.1

Obuasi

0.8%

0.1

Accra office

14%

n/a\*

Siguiri

4.98%

4.0

Morila

5%

7.0

Colombia

4.3%

n/a\*

Sadiola and Yatela

1.89%

n/a\*\*

Exploration – DRC

5.4%

n/a\*

Navachab

1.4%

1.7

Geita

6.2%

5.1

\* *Brasil Mineração, Accra office, Colombia and DRC regions were not reported in 2007*

\*\* *Sadiola 2007: 4.7%, Yatela 2007: 5.7%. These were reported separately in 2007*

*Exposing corporate office employees to diversity in the workplace*

Dealing with diversity is not limited to an operational level, and neither is it limited to dealing with issues of race and gender. While employees are fortunate enough to be exposed to a very broad range of the diversity in the group – through travel and secondments – a programme put in place during the year exposed corporate office employees to a number of external speakers on the topic. Invited guests this year included Dr Graeme Coddington on ‘Generational diversity’, Simeon Mighty Moloko on ‘Transformation in the South African mining industry – beyond the Mining Charter’, Frans Baleni (the general secretary of the NUM) on ‘Employee share ownership plans as part of black economic empowerment’, and Justice Malala (journalist and political commentator) on ‘Broad-based black economic empowerment challenges in South Africa’. The speakers brought an external and sometimes controversial approach to the matter.

*Women in mining*



Across the world, women have typically been excluded from participating in mining operations, through legislative and customary constraints. AngloGold Ashanti recognises that women have an equal right to participate in mining as a career and has put plans in place in those countries where it has been necessary to ensure the attraction, retention, training, development and promotion of women. In South Africa and Australia, such programmes and reporting on targets and progress are required by law.

It is the company's policy to ensure parity between the wages and conditions of service for men and women. Currently, however, the number of women in mining is still relatively low and tends to be limited to administrative and advisory positions. The ratio between the basic salary of men to women by employment category is therefore not collated.

Progress on the programmes implemented can be reported for the year under review.

Across the group, women made up 14% of top senior and middle management. In 2007, this figure was reported under top and senior management; and professional staff the percentages were 9%, 13% and 9%, respectively.

This equated to 18.60% in South Africa, 10.7% in Brazil and 31% in Australia. Women make up 9% of all permanent employees (2007:8.6%). This figure was 9.75% in South Africa, 7% in Brazil and 20% in Australia. In South Africa, the total percentage of women within the mining discipline was 4.14% (961 women out of a total mining workforce of 23,188). In South Africa, the definition of top, senior and middle management relates to Paterson Bands F, E and D, respectively.

Programmes are in place to promote women in mining, as set out below.

- 

Proactive programmes are in place in South Africa to attract, train, develop and retain women in mining.

See the box below for further details, or the Country Reports or the Social and Labour Plan Reports at

*www.aga-reports.com.*

Employment

*Iduapriem, Ghana*

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*Moab Khotsong, South Africa*

• While Argentinian legislation requires that all employees and prospective employees are treated equally, there is no specific requirement to develop women in mining. Nonetheless, Cerro Vanguardia has taken the initiative in attracting women to the company. However, this process is hampered by high turnover levels attributed to the long distance between the mine and at place at which employees live and the long shift hours which deters mothers from working on-mine.

• Efforts to increase the focus on developing women in mining have been made and plans communicated to all operations. Six women are operating equipment at Serra Grande, and similarly, eight women at Brasil Mineração.

*Meeting gender targets in South Africa*

In South Africa in particular, the planning for and implementation of recruitment and advancement programmes for women is a requirement of the MPRDA, and the company reports annually to the DME on both targets set and progress made. While progress is being made in this regard, the target set by the Mining Charter – that 10% of all posts must be held by women by 2009 – is a challenging one. Progress made against targets prepared by the company is illustrated in the table and graph below.

Gender statistics – South Africa, as at 31 December

2005	
2006	
2007	
2008	
2009 (target)	
Target	
Actual	
% of all employees who are women	
6.9%	
8.2%	
9.1%	
12.3%	
9.75%	
14.4%	
% of women directly involved in mining	
1.06%	
2.28%	
3.16%	
10%	
4.14%	
10%	
% of top management who are women	
10%	
16.7%	
13.3%	
6.2%	
10%	
6.7%	
% of senior management who are women	
7.9%	
8.1%	
8.9%	

12.8%

10.64%

13.0%

Top management = Paterson F Band; senior management = Paterson E Band;  
professionally qualified = Paterson D Band.

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Women in management  
% Women  
% Women  
in the company  
in management  
Corporate office  
Corporate office  
37  
34  
Argentina  
Cerro Vanguardia  
7  
16  
Australia  
Perth office  
40  
50.0  
Sunrise Dam  
20  
23  
Tropicana  
24.1  
20.0  
Brazil  
AGA Mineração  
7.6  
14.1  
Serra Grande  
3.5  
0  
Colombia  
Exploration  
35.4  
26.9  
DRC  
Exploration  
12.5  
9  
Ghana  
Iduapriem  
5  
0  
Obuasi  
3.3  
0  
Guinea  
Siguiri  
7  
7.9  
Mali  
Morila

4  
3  
Sadiola and Yatela  
2.4  
0  
South Africa  
Tau Lekoa  
6.7  
3.0  
TauTona  
4.1  
5.6  
Kopanang  
6.8  
5.4  
Mponeng  
6.5  
16.7  
Great Noligwa  
3.7  
2.9  
Savuka  
6.5  
18.2  
Namibia  
Navachab  
9.2  
12  
Tanzania  
Geita  
7  
9  
USA  
CC&V  
15  
1  
Group  
9  
14  
OBJECTIVES FOR 2009

- Entrenching company values through employee participation in determining behaviours which support values.

- Finalisation of design of HR model called the System for the Management of People (SMP). The following sub-systems with associated IT systems will be implemented across the global operations over the next three years:

- Organisational design (structuring role

- Talent pool development  
accountabilities, functional alignment)

- Education and training
- Human resources planning
- Remuneration and conditions of employment
- Recruitment, selection, induction
- Design of sub-systems will be based
- Performance management  
on requisite organisation principles.
- Centralisation of HR policy development to ensure alignment and focus on delivering AngloGold Ashanti's strategy.
- Delivering a transformation model and its execution to ensure that our licences to mine are maintained across the globe.
- Within the South African context, participating in the Mining Charter review and influencing outcomes.

Employment

*Sunrise Dam, Australia*

*Corporate Office, South Africa*

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## CASE STUDIES:

Case studies describing some of the challenges that the group faces, and how these are addressed may be found in this report (on page 186), on the Report to Society website at [www.aga-reports.com](http://www.aga-reports.com), or at the specific urls listed below.

### GROUP

#### *Managing talent using the requisite organisation model*

As part of its strategy to position AngloGold Ashanti as the leading mining company, the global Human Resources team is in the process of establishing a talent pool development system that will ensure that AngloGold Ashanti has the available talent necessary to deliver on its strategic objectives and at the same time allows every individual to contribute to his/her full capability. An important aspect of this system is that it is a sub-system of a comprehensive human resources system, the System for the Management of People.

See case study at [www.aga-reports.com/08/requisite-model.com](http://www.aga-reports.com/08/requisite-model.com).

#### *Reviewing our approach to industrial relations*

AngloGold Ashanti is committed to upholding basic human and labour rights as enshrined in various international instruments, which have as their core principles the right to organise, freedom of association and the right to collective bargaining. A commitment to these rights is also guaranteed by South African legislation and the constitution, as well as through the laws and regulation of most of the countries in which the company operates. See case study at [www.aga-reports.com/08/collective-bargaining.htm](http://www.aga-reports.com/08/collective-bargaining.htm).

### BRAZIL

#### *Keeping a finger on the pulse in Brazil*

Communication between management and employees is part of normal good business practice, but, in AngloGold Ashanti's operations in Brazil, a more formal dimension has been added. Regular climate audits are conducted to test employee perception on a variety of topics. The survey was first carried out in October 2006, and repeated in October 2008. See case study at [www.aga-reports.com/08/Brazil-survey.htm](http://www.aga-reports.com/08/Brazil-survey.htm).

### SOUTH AFRICA

#### *Grappling with South Africa's employment equity challenges*

AngloGold Ashanti's employment equity programme is a critical feature of human resources management in the company's South Africa-based business units. The legacy of apartheid in South Africa remains a significant challenge to the integration and incorporation of previously marginalised groups into the economic hub of the commercial organisation, particularly in leadership and management. This case study discusses some of the issues and challenges faced, and the way in which the company is dealing with them. See case study [www.aga-reports.com/08/employment-equity.htm](http://www.aga-reports.com/08/employment-equity.htm).

#### *Preserving jobs at Great Noligwa Mine*

For many years a major contributor to the group, Great Noligwa's production has declined in recent years, as has its grade. This declining production profile has been accompanied by a corresponding decrease in employee complement. This reduction has been achieved largely through natural attrition, transfers to sister mines or voluntary retrenchment. This case study discusses the measures adopted by the mine to preserve jobs. See case study at [www.aga-reports.com/08/GreatNoligwa-jobs.htm](http://www.aga-reports.com/08/GreatNoligwa-jobs.htm).

### GHANA

#### *Update on collective bargaining in Ghana*

AngloGold Ashanti's philosophy as an employer includes a strong belief in employees' right to freedom of association, right to organise and a robust collective bargaining process, in line with its commitment to upholding basic human and labour rights. In South Africa, this approach has developed over many years of interaction with organised labour and the same approach is also beginning to bear fruit in Ghana, where the company employs the largest number of people after South Africa. See case study at [www.aga-reports.com/Ghana-labour.htm](http://www.aga-reports.com/Ghana-labour.htm).

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## KEY DEVELOPMENTS

- A Vice President for Global Security appointed.

- Global security review undertaken to develop a framework for the management of security issues in line with Voluntary Principles on Security and Human Rights.

- Escalating tension between the company and artisanal and small-scale miners (ASM), and illegal miners. A number of incidents reported during the year, three involving shootings.

- Significant human rights issues reported.

## RENEWING THE VISION, MISSION AND VALUES

During the year, AngloGold Ashanti reviewed its mission and vision in line with the group's corporate strategy, and renewed its values statements. With respect to human rights, the group has explicitly stated in a key value that:

*We treat each other with dignity and respect*

*We believe that individuals who are treated with respect and who are entrusted to take responsibility, respond accordingly and give of their best. We seek to preserve people's dignity and their sense of self-worth in all our interactions, respecting them for who they are and valuing the unique contribution that they can make to our business success. We are honest with ourselves and others, and we deal ethically with all of our business and social partners.*

## THE YEAR IN REVIEW

Respect for human rights is a key principle in many of the policies and practices that are integral to the group's sustainability efforts, and are entrenched in the constitutions and legislation of many of the countries in which the group operates. Oversight and implementation of various practices in this area are largely the function of line managers as they are the direct interface between the company and employees and the company and communities. Human rights cut across a range of disciplines, from safety and health, community and environment, to human resources, ethics and governance. While certain human rights issues are dealt with in various other sections of this report, for the sake of completeness and convenience, all human rights issues are grouped together in this section. References are provided to indicate where particular matters have been discussed elsewhere in this report.

The group continues to support both the UN Global Compact and the Voluntary Principles on Security and Human Rights. A major development during the year was the appointment of a Vice President for Global Security, with a specific remit to ensure that all security operations and practices take due cognisance of human rights. This appointment followed a comprehensive review of global security operations, which is discussed more fully below. See the case study on page 212 of this report or at [www.aga-reports.com/08/security-review.htm](http://www.aga-reports.com/08/security-review.htm). Human rights issues are considered when screening all major suppliers and contractors, and in evaluating all new investments.

### *Fundamental human rights conventions*

Certain human rights conventions, including those relating to freedom of association and collective bargaining, are entrenched in South African legislation and the constitution, as well as in laws and regulations in the countries in which AngloGold Ashanti operates. The group is committed to upholding the basic labour rights captured in the Fundamental Rights Conventions of the International Labour Organisation (ILO). Specifically, it seeks to ensure the implementation of fair employment practices by prohibiting forced, compulsory or child labour and implementing these practices through country, operation and shaft level recognition and collective bargaining agreements, and through disciplinary, grievance and non-discrimination agreements and codes. No breaches of fundamental rights were alleged, nor were any charges brought against the company in connection with these during the year. No operations are deemed to be at specific risk in this regard.

Human  
rights

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*Freedom of association and collective bargaining*

Freedom of association is recognised as a fundamental right within the group, and collective bargaining is encouraged. With the exception of Australia and the United States, where collective bargaining is not common in the resources sector, collective bargaining structures are in place at all operations. During the year the group has reviewed and recommitted to collective bargaining and this discussion is contained in the case study: The way forward for collective bargaining for AngloGold Ashanti, at [www.aga-reports.com/08/collective-bargaining.htm](http://www.aga-reports.com/08/collective-bargaining.htm). A concerted effort was made to embed a robust collective bargaining structure in the group's operations in Ghana, where a wage settlement for certain levels of employees was reached without external involvement during the year. See the case study: Update on collective bargaining in Ghana, at [www.aga-reports.com/08/collective-bargaining-Ghana.htm](http://www.aga-reports.com/08/collective-bargaining-Ghana.htm).

Around 86% of the group's workforce is represented by recognised trade unions or provided for by way of collective bargaining processes. In the United States and Australia, a high degree of employee participation is encouraged. Further details on the group's collective bargaining processes and significant strikes and work stoppages may be found in the Employment section on page 88 of this report.

*Discrimination and harassment*

All forms of discrimination, including racial and sexual harassment and discrimination against the disabled, are prohibited by the company's business principles as well as by legislation in most of the countries where our operations are situated. Policies are in place at all operations to protect employees from prejudice and, in some countries, to promote the advancement of certain groups of employees. Specifically in countries in Africa and in Australia the rights and promotion of indigenous peoples, the historically disadvantaged and women are provided for in law and adopted and followed by the company. No significant cases of discrimination (that is alleged and subsequently, found to be of substance with disciplinary actions necessary) were reported during the year. Further details may be found in the Employment section of this report, on page 88. A whistle-blowing process is available to all employees across the group and among issues raised and investigated as part of this process, are those relating to human rights. See page 50 in the Ethics and Governance section.

*Security and human rights*

The group continues to support both the UN Global Compact and the Voluntary Principles on Security and Human Rights, and has submitted its annual report on compliance, which is available at [www.aga-reports.com/08/VPHR-response.htm](http://www.aga-reports.com/08/VPHR-response.htm). A major development during the year was appointment of a Vice President for Global Security, with a specific remit to ensure that all security operations and practices take due cognisance of human rights. This appointment followed a comprehensive review of global security operations.

*Siguiri, Guinea*

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A feature of the industry and the regions within which the company operates is the need to conduct appropriate threat and risk assessments and to deal with these in the most effective manner. In Colombia, the DRC and Guinea, the potential threat to company assets and personnel is such that state military and police units provide security services to the company on a near-permanent basis. Furthermore, during 2008, a police contingent provided support to the company's own security staff and they were further supported in November by the deployment of a military platoon at the Obuasi mine in Ghana. This was in response to rising risks to our people and assets by aggressive illegal miners. See the discussion on page 138 in the Community section of this report for further details. Such security arrangements are common in these countries and the engagement and payment of security forces are undertaken in a transparent manner. The company maintains close contact with the military in these regions and is working to ensure the implementation and enforcement of practices in line with the Voluntary Principles.

*Human rights training*

Human rights training – for security personnel in particular – has been initiated at all operations where this is required. It is estimated that 75% of the group's security personnel have received human rights training. Workshops to bring the discipline in alignment with new group policies will be held in Johannesburg and Bogotá in early 2009.

*Investments and contractors*

AngloGold Ashanti is aware that the human rights performance by its network of suppliers and contractors may have a significant impact on the communities in which they operate. Where it is appropriate, specific human rights clauses are included in significant contracts (including collective bargaining and other labour conventions). Particularly in respect of security contractors, a review process was undertaken during the year: significant security contractors (including military and police services) are screened for potential human rights abuses and that the group's policies, practices and training requirements have been formally extended to them. See discussion below on the implementation of the Voluntary Principles. Respect for human rights is considered as part of the due diligence into all new investments by the company.

*Significant issues*

A number of significant community issues were reported during the year, and are discussed in the Community section of this report. Increasingly, AngloGold Ashanti is experiencing greater levels of tension between the company and both artisanal and small scale miners and illegal miners at Obuasi in Ghana, Siguiri in Guinea and Geita in Tanzania, and this has necessitated the use of force by security personnel in fulfilling their duties. In line with AngloGold Ashanti's commitment to the Voluntary Principles, the company advocates minimum force by its own, contracted and state security staff.

Three specific incidents occurred relating to shootings, two at Obuasi and one at Geita. The two incidents at Obuasi were as a result of warning shots being fired by policemen; at Geita, a guard reacted to an attack by armed intruders. Investigations were undertaken in respect of all three incidents, and these found that all three individuals had acted with justifiable use of force. Those they acted against were charged with engaging in illegal mining and theft.

Human  
rights

*Idiapriem, Ghana*

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It must be reported that 28 people lost their lives on company property during the year in incidents unrelated to the company's own mining activities:

- five people engaged in illegal mining at the company's underground operations at Obuasi died in three separate fall of ground incidents;

- 22 artisanal miners died at Siguiri's open-pit operations in eight separate fall of ground incidents; and

- a suspected diesel thief, who was trespassing on company property, died at Geita in an accident involving a load haul truck.

A number of instances of labour and community unrest were reported during the year, one at Obuasi, one at Siguiri, one at Sadiola in Mali and nine at the South African operations. There were no incidents associated with these events. The company's security personnel were vigilant during the wave of xenophobic attacks on non-South African nationals during the year. No incidents were recorded.

Of great concern to the company is the increasing level of violence perpetrated against AngloGold Ashanti security personnel, with five serious incidents recorded during the year – three at Obuasi, one at Siguiri and one at Geita. Liaison with communities, private and public security forces, and the judiciary is continuing in an effort to address this criminal activity.

#### OBJECTIVES FOR 2009

- Develop the AngloGold Ashanti global framework for collective bargaining, further embed these processes in Ghana.

- Fully embed the functioning of the new Security Department, and appoint the requisite staff.

- Roll out new policies and practices for the new security discipline, and undertake training among security personnel in respect of the Voluntary Principles.

#### CASE STUDIES

Case studies describing some of the challenges the group faces, and how these are addressed may be found in this report

(on page 184), on the Report to Society website at [www.aga-reports.com](http://www.aga-reports.com), or at the specific urls listed below.

##### *Improving security practice in line with the Voluntary Principles on Security and Human Rights*

Securing its assets and ensuring the safety of its employees is not only a right of the company, but a clear responsibility – to employees, to their communities, to shareholders and to the countries that have entrusted the exploitation of their natural wealth to AngloGold Ashanti. The traditional approach to security in most mining companies focuses specifically on securing assets, particularly as the product reaches further down the processing, smelting and refining end of the process stream, and as its value increases exponentially.

Increasingly in recent years and in various locations, the security of people and non-product related assets has also become important. This case study documents the development and implementation of a group security strategy, in line with the Voluntary Principles on Security and Human Rights. See case study on page 210, or at [www.aga-reports.com/08/security&human-rights.htm](http://www.aga-reports.com/08/security&human-rights.htm).

##### *Reviewing our approach to industrial relations*

AngloGold Ashanti is committed to upholding basic human and labour rights as enshrined in various international instruments, which have as their core principles the right to organise, freedom of association and the right to collective bargaining. A commitment to these rights is also guaranteed by South African legislation and the constitution, as well as through the laws and regulation of most of the countries in which the company operates. In South Africa, the company has developed a robust philosophy and approach through its many years of practical interaction with organised labour. This case study discusses the current review of the group's approach to industrial relations. See case study at [www.aga-reports.com/08/collective-bargaining.htm](http://www.aga-reports.com/08/collective-bargaining.htm).

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## KEY DEVELOPMENTS

- Improving health care outcomes of HIV prevention and treatment programmes.

- Success in VCT programme sustained – 33,589 VCT encounters in South Africa in 2008, where the pandemic is at its most critical.

- ART programme continues to deliver success. A total of 1,933 people on ART in South Africa.

- Study on economic impact of AIDS at South African operations completed.

## RENEWING THE VISION, MISSION AND VALUES

AngloGold Ashanti's values, as reviewed and redefined in 2008, are underpinned by the philosophy that 'People are our business ... our business is people'. Giving life to this are the business principles related to the group's labour practices, which include the group's commitment to 'prompt and supportive action in response to any major health threats in the regions in which we operate'. AngloGold Ashanti's programmes in response to HIV & AIDS and malaria are natural consequences of these.

For further information on the development and implementation of these values, see the case study: Renewing our commitment to doing things the right way, at [www.aga-reports.com/08/renew-values.htm](http://www.aga-reports.com/08/renew-values.htm).

## THE YEAR IN REVIEW

### *Management systems and accountability*

The management of HIV & AIDS is undertaken on a regional and operational basis, with the appropriate level of resources dedicated to the threat posed by the disease. This varies from operation to operation, with the exact nature of the facilities and services provided depending on specific circumstances and requirements.

Further details are provided in the operation- and country-specific reports. (*See [www.aga-reports.com/08/Country-reports.htm](http://www.aga-reports.com/08/Country-reports.htm).*)

The pandemic is most severe in southern Africa, with the highest levels of prevalence estimated at the South African operations. Other countries where HIV & AIDS is of concern are Namibia, Tanzania, Guinea and, to a lesser extent, Ghana and Mali.

AngloGold Ashanti's response to HIV & AIDS is underpinned by the Board-approved HIV & AIDS policy and, in South Africa, is supported by an HIV & AIDS agreement between the company and various unions. Arrangements at an operational level frequently provide for joint management and union HIV & AIDS committees that oversee the development and implementation of mine-based programmes.

In many countries, HIV & AIDS-related regulations and policies are in place at a national level and the company acts in accordance with these. Where possible, the company works within government frameworks and structures to try and make its own programmes as relevant, accessible and sustainable as possible. In Ghana, for instance, the government has issued national guidelines for HIV & AIDS programmes. The company hospital at Obuasi is a key location in the government's regional campaign because, since 2006, it has been a registered site of the treatment acceleration scale-up programme (TAP). TAP is a joint World Bank, African Union and Economic Commission of Africa programme that has been implemented in Ghana.

In South Africa, oversight and implementation of the HIV & AIDS programmes are undertaken by AngloGold Ashanti Health, a wholly owned subsidiary of AngloGold Ashanti, in association with the business units and their HIV & AIDS committees.

HIV & AIDS performance statistics are reported to the Southern Africa Division executive on a monthly basis and to the Safety, Health and Sustainable Development Committee of the Board every quarter. The issues are also considered during the company's risk management process.

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In South Africa, high HIV levels in conjunction with exposure to silica dust, exacerbates the tuberculosis (TB) challenge, and management systems are in place to address the diseases in a holistic way. See the discussion on TB and silicosis in the Safety and health section on page 85.

While AngloGold Ashanti recognises that HIV & AIDS continues to have a major impact on employees and the company, it also believes that this impact can be managed. The provision of anti-retroviral therapy (ART), along with the comprehensive prevention and treatment campaigns, has meant that mortality rates have declined, while absenteeism remained stable.

At the other African operations, the management of HIV & AIDS, particularly, the drive for everyone to know their status, is also led by the HIV & AIDS committees. Unions are strongly represented on these committees and the programmes have proved to be highly successful when senior management has been seen to be involved. The programmes in place are aimed at both permanent employees and contractors, and frequently extend to dependants and community members.

Where appropriate, the company works closely with non-governmental organisations (NGOs), which are well placed to offer a comprehensive, integrated and sustainable service to both employees and local communities. One such NGO is the American Medical Research Foundation (Amref) operating near the Geita mine in Tanzania. AngloGold Ashanti provides financial and other support to Amref, and meets regularly with the NGO, which in turn provides a wide range of HIV & AIDS counselling, testing and support services as part of a broader health programme to Geita employees and contractors, their dependants, and community members. Women at high risk are a particular area of focus.

*Prevalence estimates*

In general, the estimated prevalence levels at AngloGold Ashanti's operations are in line with those segments the general population that are demographically similar (that is, those portions consisting largely of males of working age).

It is estimated that the HIV & AIDS prevalence level among employees at the South African operations has continued to remain stable at around 30% of the workforce. Early actuarial modelling had indicated a gradual rise in prevalence levels to a peak of 30% in 2004, declining marginally to 29% in 2008. It is anticipated, however, that the provision of ART is likely to have the effect of increasing prevalence levels by extending the productive lives within HIV-positive employees.

*Vaal River, South Africa*

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Prevalence levels are estimated at around 8% at Navachab in Namibia; at around 6% for men and 10% for women (based on Amref estimates) in Geita town in Tanzania. Prevalence levels measured 1% at Sadiola and Yatela, and Morila in Mali; at Iduapriem, prevalence at the mine was 1.4%, and 3.3% in the Wasa West district (now incorporated in the municipal area). Prevalence measured 5% at Obuasi; and 6% in the region around Siguiiri in Guinea.

*AngloGold Ashanti's HIV & AIDS programme*

The group's HIV & AIDS programme aims to:

- minimise the risk of HIV & AIDS to its employees and the company by reducing, and ultimately, eliminating new infections;
- efficiently manage and treat those infected; and
- support those who are AIDS-ill.

Consequently, AngloGold Ashanti's programmes typically comprise three components:

- first, the prevention of HIV, through various workplace initiatives, including education and training, and voluntary counselling and testing (VCT);
- treatment programmes, which comprise the clinical care of those infected, preferably through early referrals from the VCT programme into the wellness programmes, which includes the use of ART where this is indicated; and
- support for the AIDS-ill, who may leave the employ of the company and require palliative care, includes support for various community initiatives. See the case study: Investing in home-based care for Carletonville's HIV and AIDS patients, at [www.aga-reports.com/08/CHBC-project.htm](http://www.aga-reports.com/08/CHBC-project.htm).

*Prevention*

Education, combined with VCT, forms the cornerstone of all HIV & AIDS programmes. Both are available at all affected operations at no cost to employees.

Extensive education and awareness programmes are aimed at developing and promoting an awareness of HIV & AIDS and its consequences, as well as an understanding of its symptoms and treatment. This understanding will enable safer sexual practices, earlier access to care if needed, and will reduce and ultimately eliminate the stigma associated with the disease. Specific training programmes cover topics that include:

- the group HIV & AIDS policy;
- methods of transmission, including links to other sexually transmitted infections; and
- safer sex and condom usage.

These programmes involve working alongside HIV-positive employees and include sharing information about the medication used.

HIV

& AIDS

Hermien Saayman

*Security Supervisor, Rand Refinery Asset Protection, South Africa*

"I revel in being the custodian of safety and protection of the Rand Refinery's property and its people."

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Peer educators are employees who have received special training to educate and counsel fellow employees, in addition to their normal work responsibilities. They play an important role in education and training programmes. It is the company's intention to have a ratio of one peer educator for every 50 employees. During 2008, 125 new peer educators were trained at the South African operations, bringing the total trained over the three-year period from 2005 to 2008 to 749, giving a ratio of 1:46. It is the company's intention to recruit and train additional peer educators in 2009. The ratio at Geita, which has an active peer educator programme, is 1:60.

Training material linked to HIV & AIDS is provided in a variety of languages and media to ensure that all employees are reached. At the Siguiri mine in Guinea, for example, extensive outreach campaigns are undertaken in local villages and make use of the local radio station, Siguiri fm. Condoms are freely available to employees.

*VCT needs survey at Geita directs programme*

A survey of the Geita workforce aimed at understanding the needs of employees regarding VCT and, in particular, at trying to understand how to improve VCT, was undertaken between 20 and 30 May 2008. The survey found that several factors hindered the uptake of VCT, including:

- the residual stigma about the disease and a fear of discrimination (by peers);
- concerns about security of employment should test results be positive;
- a lack of understanding (and indeed permission) from supervisors in allowing time off to attend VCT;
- perceived lack of confidentiality; and
- inconvenient timing of VCT (not long enough and only during shifts).

Suggested improvements were tabled and many of these have now been implemented. A VCT outreach campaign was undertaken in November 2008 as a follow-up to the survey. (Outreach campaigns also took place in November 2007 and February 2008). Heads of departments, the workers representatives' council, peer counsellors and mineworkers were briefed thoroughly in advance and encouraged to participate. A key outcome of these initiatives was a 97% VCT uptake of the workforce, assuming single testing.

VCT is undertaken in a strictly controlled, confidential environment that provides pre- and post-test counselling, and advice on further treatment options. Confidentiality and commitment to the fair treatment of individuals are enshrined within group policy and, in South Africa, in operation-level agreements with unions.

AngloGold Ashanti HIV & AIDS programmes – African operations\*

Employees

Employees' families

Community members

Education and training

Yes

Yes

Yes

Counselling

Yes

Yes

Yes

Prevention (risk control)

Yes

Yes

Yes

Treatment

Yes

No

No

*\* Note that there are variations in the programmes from mine to mine, depending on the risk of the disease, the needs of the communities and the facilities available in the communities.*

Given that knowing one's status is the key to treatment, a great deal of emphasis is placed on VCT, and some successes were recorded during the year as underlined below.

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In South Africa, 33,589 VCT encounters were recorded during the year (2007: 33,435) and, assuming single testing, this indicates that around 99% of the South African workforce was tested during the year (2007: 102%). Some employees tested more than once – it is known that 32% had two or more tests. Of the 68% who had single tests, 14% were HIV-positive and 86% HIV-negative.

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VCT targets have become an important part of performance management at senior levels and the various *Vaal River, South Africa*

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mine-based campaigns offer incentives to employees to participate. It is envisaged that in the future, with increasing levels of HIV education and awareness, the need for mass campaigns and incentivisation for testing will decrease.

- At Iduapriem in Ghana, 254 employees out of 356 who have participated in the VCT programme, were counselled and tested at least once. This represented 71% coverage in 2008. Contract employees – numbering 630 – also participated in VCT in 2008.

- At Obuasi in Ghana, 30% of those who participated in the VCT programme tested positive. This programme is small at present and this high prevalence level is not a true reflection of the level prevailing in the community, but more an indication that the AIDS-ill are presenting for VCT very late in the course of the disease. A number of initiatives were undertaken to increase VCT uptake, including the provision of VCT for community members at churches.

- At Geita in Tanzania, 2,265 employees and 5,132 community members participated in VCT during the year. (See box on page 123).

- At Siguiri in Guinea, almost a third of all employees on site underwent VCT during the year (1,019), with 4.2% being positive.

- At Navachab in Namibia, 96 employees participated in VCT, with all (100%) testing negative.

- At Sadiola and Yatela in Mali, data collection of VCT encounters only began in the latter part of the year. Of those known to have been tested, (2.5%) were HIV-positive.

*Wellness programme*

As VCT programme attendances recorded some success, so a corresponding rise in participation in wellness programmes was achieved at some operations, as those who tested positive were persuaded to understand and manage their health.

Wellness programmes vary from operation to operation but typically involve regular counselling by professional health care providers, monitoring and evaluation of an individual’s health, and advice, treatment and support regarding nutrition and the treatment of opportunistic infections.

- At the end of December 2008, there were cumulatively 5,432 participants registered on the wellness programme in South Africa (2007: 4,610 ), with 822 people having joined the programme for the first time during the year (2007: 1,182).

- At Sadiola and Yatela in Mali, medical care for those infected is provided by the mine’s medical services.

- At Geita in Tanzania, 26 employees participated in the wellness programme, with all 26 being provided with ART through the Geita government hospital. Geita, along with other mining companies, was instrumental in helping to bring government-funded ART to the local hospital.

HIV  
& AIDS

0  
5,000  
10,000  
15,000  
20,000  
25,000  
30,000  
35,000

VCT attendance in