

ANGLOGOLD ASHANTI LTD

Form 6-K

March 31, 2008

**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 31, 2008

Commission File Number 1-14846

AngloGold Ashanti Limited

(Translation of registrant's name into English)

76 Jeppe Street

Newtown, 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 – REPORT TO SOCIETY 2007

Report to
Society
07

Comprehensive web document and CD-Rom

Scope of the report

AngloGold Ashanti Report to Society 2007

AngloGold Ashanti reports to a wide range of stakeholders and business partners including shareholders, employees, community members and many other interested parties in all of the countries and regions in which it operates. For this reason, our Annual Report comprises a number of documents, in different formats. Information on where to find the full suite of reports and how to use this one, the Report to Society 2007, may be found on page 16.

The Report to Society should in itself be viewed as comprising three parts:

The primary format of the Report is a web-based report (1), which may be accessed at www.aga-reports.com, or is available on a CD-ROM (2) on request.

This printed version of the report (3) is provided as a summary version and excludes most of the case studies, which may be found on the website. Additional copies are available on request or the report may be downloaded as a pdf, in full or in part, from the website indicated above.

Country and operational reports (4) covering every operation within the group and providing a level of detail that is not possible in the group report. These are also available in a printed format on request or on the report website indicated above.

The group's Annual Financial Statements (5) should be read as a complementary document and may be requested as a printed document or accessed on the website at www.aga-reports.com.

The Report to Society has been prepared to reflect the operations of the AngloGold Ashanti group and its managed subsidiaries and joint ventures. Details of these may be found in the Corporate Profile on page 8. There have been no significant changes to the group other than those reported in the Economic performance section on page 54.

The report has been produced in accordance with the Global Reporting Initiatives (GRI) G3 guidelines and in alignment with the principles of the International Council of Metals and Mining (ICMM) and the UN Global Compact. AngloGold Ashanti is a member of both these organisations. An index providing page numbers and web links may be found on page 194 of this report.

Data measurement techniques are reported in the sections where data appears. Where there have been restatements, this has been indicated. There has not been any significant divergence from the GRI indicator protocols.

This Report to Society is produced on an annual basis for the company's financial year, that is 1 January 2007 to 31 December 2007. The previous Report to Society was published in March 2007, for the 2006 financial year. Unless otherwise stated \$ refers to US dollars throughout this report.

PricewaterhouseCoopers (PwC) has been appointed to provide independent assurance on key performance information reported, as described in the assurance report found on page 22. AngloGold Ashanti

has declared an A+ level of reporting and will seek a further review by the GRI of this declaration following the publication of the report.

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

We welcome feedback on this report and its contents.

A feedback form is provided on page 217 of this report or at www.aga-reports.com/07/feedback.htm.

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The way we do business

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AngloGold Ashanti Report to Society 2007

Mission:

We create value for:

Our shareholders

Our employees

Our business partners

through the safe and responsible exploring, mining and marketing of our products.

Vision:

To be a leading, innovative mining company in respect of safety, the environment, operating efficiency, financial returns and the positive impact that we have on the communities in which we operate.

AngloGold Ashanti's mission, values and business principles were developed in consultation with employees and are reviewed as part of an ongoing process to ensure that they accurately reflect the group's purpose and the way in which it does business. Accordingly, there have been some changes in the group's mission, vision and values since the 2006 report. In line with the revision of the group's strategy that is currently being undertaken, it is likely that there will be further refinements during 2008 as these statements will be reviewed in consultation with management and employees in a way which ensures that this process is inclusive.

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.

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Values:

People are our business. We treat each other with integrity, dignity and respect.

Safety is our number one value

We value diversity and are committed to ensuring that the contribution of every individual is recognised and rewarded

We take responsibility for our actions and deliver on our commitments

We strive for continuous improvement and excellence through innovation

We want communities and the societies in which we operate to be better off for us having been there

We will respect and protect the environment

Our business principles:

We live our values through our business principles and these are applicable to all operations and employees across the group. Our business principles inform the way in which we go about achieving our mission and vision, and the way in which we live our values.

They are:

AngloGold Ashanti – a responsible and ethical corporate citizen – page 76.

AngloGold Ashanti as an employer – safety and health – page 26.

AngloGold Ashanti as an employer – our labour practices – page 90.

AngloGold Ashanti and the environment – page 158.

AngloGold Ashanti in the community – page 132.

These business principles will continue to evolve as we continue to interact with our stakeholders, both internal and external. On the pages that follow we report on how we have performed in terms of meeting our values and business principles.

Key sustainable development data

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AngloGold Ashanti Report to Society 2007

Units

2005

2006

2007

Gold production

000oz

6,166

5,635

5,477

Average gold price received

\$/oz

439

577

629

Total cash costs

\$/oz

281

308

357

Distributions to employees

\$ million

877

887

998

Taxation paid

\$ million

82

210

239

Dividends declared

\$ million

95

173

54

Total value-added

\$ million

1,930

2,271

2,822

Capital expenditure

\$ million

722

817

1,059

Exploration expenditure

\$ million

79

103

167
 Number of fatalities
 25
 37
 34
 Fatal injury frequency rate
 Per million man hours
 0.14
 0.22
 0.21
 Lost time injury frequency rate
 Per million man hours
 6.77
 7.70
 8.24
 Noise-induced hearing loss (New cases in SA only)
 Per 1,000 employees
 4
 2
 2
 Number of employees and contractors
 63,933
 61,453
 61,522
 Ratio of employees to contractors
 %
 75
 76
 77
 Separation from group
 %
 13.5
 10
 10.5
 Percentage of unionised employees and employees
 %
 89
 85.6
 93
 recognised by collective bargaining agreements
 Women in group
 %
 6.2
 8.6
 Women on board
 %
 6
 5.9
 8.0
 Women in senior and middle management in
 South Africa

%
 13.3
 14.8
 16.0
 Training and development expenditure
 \$ million
 Not reported
 26.4
 31.4
 VCT uptake in South Africa (assuming single testing)
 %
 32
 75
 102
 Participation in HIV wellness clinics in South Africa
 3,254
 3,354
 4,610
 Number of employees on ART in South Africa
 1,267
 1,467
 2,061
 Malaria lost time injury frequency rate at Obuasi, Ghana
 Per 1,000 employees
 Not reported
 164
 61
 Percentage of operations ISO14001-certified
 %
 27
 92
 100
 Total environmental liabilities
 \$ million
 Data not comparable
 482.4
 445.8
 Cyanide usage
 kg/oz
 4.3
 4.4*
 4.8
 Fresh water usage
 m
 3
 /oz
 Data not comparable
 9.2
 9.5
 Total energy usage
 GJ/oz

Data not comparable

4.7

4.9

Total greenhouse gas emissions

CO

2

e/oz

Not reported

0.7

0.7

Corporate social investment expenditure

\$ million (attributable)

8.1

7.7

7.7

New resettlements undertaken during the year

Not reported

1

1

* Restated

Economic

performance

Occupational

safety and

health

Employment

Regional

health

Environment

Community

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Milestones 2007

Our malaria programme at Obuasi in Ghana has shown huge dividends, with an estimated 74% decrease in malaria incidence in the region in just under two years. See the section on Regional Health on page 114.

We reached a major milestone in 2007, by when all of our operations were certified as being in compliance with the ISO14001 environmental system standard. See the section on the environment on page 156.

As part of our effort to remove the stigma from HIV/AIDS and to encourage employees to manage their health proactively, we place a great deal of importance on Voluntary Counselling and Testing (VCT). Assuming single testing, 102% of employees in South Africa were tested during the year. See the section on Regional Health on page 114.

Extensive training and development is undertaken at all levels, ranging from Adult Basic Education and Training (ABET) to skills development and training for career endings.

As at the end of December 2007, AngloGold Ashanti employed 61,522 people – 77% employees and 23% contractors at its operations around the world. See the section on Employment on page 89.

In 2007, Anglo American plc, sold down its stake in AngloGold Ashanti to 17%. For the first time ever the company is truly held by a broad and diverse range of shareholders around the globe.

In 2007, AngloGold Ashanti produced 5.5 million ounces of gold from its 20 operations around the world. This amounts to an estimated 7% of global production, making AngloGold Ashanti the third largest producer in the world. See the section on Economic Performance on page 54.

5.5Moz

of gold produced

83%

free float

61,522

people employed

\$31.4

million spent on

training and

development

102%

VCT at the South

African operations

74%

decrease in malaria

at Obuasi in Ghana

100%

of operations

ISO14001 compliant

As part of our philosophy of leaving communities better off for

our having been there, we develop local economic activity and apply corporate social investment (CSI) funding to sustainable, community-based projects. See the Community section on page 130.

\$8.05
million on CSI

Letter from the chief executive officer

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AngloGold Ashanti Report to Society 2007

Those sentiments remain the same today. We will continue to build our platform for sustainable business based on the application of these principles. To further support our endeavours we have recognised that “people are the business ... our business is people”. By people, I mean the 62,000 people who are employed at our operations in 10 countries around the world, and their families; the many thousands of people who directly and indirectly are shareholders in our company and rely on our wealth generation in planning for their future; and the many more thousands of people whom I would call our business partners - who in some way have an interest in our business, directly or indirectly. We, together, represent and are AngloGold Ashanti. Our business partners – or, as many people would call them, our stakeholders – have a real and meaningful interest in whether or not we operate, whether we pay our taxes, and whether we act responsibly and with care in their neighbourhoods. This is not a passive relationship, it is one in which we need to establish and maintain dialogue. We need to listen and hear the real concerns and aspirations of our partners. We need to speak the truth in a respectful and sensitive way; respectful of the culture and the different worlds in which we operate.

This report is an account of how well we are doing and where we need to develop and improve. In it, we seek to report openly on how we have performed during the year against the business principles that we have established, the values that we want to live up to and the material challenges we face.

In the six months that I have been with the company I have visited more than three quarters of our mines around the world and have engaged in some of the conversations that we have held at and around our operations. Many of these have been about the performance of our assets, about how we can extract value out of the resources that we have in the ground. Most importantly, more of these conversations have been about, and with, our own employees and employee representatives, with government and community leaders, and with other business partners. In all of these encounters our approach is simple: if we do not understand the problem, then we ask the people who are living with it. This captures our approach on a wide range of issues, from safety and health where we are engaging on a number of fronts to achieve a major breakthrough in performance, to artisanal and small-scale mining, where we need to find a form of cohabitation with people for whom such mining is their subsistence livelihood. Our relationship with our business partners will ultimately define our success and the sustainability of our business model.

Reporting format

The report covers the major issues that we face in the life cycle of our operations, from exploration to hand-over back to the community (see page 10). It also shows clearly those that are most material to the company (page 12). In each area of reporting, we present a view of how we have fared against the objectives we set out in a scorecard in

the previous report, how the issue is managed at a corporate and operational level, as well as the performance for the year under review and our objectives for the next year.

This report has been produced in accordance with the Global Reporting Initiative's (GRI) G3 guidelines. As in prior years, the report has been independently assured by external auditors

PricewaterhouseCoopers. But this year we have involved our own group internal audit to a greater degree, to ensure that we establish the necessary capacity for assurance within our own organisation so that

In his letter in the 2006 Report to Society, my

predecessor, Bobby Godsell, wrote that at the

heart of this company is the idea of being a

good steward: that is, to take the resources

we have been entrusted to manage and use

them to create value – for our owners, our

employees and the national economies and

communities in which we operate.

the checks and balances are in place all year around, and not just once a year. It is our responsibility to ensure we manage every day of every year in the life cycle of our operations.

We have 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. A schedule of our reporting against the GRI aspects may be found on page 194 of this report. 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 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.

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 performance), also available on our website. This year, for the first time, we have produced reports on our activities in Colombia and the DRC where we are engaged in reconnaissance exploration.

The issues we face

There has been significant progress at an operational level against the objectives we have set and, as you would expect, there have been many challenges. My recommendations to the reader on specific areas of focus or change in this report are:

Our reporting on occupational safety and health, and in particular the reinforcement of the emphasis on safety at our South African operations. This is a very personal issue for me and has been the most important issue in the year under review. *See the case studies on pages 44 and 48.*

Our reporting on payments to government, in line with the requirements of the EITI *on page 60.*

Our approach to collective bargaining, in this case reporting a comparison between the structures and processes in place in South Africa and Ghana, but which are applicable to all other jurisdictions in which we do business. *See the case study on page 104.*

The progress we have made, and the challenges we have faced, in recruiting and retaining women in mining, particularly in South Africa where this is a requirement of the Mineral and Petroleum Resources Development Act (MPRDA). *See the case study on page 108.*

The progress made in encouraging Voluntary Counselling and Testing (VCT) for HIV at our South African operations where, assuming single testing, 102% of the South African workforce was tested in 2007. *See page 120.*

The 74% decrease in the malaria incidence rate at Obuasi in Ghana. *See the case study on our website at www.aga-reports.com/07/malaria-Obuasi.htm.*

The way in which we are grappling with the issue of artisanal and small-scale mining at our operations in Guinea, Ghana, Tanzania and, to a lesser extent, in Mali. *See page 139.*

The way in which we as a group are approaching climate change and, in particular the baseline studies to establish the carbon footprint of our operations in South America. *See case studies on pages 186 and 192.* For the first time this year, we report on our greenhouse gas (GHG) emissions.

We welcome your feedback on this report and have provided a feedback form on page 217, or on the website at www.aga-reports.com/07/feedback.htm, or simply email your comments to AFine@AngloGoldAshanti.com.

Mark Cutifani

CEO

10 March 2008

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Our operations and projects – a corporate profile

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AngloGold Ashanti Report to Society 2007

AngloGold Ashanti is a leading global producer of gold and uranium and has a varied portfolio of surface, open-pit and underground operations (20 in total) in 10 countries (Argentina, Australia, Brazil, Ghana, the Republic of Guinea, Mali, Namibia, South Africa, Tanzania and the USA). The group's corporate office is located in Johannesburg, South Africa.

Together with its extensive greenfields and brownfields exploration portfolio the company has a presence on every continent.

Americas

USA:

Production in 2007:

282,000 ounces

(5% of attributable group production)

Number of employees (including contractors):

405

Operations:

One, CC&V Gold Mine

(100% economic interest)

Capital expenditure (attributable)

in 2007:

\$23 million

Argentina:

Production in 2007:

204,000 ounces

(4% of attributable group production)

Number of employees (including contractors):

1,017

Operations:

One mine, Cerro Vanguardia

(92.5% economic interest)

Capital expenditure (attributable)

in 2007:

\$18 million

Brazil:

Production in 2007:

408,000 ounces

(7% of attributable group production)

Number of employees (including contractors):

4,352

Operations:

Two mines, Serra Grande

Mine (50%) and AngloGold Ashanti Brasil

Mineraç~

ao (100%) complex, comprising

the Cuiabá, Córrego do Sítio and

Lamego project

Capital expenditure (attributable)

in 2007:
\$129 million

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Africa

Australia

Corporate office:

Number of employees:

486

Ghana:

Production in 2007:

527,000 ounces

(10% of attributable group production)

Number of employees (including
contractors):

7,549

Operations:

Two mines: Obuasi (100%)

and Iduapriem (100% since 1 September)

Capital expenditure in 2007:

\$117 million

South Africa:

Production in 2007:

2,329,000 ounces

(42% of attributable group production)

Number of employees (including
contractors):

36,976

Operations:

Seven mines (Mponeng,

TauTona, Savuka, Tau Lekoa, Great

Noligwa, Kopanang, Moab Khotsong)

Capital expenditure in 2007:

\$361 million

Guinea:

Production in 2007:

280,000 ounces

(5% of attributable group production)

Number of employees (including
contractors):

2,917

Operations:

One mine, Sigui (85%)

Capital expenditure in 2007:

\$18 million

Tanzania:

Production in 2007:

327,000 ounces

(6% of attributable group production)

Number of employees (including
contractors):

3,226

Operations:

One mine, Geita (100%)

Capital expenditure in 2007:

\$27 million

Australia:

Production in 2007:

600,000 ounces

(11% of group production)

Number of employees (including
contractors):

781

Operations:

One mine in production at

Sunrise Dam (100%) and two projects,

Boddington (40%) and Tropicana (70%)

Capital expenditure in 2007:

\$30 million

Namibia:

Production in 2007:

80,000 ounces

(1.5% of group production)

Number of employees (including
contractors):

409

Operations:

One mine, Navachab

(100%)

Capital expenditure in 2007:

\$6 million

Mali:

Production in 2007:

441,000 ounces

(8% of group production)

Number of employees (including
contractors):

4,118

Operations:

Three mines, Morila (40%)

and the Sadiola (38%) and Yatela (40%)

complex

Capital expenditure in 2007:

\$8.5 million

The process of producing gold
– from exploration to the market

10

AngloGold Ashanti Report to Society 2007

1. Finding the orebody

Identifying targets and undertaking exploration.

2. Creating access to the orebody

Two types of mining take place: underground mining – a vertical or decline shaft is sunk deep into the ground; and open-pit mining – where the top layers of topsoil or rock are removed to uncover the gold-bearing ore.

3. Removing the ore

In underground mining, holes are drilled, filled with explosives and then blasted; stopes are cleaned and ore is then transported and hoisted to surface. In open-pit mining, drilling and blasting may be necessary to release the gold-bearing rock while excavators load the material onto the ore transport system.

4. Transporting broken material to plants for treatment

Underground ore is transported by means of vertical and/or horizontal transport systems, while open-pit mines transport ore in vehicles capable of hauling large, heavy loads.

We understand that our group has an impact – or the potential to have an impact – throughout the life cycle of our operations. The process of producing gold is described below.

Services

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Services

Mining activities require extensive services, both on the surface and underground, including: mining engineering; mine planning; ventilation; provision of consumable resources; geology and exploration; engineering; financial, administration services; human resources; and environmental/sustainable development.

5. Processing

Comminution (the process of breaking up ore) occurs in multi-stage crushing and milling circuits, or large mills fed directly with run-of-mine material. For refractory ores (gold locked within sulphide mineral and not readily available for recovery by the cyanidation process) sulphide material is separated using flotation. Sulphide concentrate is oxidised by roasting or bacterial oxidation, to liberate gold. Ore is agitated in an alkaline cyanide leach solution, followed by adsorption of the gold cyanide complex onto activated carbon-in-pulp (CIP). In the heap-leach process, run-of-mine ore is crushed and heaped on a leach pad, low strength alkaline cyanide solution is applied to the top, and 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 is recovered by re-dissolving gold, followed by precipitation in electro-winning cells and smelting of precipitate into doré bars.

6. Refining

Doré bars are transported to a refinery for further refining, to as close to pure gold as possible.

7. Mine-site closure rehabilitation

Concurrently with mining and once mining has been completed, operations are 'closed' and rehabilitation activities 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.

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AngloGold Ashanti Report to Society 2007

Reducing accidents at work and eliminating all fatal accidents. See pages 44 and 48 on our safety strategy. Since falls of ground account for 63% of our fatal accidents, this is an important area of work. See the case studies on the gold mining industry project into seismicity and rockbursts (www.aga-reports.com/07/seismic-study.htm), a review of our falls of ground management strategy (www.aga-reports.com/07/FOGM.htm) and our efforts to separate people and risk (www.aga-reports.com/07/emp-at-risk.htm).

Respect for human rights. In line with our business principles and as a signatory to the Voluntary Principles and Human Rights a range of policies and practices is being implemented within the group, along with the safeguards to ensure that these are adhered to. *See the Community section on page 146.*

Reducing the impact of HIV/AIDS and malaria. In regions where there are significant regional health threats to the company and the community as a whole, we address these in an integrated and proactive manner. Examples are our HIV/AIDS programmes, particularly in southern Africa where the pandemic is at its peak, and malaria in West Africa.

See the section on Regional Health on page 114.

Maintaining and implementing comprehensive health management programmes at all operations. Key areas of concern are the potential for noise-induced hearing loss, occupational lung disease and TB in South Africa (where the disease is classified as an occupational illness). *See the case study on TB control at AngloGold Ashanti Health – applying best practice on page 126.*

Delivering sustainable benefits to our communities. We understand

that a mining project has a defined window of opportunity to deliver to our host communities benefits that are socially and economically beneficial and sustainable and we endeavour to do this, and to minimise any negative impacts in the process. *See the Community section on page 130.*

The issues we face

- 1
- 2
- 3
- 4
- 5

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Transparency in relations with government. We recognise that our social compact should be with the people of the regions in which we operate and not just with the government, and are committed to transparency in our reporting on these relations. Challenges that we have to face include relations with security forces where this is necessary to protect our people and assets, and reporting in those countries in which regulation and practice mitigate against such reporting. *We report on payments to government on page 60.*

Diversity in operations and people. As we have diversified our asset base, so we are endeavouring to ensure that our employees and our leadership reflect the demographics of the countries and regions in which we operate. Issues that we are addressing here are women in mining, the promotion of historically disadvantaged South Africans, localisation programmes in Tanzania, Mali, Guinea and Ghana, and dealing with indigenous peoples' rights, particularly in Australia. *See the Employment section on page 88 and the case study on women in mining on page 108.*

Reducing our carbon footprint. In line with our commitment to minimising our environmental impact and to effectively managing the efficient use of our resources, we have undertaken to reduce our energy consumption by 15% in the short- to medium-term, and to reduce our carbon emissions by 30% in the longer term. *See the case studies on page 186 and page 192.*

Lifelong training. We recognise that, just as employees have an obligation to perform in terms of their employment contracts, so we as a group have an obligation to assist them in developing to their full potential. Skills development as well as lifelong training and development is important, not only while employees are with the company, but also after their terms of employment.

Dealing with artisanal and small-scale mining (ASM). In some of the countries in which we operate our operations bring us into conflict with artisanal and small-scale miners. As a group we recognise the rights of these miners and, in line with the applicable legislation, we seek to develop ways in which we can cohabit the areas in which we operate with mutual respect for each other's rights. *See the discussion on page 139.*

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How we report

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AngloGold Ashanti Report to Society 2007

Although our Report to Society is an annual publication, we consider and define the report content during the year under review.

Because of the scale of the company and the range of operations, circumstances and issues that we face, we cannot report on every issue. Using the Global Reporting Initiative's guidance for assessing the materiality of the issues we face we have taken a conscious decision to report on those issues that:

Are important and meaningful to us as a company, both from an operational and risk point of view;

Are important and meaningful to our stakeholders and business partners as a consequence of their having identified them as such;

Take into account basic expectations expressed in international standards and agreements with which we are expected to comply;

Are topical in the broader public debate (such as climate change and biodiversity);

Reflect our support for and are in accordance with the voluntary guidelines and principles to which we subscribe; and

Ensure that we are transparent in our reporting, and provide a complete picture within the sustainability context of our business.

Stakeholder inclusiveness

We have canvassed our stakeholders and business partners in respect of our reporting format. Through this process it became clear that:

Readers wanted a report that was user-friendly and easily accessible, and was not too long.

Readers in specific regions wanted to access information peculiar to specific countries and operations that were relevant to them, and within their preferred language.

Readers often had a clear area of interest and wanted to be able to access information on specific issues only.

Geita, Tanzania

To address these needs we have developed a suite of reports (See page 16 on Using this report).

Sustainability context

We understand as a group that we are guests in the countries and communities in which our operations are located and in which we undertake exploration. We recognise that the value-creation opportunity that our company faces, is one that should benefit not only our shareholders and employees, but also our stakeholders and business partners. In short, it is our responsibility to act with integrity and care in all that we do, so that communities may be better off for our having been there and that any negative impacts of the mining and development process have been mitigated by socio-economic advancement in the best interests of, and with the consent of the relevant communities.

In determining the boundaries for our report, we have reported on those operations where we hold a majority stake or which we manage.

Reporting against our values

AngloGold Ashanti is a values-driven organisation and our values and business principles underpin everything that we do. This applies equally to our approach to sustainable development. Thus, our business principles guide our relations with all those who have an interest in our business. We report and measure our performance against our values and business principles and report our progress and the challenges we face in this report.

Information gathering and deciding what to report

We take both a bottom up and top down approach.

In terms of the former approach, we ask each of our operations to complete questionnaires on each of the areas that we review, and to provide suggestions for case studies. The questionnaires are based on the GRI indicators. Site visits were undertaken to a number of the operations by the report writers during the year.

In terms of the latter approach, a Report to Society Committee compiles the primary areas of risk and interest, and suggests broad themes for case studies. This committee is made up of the discipline heads for Environment, Safety, Health, Community, Compliance and Public Affairs, with representatives also from Finance, Risk Management and Human Resources. The committee takes due cognisance of issues that arise at an operational level and in the public domain, and through its association with voluntary bodies, in addition to the bi-annual risk identification and management processes that take place within the group.

Reports submitted to Exco (such as incident reporting, accident reporting), and to the board's Safety, Health and Sustainable Development sub-committee, are also reviewed and considered for reporting.

The report is finally reviewed and approved by the heads of disciplines, the company's Exco, the heads of operations, the company's Disclosure Committee and an appointed representative of the Safety, Health and Sustainable Development Committee of the Board. The Economic Performance section is also reviewed by the Group's Audit Committee.

In compiling this report it is our intention to provide a clear picture of our vision, values and business principles, and how we have performed when measured against these. We aim to provide a balanced overview of the company and the sustainability issues and challenges that we face, from exploration to mine and closure, in all of the regions in which we operate.

As in prior years we have sought external assurance to ensure accuracy, balance and completeness of the report. We have also, during 2007, valued the further assistance provided by the group's internal audit discipline.

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This report itself is in three parts:

The primary report (which is also available as a printed document).

This report has been assured by external auditors, PwC.

The online case studies, which provide discussions on key issues that the company has faced during the year, and examples of how these were dealt with on the ground.

The country and operational reports that have been developed as follows: Australia, Brazil, Argentina, South Africa (West Wits and Vaal River), Namibia, Tanzania, Ghana (Obuasi and Iduapriem), Guinea, Mali (Morila and Sadiola/Yatela).

In the main body of the report we have a letter from our CEO, Mark Cutifani, to all stakeholders, and have provided a picture of the organisation that demonstrates the life cycle of our operations (from exploration to closure), where we operate, and the issues that are most material to us.

In this report we provide an account of our performance during the year in seven key areas of our business, namely:

occupational health and safety;

economic performance;

ethics and governance;

employment;

regional health;

environment; and

community.

In each section, we look at:

The key issues during the year.

The company's value and business principle in respect of this section.

Our scorecard, reporting our performance against the objectives we set in the previous year and the next steps to be taken in meeting these objectives (if they were not met).

Review of 2007, under three main headings: an introduction; how the issue is managed; and performance for the year.

Case studies: Six case studies, dealing with some of the most significant issues, have been produced in the main report.

Summaries and the specific url of each case study that is available on the website may be found towards the end of each section.

Objectives for 2008.

A feedback form, the glossary of terms and a detailed schedule indicating our compliance with the GRI guidelines and the principles of the ICMM and the UN Global Compact are also provided.

Using this report

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AngloGold Ashanti Report to Society 2007

The primary format for the Report to Society is the online report, although a printed version is available on request.

Our annual report comprises two parts – the Report to Society (this report) and the Annual Financial Statements. These may be found online at www.aga-reports.com

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Engaging with our stakeholders

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.

We have identified the following broad groups of stakeholders at corporate, operational and community level:

employees

unions and other employee representation forums

employees' families and dependents

communities surrounding our 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

peer companies

and many others.

A comprehensive, but not exhaustive, list of these stakeholders may be found on our website at www.aga-reports.com/07/stakeholders.htm.

Our engagement with our stakeholders varies in frequency and may depend on specific matters at hand. The nature of this engagement may be formal, informal or both. It is our preference to engage proactively with stakeholders on a regular basis, and to jointly identify and deal with issues of concern as well as to pre-empt and address potential areas of conflict. On the pages that follow we provide some insight into the range of stakeholder interaction in which we engaged in 2007.

Obuasi, Ghana

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AngloGold Ashanti Report to Society 2007

Engaging with our stakeholders continued

Cultural sensitisation amongst *employees* and *communities*

At Sunrise Dam in Australia, cross-cultural training is undertaken for new employees and contractors as part of our induction process. The course aims to demonstrate the link between Aboriginal culture and the local environment, and to explore and demystify the differences between Western and Aboriginal cultures. The historical and cultural information presented highlights the many complexities and challenges faced by Australian indigenous communities and the corresponding challenges faced by non-indigenous people to develop a mutual understanding and a climate of respect.

Developing a safety culture with *employees*

We recognise that the achievement of our safety objectives requires the commitment of all levels of the company. A safety culture survey undertaken among employees at Sunrise Dam in 2007 helped us to understand how we can achieve this. *See case study at www.aga-reports.com/07/survey-SDGM.com.*

Baseline studies at Tropicana

In recognition of the need to understand, in advance of mining, the environmental and cultural heritage of the regions in which we operate, AngloGold Ashanti and its joint venture partner at Tropicana, Independence Group NL, undertook extensive baseline biodiversity and heritage protection studies in the project area in 2007. Working initially from relevant state and federal government information, the field studies were aimed at identifying any threatened species and significant heritage sites in or adjacent to planned mining areas. Local indigenous communities (the NEIB, Tjuntjuntjarra, Coonana and Nullabour people) were consulted to ensure that any known ethnographic sites within the proposed communities were identified; although no ethnographic sites were recorded, a number of archaeological sites were identified. Other bodies that were consulted and involved in the studies at Tropicana were the local councils of Kalgoorlie-Boulder, Menzies and Laverton and the Department of Industry and Resource, as well as the Department of Environment and Conservation, both of Western Australia. *See case studies at www.aga-reports.com/07/Tropicana.htm.*

Australia

Working with *government*

Sunrise Dam has registered with the Greenhouse Challenge Plus (Commonwealth Energy Efficiency Opportunity Programme) as part of the company's overall commitment to improving its carbon footprint, and in line with its obligation to meet the Australian Government's targets in respect of the Kyoto protocol. *See page 178 for further information.*

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Engagement with *local communities*

CC&V is an active member of the Southern Teller County Focus Group and actively participates in this organisation's programmes to ensure historic preservation of the area and local economic development (including tourism potential). Through this entity and other direct interaction, the mine endeavours to brief the local communities on plans at its operations and how this may have an impact on the area, and to deal with issues that may arise.

Dealing with *artisanal miners*

In Colombia, contracts and collaborative agreements have been entered into with the communities and mining organisations present in all the areas where artisanal mining activity has been encountered. Our policy, Good Friends and Neighbours, allows for the establishment of contracts and collaborative agreements, in the interests of promoting legalised and commercial mining activity. At the heart of the programme is the allocation of ground to artisanal and small-scale miners, giving them legal mining title over the property. In return for this, the miners have to register in terms of the local mining regulatory framework and comply with some basic health and safety and environmental requirements.

See discussion on artisanal and small-scale mining on page 139.

Local economic development for *community*

In Puerto San Julián, near the Cerro Vanguardia mine, AngloGold Ashanti was closely involved with the establishment of a local development agency in 2004. As farming has tailed off in the area (owing to large tracts of land being affected by ash fall-out from the Mount Hudson in Chile in the early 1990s), so the town has become reliant on Cerro Vanguardia for employment and economic support. The agency, under the direction of the University of Patagonia, is identifying and assessing the feasibility of various socio-economic development projects in the region and is drawing up a development plan to be implemented from 2007 to 2020. The development agency's aim is to ensure that there are alternative livelihood options available to this community both concurrent with, and post-mining activity in the region. The agency also works closely with local community representatives and the local municipality. *See the Report to Society 2006 (www.aga-reports.com/06/partnerships-CVSA.htm).*

Americas

Environmental centre well used by *community*

The Harry Oppenheimer Environmental Centre in the town of

Nova Lima in Brazil provides a unique environmental education and recreational facility, while at the same time preserving a valuable part of the Atlantic Forest Reserve in what is essentially an urban area. In addition to the ecological value of the centre (*See case study at www.aga-reports.com/07/biodiversity-Brazil.htm*), the centre is visited by more than 10,000 community members per annum, with about 3,000 students having taken part in the environmental awareness programme.

UN Millennium Development Goals – *community/employees*

In support of a national and business coalition initiative in Brazil to promote the United Nations Millennium Development Goals, AngloGold Ashanti Brasil Mineração developed an outreach programme to involve the children and young people in the communities surrounding its operations in Nova Lima, Sabará, Santa Barbara and Raposos. The campaign has been run by the company's long-established employee volunteer programme, the Holding Hands initiative. Volunteers visited schools in these cities and towns, creating awareness of the MDG objectives, stimulating interest and telling learners how they can participate on an individual level. In total, 21 company employee volunteers spoke to more than 1,650 students over a period of 15 days. A competition to create interest and awareness in the MDGs was initiated. *See case study at www.aga-reports.com/07/millennium-goals.htm*.

Good Neighbourhood Programme in Brazil – *community*

A comprehensive programme for interaction with local communities is in place at the Brazilian operations. Quarterly meetings are held with communities in Sabará, Nova Lima, Raposos and Santa Barbara. Key issues dealt with during the year included:

Sabara – the impact of the Cuiabá expansion programme and, in particular the quality and quantity of local water supply;

Santa Barbara – issues relating to water; and

Nova Lima – concerns about the company's real estate project and the impact of this on the region.

In addition, the company runs a 24-hour toll-free hotline on which community members can log complaints. During the year, 57 complaints were received, 40% of which were related to dust during the dry season.

Upgrading skills in *local communities*

2007 saw the implementation of a plan by four mining companies and a service supplier company operating in Santa Cruz Province (Cerro Vanguardia, Sandvik, Minera Santa Cruz, Manatial Espejo and Mina Martha) to train local unskilled employees. The programme, undertaken in conjunction with the University of Patagonia (UNPA), has already seen 151 employees go through training, with 56 of them from Cerro

Vanguardia. *See case study at www.aga-reports.com/07/fast-track-argentina.htm.*

Golden Wives – involving *employees' families*

At the Brazilian operations, the families of employees have become involved in safety and health initiatives at the company through the Golden Wives programme. The partners of employees attend regular briefings and annual visits to the operations and, in addition to developing an understanding of the potential hazards at work that their partners face (and therefore assisting in supporting them), the wives are also encouraged to take the safety programme to their own communities and schools.

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AngloGold Ashanti Report to Society 2007

Engaging with our stakeholders continued

Endowment project with stakeholders

AngloGold Ashanti is actively involved in the ICMM initiated Resource Endowment Project in Tanzania. As part of this process, a multi-stakeholder workshop was hosted jointly by Government of Tanzania and ICMM in Dar Es Salaam during December. This provided a platform for engagement with various stakeholders to improve communication and their involvement in the mining industry.

IDAP with *community* at Sadiola/Yatela

As part of its Integrated Development Action Planning (IDAP) process, the Sadiola and Yatela stakeholders met in December 2007. 150 participants from all levels of civil society, NGOs, the media and the IFC focused on mine closure, water security and the epidemiological study. Recommendations for further deliberation included:

The tarring of the Kayes-Kenieba national road.

Support and development of socio-medical structures and medical equipment.

Active participation of women's associations in IDAP workshops.

Meeting the deadline for feedback on the findings of the epidemiological study.

Creating a mechanism for ownership of actions

undertaken by the target population in relation to the IDAP.

Supporting the Mayor and Sous-Préfet in fighting insecurity.

Looking for an independent water source to supply

Sadiola and Farabakouta.

Taking appropriate actions to fight HIV/AIDS.

Engaging with NGOs- *WACAM in Ghana*

The establishment of a Joint Investigative Group (JIG) between AngloGold Ashanti and WACAM (the Wassa Association of Communities Affected by Mining), in respect of legacy and current issues of concern at Obuasi, has been significant. An inaugural meeting between the two parties was held on 21 August 2007, the culmination of a 16-month process of meetings and interactions with this Ghanaian-based NGO. The JIG comprises six representatives, three each from AngloGold Ashanti and WACAM. The JIG has agreed on future focus areas of human rights, environmental issues, and issues relating to land and post-mining rehabilitation. As a first step, the group embarked on a fact-finding mission, visiting a number of Obuasi communities in September 2007. A formal memorandum of understanding, setting out the group's terms of reference and programme for the forthcoming year, is being prepared in early 2008.

At Iduapriem, the company has engaged with WACAM, the Food First Information and Action Network (FIAN) and Oxfam America in respect of concerns raised by these organisations regarding food security, resettlement, alleged human rights abuse and environmental rehabilitation. The mine hosted a visit by Oxfam America and WACAM to Iduapriem in December 2007. This engagement has proved valuable and is in addition to the extensive community and stakeholder forums that have been set up at Iduapriem (*see case study at www.aga-reports/07/community-Iduapriem.htm*).

Africa

Community malaria programmes

Malaria remains one of the most significant threats to community health in West Africa, particularly to pregnant women and children.

AngloGold Ashanti's malaria management programme at Obuasi (*see case study www.aga-reports.com/07/malaria-Obuasi.htm*) has been very successful, delivering a 75% reduction in malaria rates since the programme began two years ago.

Now, the lessons being learnt at this programme are being rolled out to Siguiri, Iduapriem (in conjunction with other mining companies through the Chamber of Mines) and in Tanzania (in collaboration with the government-based initiative).

Emergency response for *employees and community*

In 2007, the company contracted an external company, ISOS international, to supply emergency response services to the mine and to the local community. Previously no such service was available in the remote region of Karibib, which is where the Navachab mine is located.

Dealing with *artisanal and small-scale* mining

AngloGold Ashanti has contracted PACT Congo, a developmental NGO and consultancy, to assist in the identification and implementation of appropriate strategies to create an initial co-existence between the company and the artisanal miners on the company's concession in the Ituri region. An ASM working group has been set up and a pilot project, to improve ASM extraction and treatment techniques, is planned for 2008.

Developing alternative livelihoods for the *community*

The Iduapriem community in Ghana is one that has become dependent on, and has been affected by, mining. The group has developed the Hand-in-Hand programme to address a sustainable way forward in ensuring that the community develops, among other things, alternative livelihood (*see the case study at www.aga-reports.com/07/iduapriem-community.htm*).

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Water project in *Lesotho*

As part of the group's commitment to supporting development in communities where the families of its workers live, AngloGold Ashanti's CSI Fund has been sponsoring the Lesotho Water Project, which has been run by Teba Development since 2001. This programme, established in partnership with Mngcunube Development, with the express purpose of repairing and maintaining boreholes in the villages in the Mafeteng District, was joined by other funders as the process progressed. Continued success and sustainability are evident. *See www.aga-reports.com/07/Lesotho-water.htm.*

Local economic development within *communities and labour-sending areas*

As part of the group's commitment to the Social and Labour Plans that have been developed (and accepted by the Department of Minerals and Energy), in compliance with the South African mining charter, a number of social investment and local economic development projects are undertaken each year in the areas around our operations and in the regions from which the company draws its employees. An account of the social investment projects in 2007 may be found at www.aga-reports.com/07/CSI-SA.htm and a full report on the company's compliance with the mining charter may be found at www.aga-reports.com/07/Mining-Charter.htm.

Dealing with *interested and affected parties* on the Wonderfontein Spruit

AngloGold continues to engage with a number of parties in respect of the Wonderfontein Spruit, which is located to the north of the company's operations at Carletonville. Included in the stakeholder forums are government representatives, regulators (such as the National Nuclear Regulator) and various NGOs. *See the case study at www.aga-reports.com/07/wonderfontein-spruit.htm.*

Negotiating with *employees*

In 2007, issues relating to wages and conditions of employment were once again negotiated with the major unions in South Africa: the National Union of Mineworkers, the United Associations of South Africa, and the South African Equity Workers' Association, which represent about 87% of all employees. The agreements reached are applicable to around 97% of employees in the region. *See case study on page 104.*

Southern Africa

Former mineworkers project

As part of the group's commitment to addressing the legacy of silicosis in the industry, AngloGold Ashanti and other mining companies (through the Chamber of Mines) have engaged with the Department of Health and the National Union of Mineworkers (NUM) and other statutory bodies to:

assist in identifying those former industry employees with silicosis;
help them in accessing treatment and compensation in terms of existing
channels; and

improve the workings of the current process provided by the state.

At the same time the companies have committed to corporate social
investment expenditure and local economic development in the areas in
which those affected employee reside. *See case studies at www.aga-reports.com/07/Nongoma.htm and www.aga-reports.com/07/Nongoma-social.htm.*

To the Board of Directors and Management of AngloGold Ashanti Limited

Introduction

We have been engaged by AngloGold Ashanti Limited to conduct an assurance engagement on selected subject matter reported in AngloGold

Ashanti's Report to Society 2007, for the purposes of expressing a statement of independent assurance, for the year ended 31 December 2007. This

assurance report is made solely to AngloGold Ashanti in accordance with the terms of our engagement.

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

Report of the independent assurers

Economic performance:

Group value added statement

Payments to government in terms of the

Extractive Industries Transparency

Initiative (EITI) Principles

Ethics and governance:

Significant legal issues in 2007

Voluntary compliance

Political donations

Safety and health:

Total number of fatalities

Lost time injury frequency rate (LTIFR) and

fatal Injury frequency rate (FIFR)

Total number of new compensable noise

induced hearing loss (NIHL) cases

Total number of new occupational lung

disease (OLD) cases

Total number of new silicosis cases

Total number of new tuberculosis (TB)

cases

Total number of medical surveillance

examinations

Total number of shifts lost due to injuries

on duty

OSHAS 18001 certification of operating

mines

Total number of full or partial mine

closures in terms of Section 54 of the

South African Mine Health and Safety Act

29 of 1996

Regional health:

HIV/AIDS – South African operations:

HIV/AIDS prevalence rate estimates

Total number of participants in the

voluntary counselling and testing (VCT)

programme

Total number of participants in the

wellness programme

Total number of employees provided with

anti-retroviral therapy (ART)

Total number of employees that left the

employment of the company as a result

of ill-health

Total number of employee deaths due to ill health

Total HIV/AIDS programme costs

Malaria – African operations

Malaria incidence for Obuasi in Ghana

Human resources:

Total number of employees and contractors

Total number of employees under union representation

Total number of women employed in South Africa as per the Mining Charter

Total number of historically disadvantaged South Africans participating in

management as per the Mining Charter

Total number of expatriates employed in African operations outside of South Africa

Total training expenditure

Total number of employees participating in Adult Basic Education and Training

(ABET) as per the Mining Charter

Environment:

Implementation of the cyanide code

ISO14001 certification of operating mines

Total number of significant incidents

Rehabilitation and decommissioning provisions

Existence of closure plans at operating mines

Total cyanide usage

Total fresh water usage

Total energy usage

Greenhouse gas emissions

Community:

Corporate social investment (CSI) spend

Implementation of the voluntary principles on human rights and security

Resettlement and land compensation

Local economic development

Case studies:

A reinforced emphasis on safety –

AngloGold Ashanti engages on a number of fronts

The seven pillars – a revised safety

strategy for the South African operations

Establishing AngloGold Ashanti's carbon footprint in South America

AngloGold Ashanti and climate change

TB control at AngloGold Ashanti Health – applying best practice

Towards collective bargaining – the view
of the group and a comparison between
South Africa and Ghana

Women in mining in South Africa – on
track to meet targets in South Africa

GRI Application:

GRI application level

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.

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AngloGold Ashanti Report to Society 2007

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Responsibility of the independent assurers

Our responsibility is to express to the Directors an opinion on the selected subject matter contained in the Report to Society based on our reasonable assurance procedures.

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 reasonable 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 has been used.

Our work consisted of:

- obtaining an understanding of the systems used to generate, aggregate and report data at four operations in South Africa, one operation in Ghana, one operation in Tanzania, one operation in Brazil and at the corporate head office in South Africa;
- conducting interviews with management at the sampled operations and at group level;
- applying the assurance criteria in evaluating the data generation and reporting processes;
- performing key controls testing; and
- testing the accuracy of data reported on a sample basis.

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 – Reasonable Assurance

On the basis of our reasonable assurance procedures, the subject matter selected for assurance for the year ended 31 December 2007, has been prepared, in all material respects, in accordance with corporate policies and procedures and is free from material misstatements.

PricewaterhouseCoopers Inc.

Director: Carmen Le Grange

Registered Auditor

Johannesburg

7 March 2008

What is assurance?

A document describing the value of the assurance process to us is available on our website at www.aga-reports.com/07/what-is-assurance.htm

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AngloGold Ashanti Report to Society 2007 – Occupational safety and health
CC&V, USA

25

Occupational safety
and health

Reducing accidents at work and, in particular, eliminating fatal injuries.

Implementing and maintaining appropriate risk management strategies.

Implementing and maintaining appropriate disaster management and
recovery programmes.

Implementing and maintaining OHSAS18001 at all operations.

Ensuring that comprehensive occupational health management
programmes are in place at all operations and that, in South Africa,
we at least meet industry targets in:

- reducing incidence of noise-induced hearing loss;
- reducing incidence of occupational lung disease; and
- reducing incidence of TB and managing the disease in line with World
Health Organization (WHO) standards.

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AngloGold Ashanti Report to Society 2007 – Occupational safety and health

2. Living our values

AngloGold Ashanti's foremost value relates to the safety and health of employees, namely:

Every manager and employee takes responsibility for health and safety; and together strives to create workplaces that are free from

occupational injury and illness.

AngloGold Ashanti as an employer – safety and health

1

AngloGold Ashanti's safety and health management and practices are guided by the group's business principle, 'AngloGold Ashanti as an employer – safety and health'.

2

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

3

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

4

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

5

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

6

We are committed to providing all necessary resources to enable compliance with these principles.

7

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

8

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

9

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

10

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

11

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

12

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

13

We will provide all necessary personal protective equipment.

14

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

15

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

16

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

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3.

Our scorecard

At the end of the 2006 financial year we set a number of performance objectives for 2007. The table reports on our performance:

Objectives for 2007

Performance in 2007

Achieved or

The next steps

not achieved

Safety

No fatal accidents.

34 fatal accidents occurred.

Not achieved

A significant amount of attention has been focused on safety. *See case study on page 44.*

20% reduction in LTIFR.

LTIFR rose by 7%.

Not achieved

50% of mining operations to be

10 operations were OHSAS18001

Achieved

The balance of the operations will be substantially compliant with certified by year-end.

OHSAS18001 certified by the end of OHSAS18001.

2008.

Occupational health

By 2008, 95% of all silica exposure

93.3% of silica exposure measurements

Partially achieved

Intensive efforts to measure and control measurements to be below the were below the OEL of 0.1mg/m

3

dust on track to meet the target in 2008.

occupational exposure limit (OEL)

in 2007, an improvement on the 2006

of 0.1mg/m³.

figure of 92%.

By 2013, no new cases of silicosis

462 new cases of silicosis reported for

Not achieved

Efforts to control dust and reduce the will occur in previously unexposed compensation purposes in 2007.

incidence of silicosis continue.

employees.

By 2013, noise emissions of all

100% of rockdrills and noisy fans in

Not achieved

Work to reduce noise emissions to below
equipment will be below 110dBA;

SA silenced. 78 cases of NIHL

110dBA is ongoing. Hearing

and by 2008, no deterioration in

reported for compensation purposes

conservation programmes in place at all

hearing greater than 10% will occur

in 2007.

operations.

in noise-exposed employees.

Decrease in TB rate from that of

TB rate reduced to 27 per

Achieved

Ongoing efforts to reduce and manage

31 per 1,000 recorded in 2006

1,000 employees.

TB. *See case study on page 126.*

is aimed for.

Occupational safety and health continued

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AngloGold Ashanti Report to Society 2007 – Occupational safety and health

4. Review of 2007

Introduction

While progress continued to be made in improving the group's long-term overall safety and health performance, two key targets – the long-term objectives of eliminating fatal accidents at work, and a 20% reduction in the Lost Time Injury Frequency Rate (LTIFR) – were not achieved.

Of great concern to the group is the fact that 34 employees lost their lives at work during the year under review. There were 27 fatalities in 23 separate incidents at the South African operations, four at Obuasi in Ghana, two at Morila in Mali, and one at Serra Grande in Brazil. The names and details of those who died are presented *in memoriam* on the page opposite.

The board and management of AngloGold Ashanti extends its deepest sympathies to the families and colleagues of those who have died. It is the company's sincere objective to eliminate accidents, and especially fatal accidents at work, and a significant amount of effort and attention is being given to this. (*See case study: A reinforced emphasis on safety – AngloGold Ashanti engages on a number of fronts, on page 44*).

Fatal accidents – dealing with families after an accident

Since 1999, all fatalities at AngloGold Ashanti operations have been the subject of an intensive review at corporate executive level, both to review the causes of the accident, and to hold a detailed investigation into the circumstances of the surviving spouse and children, and of the level of assistance that is required. As a matter of policy, members of the management team of the mine together with union officials concerned attend the funerals of all employees killed on duty, irrespective of the distance or remoteness of the employee's area of origin.

Compensation for the families of deceased mineworkers is payable in terms of the prevailing legislation in the country concerned, but, where necessary, interim financial support is provided to the family until such time as prescribed compensation or pension payment is available, with each individual case treated on its merits. Financial assistance with funeral arrangements is also offered to bereaved families.

The AngloGold Fatal Accident Education Fund, known as Masifunde (meaning 'Let us learn' in isiZulu) was established in 2000 and covers the cost of tuition, boarding and books at public schools for children of employees killed in mine accidents. Policy guidelines set out in the fund apply to all AngloGold Ashanti's operations, although, because of the statistical distribution of fatal accidents, focus is placed on the South African operations. Trade unions were extensively consulted before the fund's establishment, and they maintain an ongoing involvement.

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In memoriam: in remembrance of those who died at work during 2007

Name and age

Date

Operation

Occupation

Families

Valentine Bonsu Dadzie (34)

7 January 2007

Obuasi,

LHD operator

Mr Dadzi came from Anomabo, Ghana. He leaves his wife Paulina and four children.

Ghana

Ramelani Evarista Motsoafi (57)

25 January 2007

Great Nologwa,

Stope driller

Mr Motsoafi came from Mafeteng, Lesotho. He leaves his wife Mamolebatsi

South Africa

and four children.

Setseke Mokete (44)

26 January 2007

Kopanang,

Rockdrill operator

Mr Mokete came from Teyateyaneng, Lesotho. He leaves his wife Matsekeli

South Africa

and four children.

Lempe Elia Raleting (46)

28 January 2007

Kopanang,

General equipping and

Mr Raleting came from Mafeteng, Lesotho. He leaves his wife Mamotlatsi

South Africa

construction team leader

and seven children.

Joseph Zwelinjani Nqantswana (42)

6 February 2007

Kopanang,

Rockdrill operator

Mr Nqantswana came from Lusikisiki in the Eastern Cape. He leaves his wife Nofikile South Africa and four children.

Sanele Mangali (44)

7 February 2007

Moab Khotsong,

Driller

Mr Mangali came from Umtata in the Eastern Cape. He leaves his wife Manyaoza South Africa and 10 children.

Karim Haldara (33)

9 February 2007

Morila,

Plant operator

Mr Haldara came from Massiqui Koulikoro, Mali. He leaves his wives Fatoumata and Mali Salimata and one child.

Adama Coulibaly (43)

9 February 2007

Morila,

Plant operator

Mr Coulibaly came from Kati Koulikoro, Mali. He leaves his wife Mariam and five Mali children.

Osei Kwame (46)

13 February 2007

Obuasi,

Shift boss

Mr Kwame came from Akoporiso Adansi, Ghana. He leaves his wives Margaret and Ghana Theresa and eight children.

Norini Sombo (48)

14 February 2007

Savuka,

Scraper winch operator

Mr Sombo came from Maclear in the Eastern Cape. He leaves his wife Nozuka South Africa and two children.

Nkosomntu Cuba (26)

6 March 2007

Mponeng,

Scraper winch operator

Mr Cuba came from Naqgeleni in the Eastern Cape. He leaves his wife Andiswa South Africa and one child.

Feliz Raul Matsinhe (48)

8 March 2007

Great Nologwa,

Underground assistant

Mr Matsinhe came from Inhambane, Mozambique. He leaves his wife Muanga and South Africa three children.

Moagi Masienyane (28)

12 March 2007

Moab Khotsong,

Section artisan

Mr Masienyane came from Orkney, North West Province.

South Africa

Daniel Gyasi (46)

16 March 2007

Obuasi,

Blastman

Mr Gyasi came from Anyanberim, Ghana. He leaves his wife Margaret and

Ghana

four children.

Thabo Tseisa (38)

4 April 2007

Tau Lekoa,

Hydro-power driller

Mr Tseisa came from Butha Buthe in Lesotho. He leaves his wife Mamoliehi

South Africa

and two children.

Marcos Lima Andrade (25)

8 April 2007

Serra Grande,

Heavy equipment operator

Mr Andrade came from Crixás, Brazil. He leaves behind his parents.

Brazil

Tobias Hihangangeya

18 April 2007

Tau Lekoa,
Miner

Mr Sehamage came from Stilfontein, North West Province. He leaves behind
Sehamage (39)

South Africa
one child.

Johanne Celias Gumede (45)

11 June 2007

Mponeng,
Stope team leader

Mr Gumede came from Ingwavuma, KwaZulu-Natal. He leaves behind his wife Agnes South Africa and four
children.

Mateisi Nkuebe (35)

20 July 2007

Moab Khotsong,
Loader operator

Mr Nkuebe came from Deliwe Tsatsane, Lesotho. He leaves behind his wife,
South Africa

Mamojabeng and three children.

Mokhejane Mongali (31)

20 July 2007

Moab Khotsong,
Team leader

Mr Mongali came from Berea, Lesotho. He leaves behind his wife Makarabo and five South Africa children.

Alfred Tlotleng (51)

4 August 2007

Tau Lekoa
Team leader

Mr Tlotleng came from Zeerust, North West Province. He leaves behind five children.

South Africa

Bongisile Bhotomane (32)

6 August 2007

Savuka,
Stope multi-task crew

Mr Bhotomane came from Ngqeleni, Eastern Cape. He leaves behind his wife South Africa member Nokwanda and
one child.

Thabo Phakise (28)

6 August 2007

TauTona
Miner

Mr Phakise came from Leribe, Lesotho.

South Africa

Salvador Jaime Siteo (28)

9 August 2007

Moab Khotsong,
Scraper winch operator

Mr Siteo came from Chibuto, Mozambique. He leaves behind his wife Anastancia South Africa and five children.

Tsholo Abram Moleko (37)

13 September 2007

TauTona,

Water jet operator

Mr Moleko came from Senekal, Free State. He leaves behind his wife Seloane and South Africa two children.

Johannes Ntalimeng Mekhetha (41)

28 September 2007

Mponeng,

Stope team leader

Mr Mekhetha came from Machekeoaneng, Lesotho. He leaves his wife Maritaoke and South Africa six children.

Petros Mfanimepele Dlamini (39)

28 September 2007

Mponeng,

Mine assistant

Mr Dlamini came from Mbabane, Swaziland. He leaves his wife Letsiwe and South Africa five children.

Taifis Andile Mabandla (33)

28 September 2007

Mponeng,

Scraper winch operator

Mr Mabandla came from Tsolo, Eastern Cape. He leaves behind his wife Zuziwe and South Africa two children.

Bhekisani Mbuso Ntshangase (36)

28 September 2007

Mponeng,

Mining team member

Mr Ntshangase came from Nongomo, KwaZulu-Natal. He leaves behind two children.

South Africa

Adams Alhassan (55)

3 October 2007

Obuasi,

Blastman

Mr Adams came from Upper West Region, Ghana. He leaves behind his wife Ayishetu Ghana and six children.

Sekete Mako (47)

6 October 2007

Tau Lekoa,

Hydro-power driller

Mr Mako came from Mafeteng, Lesotho. He leaves behind his wife Manakhala South Africa and five children.

Nicholas Sibiyi (47)

9 October 2007

TauTona,

Shift boss

Mr Sibiyi came from Carletonville, North West Province He leaves behind his wife South Africa Goodness and three children.

Lebaka G. Makhanya (41)

31 October 2007

TauTona,

Stope multitask-crew

Mr Makhanya came from Maseru, Lesotho. He leaves behind his wife Malineo and South Africa member six children.

Sefabatho Nkhooa (43)

2 November 2007

TauTona,

Scraper winch operator

Mr Nkhooa came from Quthing, Lesotho. He leaves behind his wife Mahlalefang South Africa and one child.

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Management of safety and health

We are committed to providing a working environment that is conducive to safety and health. Our first value and primary focus is on safety performance. Much has been done during the year to increase the attention given to safety, to raise the level of resources available to this discipline, and to integrate safety into the performance management and reward systems within the company; second, through the prevention of occupational illnesses (which has received greater attention in terms of resource allocation and systematic approaches) aimed at minimising employee exposure and the early detection of occupational disease; and third, through the provision of healthcare and other support systems that address the employee in an holistic manner. In addition to the healthcare services provided to all employees, the integration of leading practices in terms of TB management and control, and HIV/AIDS and malaria programmes, have a bearing on this. *See the case study: TB control at AngloGold Ashanti Health – applying best practice, on page 126. Safety, Health and Sustainable Development Committee*

From a governance perspective, safety and health is overseen by the Board Committee on Safety, Health and Sustainable Development. This committee meets on a quarterly basis in alignment with the company's financial reporting periods. The committee's role is to evaluate the safety, health, social, economic and environmental effects of the company's operations on both local and global communities, and to achieve a sustainable balance between economic and social development with due regard to the safety and health of employees and the impact of AngloGold Ashanti's operations on the environment. One of the stated primary objectives of this committee is to ensure the elimination of all work-related accidents and diseases. Two new appointments were made to the committee during the year:

Mr J Mensah, who joined the board of directors with effect from August 2006; and

Mr S Pityana, who was appointed to the board with effect from 13 February 2007. Mr Pityana has been appointed as Deputy Chairman of the Safety, Health and Sustainable Development Committee.

The committee visits specific sites to become better informed on matters of serious concern. In addition to the four quarterly meetings held during the year, the committee undertook a site visit to TauTona mine in South Africa to better understand the issues and challenges relating to seismicity and falls of ground. A special meeting dealing only with safety was held on 25 June 2007, the purpose of which was to review and discuss possible causes of the declining safety trend that had presented over the five quarters prior to mid-2007 – which has resulted in unacceptable safety performance – to understand current safety initiatives and to debate and determine whether further interventions and/or improvements were required.

Core to the discussion were four identified primary causes for the deterioration in performance, namely: a reduction in service labour as a proportion of the total workforce;

changing mine risk profiles and, in particular:

- increasing off-reef mining at TauTona;
- the proportion of scattered to pillar mining at Great Nologwa;
- mining of selected pillars at Savuka;
- mining remnant areas at Tau Lekoa; and
- having to contend with more steeply dipping reefs at Moab Khotsong as the mine reaches that phase of its development;

a deterioration in the wellness of the workforce, as a consequence of HIV and AIDS, TB and the increasing age profile of the workforce; and

loss of skills as a result of labour turnover amongst key personnel.

Occupational safety and health continued

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AngloGold Ashanti Report to Society 2007 – Occupational safety and health

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While fatal accidents are almost always a consequence of a number of events or failures, of primary importance is the fact that the bulk of accidents – almost 70% – were as a result of non-compliance with standards. Also discussed was the review of the South African mines safety strategy (*See case study: The seven pillars – a revised safety strategy for the South African operations on page 48*). The outcomes of the committee’s deliberations during the year included the following:

renewed commitment to the implementation of the OHSAS18001 standard, with certification planned for 2008;

the appointment of a senior general manager and a high-level support team for the management of safety in South Africa;

support for external reviews and, in particular, a third party review by industry experts (*See case study at www.aga-reports.com/07/3rdparty-review.htm*);

commitment to working closely with the regulatory authorities, the unions and other mining companies in jointly developing solutions to issues of safety. (*See case study on Gold mining industry commissions study into seismicity and rockbursts at www.aga-reports.com/07/seismic-study.htm*); and the introduction of a ‘near misses’ reporting category.

In terms of managing health issues, another key appointment was made at the beginning of the year, with Dr Dave Barnes having been assigned to oversee occupational health risk assessment, auditing, monitoring, and management at a group level. Also implemented at the instigation of the committee was a process of monitoring ‘health at exit’ (which concerns itself with the high levels of employees exiting the company with an occupational disease or injury) and the management interventions underway to mitigate this risk; an audit of disaster recovery plans; the company’s preparedness in the event of avian flu (*see the case study on business continuity management at www.aga-reports.com/07/BCM.htm*); and the incidence and management of hand-arm vibration syndrome (HAVS). HAVS is an occupational injury caused by the vibration transmitted from work processes into workers’ arms and hands, which may have a chronic impact.

Safety policy and strategy

Overall, the group’s Safety and Health Policy, underpinned by our values and business principles relating to safety and health, remains the minimum guideline for the group in respect of safety and occupational health. Regions and operations are encouraged to develop their own specific principles, guidelines and policies in line with local conditions and legislation, examples of which are available on our website.

Performance reviews and risk assessments

Performance reviews in respect of health and safety are undertaken on a regular basis, both internally and externally. In the event of a fatal accident, a formal review is undertaken by mine management, in conjunction with the unions (as is required by the Mine Health and Safety Act in South Africa). Also in South Africa, the DME undertakes an *in loco* inspection and an independent enquiry to which management and the unions contribute. Over and above this, however, all fatal accidents within the group are the subject of an intensive investigation by a corporate office team, which is then reviewed by the company’s Exco.

Risk assessments are conducted at both group and operational level, from the risks relating to the group as a whole to risks associated with specific working places, with the aim of understanding the potential safety and health risks that exist so that they may be eliminated or reduced to tolerable levels. Risk assessment may be conducted by or with the assistance of external consultants, by the group’s corporate office, by underwriters (for insurance purposes) or by the operations themselves.

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04

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06

07

Occupational safety and health continued

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AngloGold Ashanti Report to Society 2007 – Occupational safety and health

Management of safety and health

The management of safety and health is the responsibility of line management, who in turn are supported by specialist safety and health personnel. Healthcare services (as a minimum, primary, emergency and occupational healthcare services) are provided to all employees at all operations and, in many cases, to their dependents.

We are committed to involving and consulting employees or their representatives on safety and occupational health matters, to understanding the issues and concerns on hand, to co-operating in addressing these and in generating solutions, and to gain mutual adoption of and commitment to implementation plans.

Safety and health agreements, which have been negotiated with representative unions, are in place at those operations where this is required by law and where union membership or collective bargaining agreements are in place. Around 93% of the group’s global workforce is either a member of a recognised union or participates in a collective bargaining agreement, and hence participates directly in the management of safety and health through specifically created fora. Examples of safety and health agreements and practices in place at our operations are as follows:

In South Africa, which is governed by the Mine Health and Safety Act, each operation has its own agreement with union representatives. Joint health and safety committees are in place and are functioning in line with legislation at every operation, and every working place and all employees are covered by these agreements. Full-time safety stewards and safety and health representatives elected by employees, trained by management and designated and appointed in terms of the Act, are in place at all working places.

At Morila in Mali the union (which represents all employees) participates in the election of safety representatives, in conjunction with the labour inspector from regional government. The union actively participates in monthly safety and health management meetings, as well as in investigations held into accidents and incidents.

Agreements between management and the unions guide the management of safety and health at Sadiola and Yatela in Mali, with union representatives having been elected.

A safety and health agreement with the Mineworkers’ Union of Namibia (MUN), (which covers 80% of the workforce) governs safety and health issues.

Collective bargaining agreements also cover safety and health management and relationships in Ghana. Agreements are in place with unions relating to employee participation in safety and health matters at Cerro Vanguardia in Argentina, and at the various operations that make up AngloGold Ashanti Brasil Mineração and Serra Grande in Brazil.

At CC&V in the USA and at Sunrise Dam in Australia, where the operations are not unionised, employees are encouraged to participate in safety and health matters. A safety culture survey undertaken at Sunrise Dam provided valuable insight into employee attitudes and perceptions about the management of safety and health. (*See case study at www.aga-reports.com/07/survey-SDGM.htm*).

Based on the above, we are confident that mechanisms are in place to ensure that upwards of 75% of the total workforce is represented in formal joint management-employee safety and health committees that help monitor and advise on occupational health and safety programmes. This interaction takes place at a number of levels – section, shaft and operation, and at national levels.

FIFR year-on-year for each

operation per million

man-hours worked

2007

2006

Argentina

Cerro Vanguardia

0.00

0.00
Australia
Sunrise Dam
0.00
0.00
Brazil
AngloGold
Ashanti
Brasil Mineração
0.00
0.00
Serra Grande
0.49
0.00
Ghana
Iduapriem
0.00
0.00
Obuasi
0.19
0.08
Guinea
Siguiiri
0.00
0.31
Mali
Morila
0.57
0.00
Sadiola
0.00
0.00
Yatela
0.00
0.43
Namibia
Navachab
0.00
0.00
South Africa
Great Noligwa
0.11
0.36
Kopanang
0.22
0.14
Moab Khotsong
0.57
0.27
Mponeng
0.42

0.30
Savuka
0.79
0.00
Tau Lekoa
0.58
0.15
TauTona
0.40
1.23
Tanzania
Geita
0.00
0.00
USA
CC&V
0.00
0.00
Group
0.21
0.22

33

Employee involvement does not rely simply on the safety and health committees, or rule books, but on employees' deep understanding of the safety and health issues on hand, being informed and educated on hazard identification, risk assessment control, personal empowerment in respect of their rights and responsibilities (to withdraw from the workplace if they feel they are in danger) and their active involvement in identifying solutions. Also key is the provision of appropriate training to ensure that employees are competent to carry out both their duties and their responsibilities safely. A wide range of safety training initiatives was undertaken by the various operations in 2007, and details of these may be found in the specific operational and country reports.

Contractors form an integral part of our operations and are employed to undertake specific short-and long-term mining and processing operations and specialist services. AngloGold Ashanti requires that contractors must act and be treated in the same way as employees and safety and health matters are recognised as an important part of overall contractor management process. The group's safety policy, procedures, standards and requirements form an integral part of procurement and contractor engagement processes, and contractor safety and health performance is a key consideration when the company is considering the appointment or re-appointment of contractors.

We also recognise that there is the potential for short-term conflict between the attainment of production targets (and their reward) and risk avoidance and mitigation, particularly in respect of production bonuses. This is an issue under investigation and consideration. In reality, however, the best performing production teams also have the best safety records.

Fatigue management

Fatigue management continued to be an area of focus during the year with fatigue management programmes being implemented across the group. (*See case study on Roll-out of fatigue management programme – www.aga-reports.com/07/fatigue-SA.htm*).

Safety and health performance

A wide range of leading and lagging indicators are used to monitor and manage safety and health performance across the group. In addition to reporting performance on various parameters in line with country-specific legislation and norms, AngloGold Ashanti reports key indicators in line with best practice and has adopted a number of international standards and conventions. Leading indicators in particular may often be site- and circumstance-specific.

Safety

The number of fatal accidents (34) in 2007 declined year-on-year, from the 37 that were reported last year. The primary cause of fatal accidents was falls of ground, which accounted for 56% of all fatal accidents – 58% of these were related to seismic activity.

The Fatal Injury Frequency Rate (FIFR) was 4.5% lower year-on-year, at 0.21 per million man hours in 2007 compared with 0.22 per million man hours worked in 2006. Ten operations did not experience any occupational fatalities (13 in 2006).

In terms of another important indicator, the Lost Time Injury Frequency Rate (LTIFR), there was again a regression year-on-year, with the overall group LTIFR rising by 7% to 8.24 per million man hours, from 7.70 reported in 2006.

LTIFR year-on-year for each
operation per million
man-hours worked

2007

2006

Argentina

Cerro Vanguardia

3.34

3.13

Australia

Sunrise Dam

2.63
1.81
Brazil
Brasil Mineração
2.30
2.33
Serra Grande
2.47
1.76
Ghana
Iduapriem
0.46
1.15
Obuasi
2.72
2.29
Guinea
Siguiiri
0.41
0.77
Mali
Morila
0.57
1.42
Sadiola
1.11
1.02
Yatela
0.39
0.43
Namibia
Navachab
4.59
4.09
South Africa
Great Noligwa
14.46
12.21
Kopanang
13.10
15.22
Moab Khotsong
13.48
15.75
Mponeng
13.08
10.70
Savuka
25.99
19.30
Tau Lekoa

19.07
24.99
TauTona
18.14
17.09
Tanzania
Geita
0.68
0.63
USA
CC&V
2.53
0.00
Group
8.24
7.70

Occupational safety and health continued

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AngloGold Ashanti Report to Society 2007 – Occupational safety and health

Health

Occupational health risks differ significantly from region to region, with the majority presenting in deeper level, hard rock mining operations, particularly where the rock happens to be quartz-bearing and where mining is more labour-intensive.

While the potential for noise-induced hearing loss (NIHL) is present at all operations, occupational lung disease (OLD), and especially silicosis, is of particular risk in the South African and Brazilian underground mines. In South Africa, pulmonary tuberculosis (TB) in silica-exposed employees is classified and treated as an occupational illness. The risk of contracting TB is increased by both silica exposure (including silicosis) and HIV infection, with the risk of the two factors acting multiplicatively. HIV/AIDS and malaria, which are obviously not work-related but do present significant threats to the health and well-being of employees and communities, are dealt with under the Regional health section of this report on page 114.

Medical surveillance for occupational illness, the extent and frequency of which is dependent on the risk profile presented by that operation, is undertaken at all AngloGold Ashanti's operations around the world.

Legal ramifications of safety

The South African Mine Health and Safety Act, in Section 54, makes provision for an inspector (of the DME's mine safety inspectorate) to close part or all of a mine should the inspector believe that any particular occurrences or conditions may endanger the health and safety of any individual on the mine.

In 2007, AngloGold Ashanti received 20 instructions in terms of section 54 to close part or all sections of our mining operations. Prior to May 2007, these orders were typically for the sections affected, whereas after May 2007 many of the instructions applied to the entire mine. This was in line with increased concern reported by the Chief Inspector following a spate of fatal accidents in the industry. In total, 38 shifts were lost as a result of section 54 orders, leading to lost production of some 55,000 ounces of gold. We take seriously our responsibility to protect the lives of employees and have comprehensively reviewed our safety strategy during the year. (*See the case study on page 48.*) We support the DME's view that workplaces (sections or entire mines) need to be made safe prior to the re-entering of a mine or working area after an accident and that, in certain cases, employee re-training needs to be undertaken and mine planning and/or rock engineering protocols reviewed.

The company notes that the issuing of a section 54 closure order in the absence of an in loco inspection is inappropriate or potentially hazardous. It is our view and the intention of the Act that such closures should always be undertaken to allow the mine to ensure that the appropriate safety standards are in place and have been implemented. Stopping work inappropriately or prematurely can in fact make a situation worse as it may have been necessary, for example, to review mine support,

to deal with charged panels, to ensure that no hazardous gases are present or to avert the risk of water accumulation, prior to closure. Also, in some cases an accident may be the result of an exceptional incident that cannot be rectified through closure. Even when a mine closes for extended holiday periods, workplaces are specifically 'made safe' and a skeleton staff oversees maintenance. We have engaged with the DME and the various unions on this issue and are confident of reaching an appropriate solution that meets the objectives of all parties, while ensuring that employee safety remains the priority.

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Medical surveillance examinations typically take place when an employee joins the organisation, at intervals dependent on risk (often annually), and when he or she leaves or is transferred from the organisation.

In South Africa, 51,065 occupational medical surveillance examinations were performed during 2007 (50,343 in 2006). Medical surveillance statistics from AngloGold Ashanti operations outside of South Africa are reported in the country and in operational reports which may be found at www.aga-reports.com.

No new cases of occupational illness were reported in Brazil, Argentina, Australia or the USA. The company has determined, however, that occupational health practices and medical surveillance, at a number of the African operations, (at Obuasi in Ghana and Navachab in Namibia in particular) need to be improved and this will be a goal for 2008.

Noise-induced hearing loss (NIHL)

NIHL occurs over a period of time following consistent exposure to high levels of noise. Our hearing conservation programmes are underpinned by three features: engineering control, the use of hearing protection devices and medical surveillance to detect any early loss of hearing.

In 1997, the South African operations embarked on a programme to muffle all pneumatic rockdrills and this was completed in 2001. Next was the programme to silence all noisy fans, which was completed in 2006.

The programme is now targeting other noisy equipment and areas, such as air hoists, water jets and *Obuasi, Ghana*

Occupational safety and health continued

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AngloGold Ashanti Report to Society 2007 – Occupational safety and health

pressure-reducing valve stations. All noise-exposed South African employees undergo audiometric testing on an annual basis; this is undertaken at other operations where appropriate.

In 2007, 78 employees (2 per 1,000 employees) were compensated for NIHL, compared with 67 in 2006. Of concern is the increase in the number of employees who have early NIHL (that is clinical hearing loss, but not yet significant or compensable), from 952 in 2004 to 1,511 in 2007.

Occupational Lung Disease (OLD)

Exposure to silica dust remains the major contributing factor in the development of OLD. (In this context OLD includes TB, TB silicosis and obstructive airways disease.) Of these, TB is the most pervasive and is compounded by a high HIV prevalence in the mining population, which greatly increases the risk of TB. It is estimated that about 85% of employees diagnosed with TB are HIV-positive. An additional factor contributing to the incidence of OLD is the increasing average age of the South African workforce, which has had a longer, cumulative exposure to silica dust underground. During 2007, 207 cases of OLD were compensated in South Africa, which is a rate of 6 per 1,000 employees.

Silicosis

Silicosis is caused by the inhalation of free silica dust. This is of particular risk in underground mining areas with high quartz concentrations, such as in South Africa. Efforts to eradicate silicosis at the AngloGold Ashanti operations in Brazil have largely been successful. During the past five years only four cases have been identified – three in 2003 and one in 2006, all at the Cuiabá mine. In addition to successful dust control programmes and intensive monitoring, Brazilian legislation limiting the number of years that employees may work underground may have played a role in this achievement.

In prior years, we have reported on the number of cases compensated by the Medical Bureau for Occupational Diseases (MBOD), but the problems experienced by the MBOD reported last year (*Report to Society 2006, Worker compensation in South Africa under review – www.aga-reports.com/06/worker-compensation.htm*) have continued, to the point that this measure has become unreliable. Instead the company will use the number of new cases of silicosis submitted to the MBOD for compensation to establish the silicosis burden and for management purposes.

In 2007, 462 new cases of silicosis were detected and submitted to the MBOD, an increase of 26% on the 367 new cases reported in the previous year.

The legacy of silicosis in South Africa remains a significant issue for the company. The current state-led compensation systems are cumbersome and inefficient and, because of this, many silicosis-affected former employees of the mining industry may not have had access to regular medical examination, substantial medical care or compensation if found to be due. AngloGold Ashanti, together with other gold mining companies, Gold Fields and Harmony, is working with the State and unions to identify affected ex-employees in need of care and to improve access to follow-up treatment and compensation systems. (*See case study on The former mineworkers project and making ODMWA work – one year on – www.aga-reports.com/07/Nongoma.htm*).

Number of shifts lost due to
injuries

2007

2006

Argentina

Cerro Vanguardia

162

131

Australia

Sunrise Dam

48

5

Brazil
Brasil Mineração
589
405
Serra Grande
494
393
Ghana
Iduapriem
319
133
Obuasi
5,377
2,200
Guinea
Siguiiri
48
72
Mali
Morila
21
28
Sadiola
168
167
Yatela
103
53
Namibia
Navachab
241
45
South Africa
Great Noligwa
12,786 10,990
Kopanang
11,083
8,883
Moab Khotsong
6,206
5,878
Mponeng
7,851
5,995
Savuka
2,034
1,754
Tau Lekoa
5,360
7,381
TauTona

7,178	
6,679	
Tanzania	
Geita	
38	
114	
USA	
CC&V	
12	
0	
Other	
1,382	
758	
Group	
61,500	52,064

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In October 2006, AngloGold Ashanti received a claim for compensation of damages allegedly suffered by Mr Thembekile Mankayi, who was employed by the company at Vaal Reefs mine from 1979 to 1995, in respect of his having allegedly contracted silicosis. AngloGold Ashanti has indicated that it intends defending this action as South African law provides for compensation for occupational disease. The company does recognise, however, the plight of former employees and proposes that a longer term and co-operative solution will be of greater benefit to former mineworkers and their communities. The case was set down for a hearing on 11 February 2008 and an initial outcome is expected in the first quarter of 2008. The management of silica exposure within the South African operations has evolved over a number of years and is based on a hierarchy of controls, namely, engineering, administration, information and training, and the use of personal protective equipment. (*See case study on Intensified efforts to reduce dust levels at SA operations start to show results – www.aga-reports.com/07/dust-SA.htm*) Dust measurement methodology and its improvement are playing a significant role in guiding the company's strategy. The fact that cases of silicosis are still being reported in South Africa despite continued adherence by the industry to regulation-prescribed occupational exposure limits led to the complete revision of AngloGold Ashanti's methodology in 2005. This was later adopted by the South African DME in its 'Guideline for a mandatory code of practice for airborne pollutants'.

Obuasi, Ghana

Occupational safety and health continued

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AngloGold Ashanti Report to Society 2007 – Occupational safety and health

Engineering controls require adherence to ventilation standards, effective watering down practices, water quality management and footwall treatment programmes. Air filtration upgrades are also in progress, along with the investigation of new and alternative technologies to be used in specific high-risk areas.

Administrative controls are crucially important (for example adherence to blast re-entry times and individual employee shift duration) and training and education have an important role to play in this. The provision of personal protective equipment to employees working in high-risk areas (such as those involved in ore transport and tipping) is also crucial.

All South African employees exposed to silica dust undergo a chest X-ray every three years, along with a lung function test and clinical examination. Employees diagnosed with early stages of silicosis are referred to the medically affected employee programme (MAEP) where they are counselled and efforts are made to place them in lower-risk areas. In addition to these examinations, these silica-exposed employees undergo a six-monthly chest x-ray as part of the TB control programme.

Progress has been made by AngloGold Ashanti towards the agreed industry target, in terms of which 95% of all individual samples must be below the occupational exposure limit (OEL) of 0.1mg/m

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* by 2008,

but this has not has not yet been achieved. In 2007, dust measurements showed that 93% of samples were below the OEL. (*Targets agreed by a tripartite body, the Mine Health and Safety Council.)

TB control

TB control is rigorous within the South African mining industry. Extensive information, education and training of employees is in place, with employees being well aware of the signs and symptoms of the disease. An active case-finding programme, using six-monthly digital X-rays undertaken by mobile units at the shafts, currently detects about 40% of all new TB cases, often before they become symptomatic.

Detailed investigation, admission to hospital until the risk of infection is past, and WHO-based Directly Observed Therapy (DOTS) at mine medical stations results in a cure rate higher than the WHO target of 85% being achieved. (*See case study on TB management in South Africa on page 126.*)

Obuasi, Ghana

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In 2007, 923 employees were diagnosed with TB, a rate of 27 per 1,000 employees (2006: 31 per 1,000 employees). This is the third consecutive year in which the TB statistics have improved. The Gates Foundation-funded Thibela programme is continuing, although it is too early to determine its impact on reducing the TB burden. *(See the case study on Thibela TB research programme under way at TauTona and Great Noligwa in the Report to Society 2006 at www.aga-reports.com/06/thibela.htm)*

Heat and physical fitness

Heat is an issue of concern at many operations, but particularly in South Africa and at Obuasi in Ghana. AngloGold Ashanti has comprehensive heat stress management programmes in place in South Africa and these have been extended to Ghana. Some of the largest refrigeration plants in the world are used to cool the underground working environment to below 27.5°C. Temperatures above 27.5°C require a heat stress management programme to be implemented in the mine.

Good progress has been reported with the improvement in ventilation at Obuasi following the implementation of a new ventilation strategy and the commissioning of a large-scale refrigeration plant. *(See case study Ventilation improvements yield success at Obuasi – www.aga-reports.com/07/ventilation-Obuasi.htm.)*

Wellness of employees

As, increasingly, the focus in occupational health management has shifted towards a holistic approach, addressing the overall health and wellness of employees, so the monitoring of medical absence, the reasons for the departure of employees for medical reasons, and of overall health at exit have become more important.

The overall absentee rate for employees in South Africa (for work and non-work related reasons) was 3.6% in 2007. The company's MAEP ensures that employees who have medical conditions resulting in their being unable to continue in their current occupations are dealt with by a fair and transparent process. The primary aim of the MAEP is to place employees in occupations where they may continue to work safely and productively. In 2007:

911 employees were determined to be permanently unfit to continue work in their current occupations; of these, 148 employees (16%) were accommodated in substantive alternative occupations and the remainder were medically discharged; and

414 employees with early (not yet compensable) indications of occupational illnesses were evaluated 191 (46%) elected to remain in their current occupations, 51 (12%) were placed in lower-risk working environments, and 172 (42%) chose to be medically discharged.

Emergency preparedness

Emergency preparedness plans are in place at all operations. Depending on the location and remoteness of the operations these plans may or may not involve community members. These plans are reviewed on a regular basis.

Occupational safety and health continued

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AngloGold Ashanti Report to Society 2007 – Occupational safety and health

5. Case studies

In this report:

Three case studies relating to occupational safety and health may be found in this report.

A reinforced emphasis on safety – AngloGold Ashanti engages on a number of fronts – page 44.

The seven pillars – a revised safety strategy for the South African operations – page 48.

TB control at AngloGold Ashanti Health – applying best practice – page 126.

On the website:

The following case studies may be found on our website at www.aga-reports.com/07/case-studies.htm or at the specific urls listed below.

Australia

Safety culture survey at Sunrise Dam creates a benchmark – The management of AngloGold Ashanti's Sunrise Dam gold mine in Australia maintains that the safety culture at a mine site is a fundamental determinant of the level of safety prevailing in an organisation. With this in mind, a safety culture survey was performed, with valuable results. The survey results and recommendations will be used to develop a site-wide safety strategy and action plan. *See case study at*

www.aga-reports.com/07.survey-SDGM.htm

Ghana

Small, but effective: the occupational health centre at Iduapriem mine – The Sam Jonah Clinic, AngloGold Ashanti's on-site occupational health centre at Iduapriem mine in Western Ghana, is currently being upgraded at a cost of some \$80,000, with the building housing the centre planned to double in size by the end of 2008. The centre's well-equipped and highly functional facilities will only improve and expand with the completion of the upgrade. *See case study at* www.aga-reports.com/07/health-Iduapriem.htm

Ventilation improvements yield success at Obuasi – Steps have been taken to improve ventilation conditions at AngloGold Ashanti's Obuasi mine in Ghana. While successful changes have been implemented, the fact that large parts of the mine and equipment are old, combined with the recent power crisis in Ghana and theft of cables, have engendered hindrances along the way. However, during the past year, improvements in ventilation have been achieved. *See case study at*

www.aga-reports.com/07/ventilation-Obuasi.htm

South Africa

Gold mining industry commissions study into seismicity and rockbursts – Over the past two to three years, fatal and disastrous accidents resulting from seismic activity and rockbursts in deep-level underground mining operations have occurred with alarming frequency. A study has now been commissioned into the current state of knowledge of seismicity and rockbursts. This study will be managed, overseen and co-ordinated by an independent consulting company and is expected to run for six months. *See case study at* www.aga-reports.com/07/seismic-study.htm

Strategy to manage falls of ground: a review – The fall of ground management programme remains a priority and is an integral aspect of AngloGold Ashanti's overall safety strategy at its South African deep-level mines. As uncontrolled falls of ground and rockbursts are the primary source of work-related fatalities and injuries among employees, the importance of understanding the processes involved, as well as preventative measures required and the necessity for compliance, cannot be over-emphasised.

See case study at www.aga-reports.com/07/FOGM.htm

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Cut back in ounces at TauTona to improve safety – TauTona, AngloGold Ashanti’s mine in the West Wits area, currently operates at approximately 3,500m below surface, making it the deepest operating mine in the world. A review has been conducted to assess safety at this mine, with the result that the rate of extraction per panel per month, and the total volume extracted from the shaft pillar area, have been reduced. Positive outcomes to this new safety practice have emerged. *See case study at www.aga-reports.com/07/cutback-TauTona.htm*

Separating people and risk: a new strategy for South Africa – Separating people and risk is one of the seven pillars of AngloGold Ashanti’s safety strategy. This risk identification and classification process examines ways to minimise the points of contact between risk and the employee. The strategy incorporates both short- and medium- to long-term objectives, identifying areas of concern and addressing them accordingly. *See case study at www.aga-reports.com/07/emp-at-risk.htm*

Roll-out of fatigue management programme – The increasing recognition of fatigue management as a critical occupational safety and health issue has resulted in the development of fatigue management programmes at AngloGold Ashanti’s African mines. An assessment of fatigue management that took place at Great Nologwa and TauTona in South Africa during the course of 2007 identified major areas of concern and determined means of effectively addressing these issues. *See case study at www.aga-reports.com/07/fatigue-SA.htm*

Intensified efforts to reduce dust levels at the South African operations start to show results – AngloGold Ashanti has initiated an intensive programme to reduce dust levels at the South African underground operations. This case study explores the measures taken by AngloGold Ashanti and expresses the company’s confidence that control measures implemented today will result in the reduction of OLD in the future. *See case study at www.aga-reports.com/07/dust-SA.htm*

Radiation monitoring in South Africa – Radon gas is the most significant occupational exposure risk associated with uranium. Three AngloGold Ashanti mines have been identified as special case mines in that exposure could potentially exceed the NNR annual dose limit of 20mSv/a average over five years. The company has taken extensive measures to prevent the continuation of this phenomenon. *See case study at www.aga-reports.com/07/radiation-SA.htm*

The former mineworkers project and making ODMWA work: one year on – The ‘Former mineworkers and making ODMWA work project’ has continued during 2007, although at a rather slower pace than initially planned. The primary objective of the project is to strengthen government occupational health services such that both former and present mineworkers are assured of accessing medical examinations. The first two years were anticipated to be a valuable learning experience, and the project will continue to advance in the future. *See case study at www.aga-reports.com/07/Nongoma.htm and a related case study on the community projects being looked at at www.aga-reports.com/07/Nongoma-social.htm*

Occupational safety and health continued

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AngloGold Ashanti Report to Society 2007 – Occupational safety and health

International experts review safety and health in AngloGold Ashanti – Between 21 and 29 October 2007, a review of AngloGold Ashanti's approach to health and safety was conducted by independent, internationally known experts, Mr Geoff Green and Professor Jim Joy. Various recommendations were made which could be implemented in the short-term, while others require further consideration before implementation at a later stage. As an immediate response, AngloGold Ashanti has established an executive level occupational health and safety committee, chaired by the CEO. *See case study at www.aga-reports.com/07/3rdparty-review.htm*

Obuasi, Ghana

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6. Objectives for 2008

Safety and health is a primary area of concern and activity for the group, with a great deal of focused attention having been placed on this discipline in 2007. This will continue in 2008. Key targets that have been set are:

Safety

Elimination of all fatal accidents.

20% reduction in LTIFR.

All mining operations to be substantially compliant with OHSAS18001.

Occupational health

By 2008, 95% of all silica exposure measurements to be below the occupational exposure limit (OEL) of 0.1mg/m

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By 2013, no new cases of silicosis will occur in previously unexposed employees*.

By 2013, noise emissions of all equipment will be below 110dBA; and by 2008 no deterioration in hearing greater than 10% will occur in noise-exposed employees*.

Further decrease in TB incidence from that of 27 per 1,000 recorded in 2007.

**South African Mine Health and Safety Council's targets for NIHL and silicosis, to which AngloGold Ashanti has committed.*

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AngloGold Ashanti Report to Society 2007 – Occupational safety and health

Case study: A reinforced emphasis on safety –

AngloGold Ashanti engages on a number of fronts

Despite incremental and sustained improvements in safety performance over the past decade, and particularly a decline in mining-related fatalities, in 2007 AngloGold Ashanti's operations fell short of achieving their goal of eliminating fatal accidents at work. During the year, 34 employees lost their lives at work; 27 fatalities were recorded in South Africa in 23 separate incidents. The primary cause of these accidents, accounting for 56% of fatal accidents in the group, was falls of ground, with seismically-induced falls of ground being responsible for 58% of these. (The details of those who lost their lives in mining-related accidents may be found on page 29.)

Incoming AngloGold Ashanti CEO, Mark Cutifani, has reinforced the emphasis on safety and health and, during the recent review of the company's values, has confirmed that safety is our number one value: "In many respects, the South African underground environment is a microcosm of South African society. The challenge we face is one of transformation at all levels – we need to treat one another with integrity, dignity and respect, so that people are empowered to be masters of their own destiny."

A task team was set up in South Africa to review and intensify that region's safety effort in mid-2007 following a spate of accidents at the South African operations, and to engage with other parties in coming *Great Noligwa, South Africa*

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up with a common solution. Headed by former Mponeng general manager, Johan Viljoen, who now heads the Southern African operations following restructuring in late 2007, the team completely reviewed the company's safety and health strategy in South Africa to focus on seven key issues. (*See case study – The seven pillars – a revised safety strategy for the South African operations on page 48.*)

The company has committed itself to improving safety at all its operations and particularly in South Africa in 2008. At a meeting of more than 1,000 employee representatives, management and government in November 2007, Mark Cutifani said:

Safety is our most important value – no business priority will be put before safety.

No employees will be required or permitted to work in an area which they or their supervisor regard as unsafe.

Safety representatives and their committees will have the necessary responsibility, authority and support to effectively perform their functions, including ensuring compliance with our safety and operating standards.

Managers and supervisors will lead by demonstrating their own adherence to safe work practices and require everyone working or visiting their respective areas to follow those agreed operating standards.

We will all follow the agreed safety standards and practices and will not take or allow shortcuts on any safe working practice.

All employees will either fix or cause action to be taken immediately to rectify any identified significant hazards before proceeding with any other activity.

Performance standards and training will immediately be reviewed by management, government officials and trade union representatives to support the delivery of our most important business objective – the delivery of a workplace free from health impairment and accidents.

He further committed the company to working with all parties – unions, employees, government, other mining companies and stakeholders – in this endeavour, as it has become clear that no single-dimension or single party effort will be sufficient to achieve the next major step-change in safety improvement. As part of its efforts AngloGold Ashanti has, during the last quarter of 2007, initiated the following:

With unions and government: Meetings have been held at both an operational and national level over and above those regular engagements within the existing tripartite structures in the mining industry, originally established for this purpose. Meetings have been held with the president and general secretary of the National Union of Mineworkers (NUM) as well as with other unions, and with various representatives of the Department of Minerals and Energy (DME).

With NGOs and academia: AngloGold Ashanti will establish a Chair in Safety at the University of the Witwatersrand (Wits), in conjunction with the Centre for Sustainability in Mining and Industry (CSMI) at the Wits School of Mining.

With other mining companies through the Chamber of Mines: In August 2007, the Chamber of Mines announced an industry-wide study on falls of ground and seismicity. (*See case study on the Gold mining industry commission's study into seismicity and rockbursts at www.aga-reports.com/07/seismic-study.htm*). A Chamber of Mines committee – to be chaired by former AngloGold Ashanti CEO Bobby Godsell - has been set up to review the matter of falls of ground and seismicity.

In the words of Cutifani, "Safety comes before production and improved safety will ultimately lead to productivity improvements as well. It is no coincidence that our best performing crews are also our safest.

Case study: A reinforced emphasis on safety –
AngloGold Ashanti engages on a number of fronts continued
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AngloGold Ashanti Report to Society 2007 – Occupational safety and health

“We will address our safety challenges in two parts: first, on the leadership side, there is much that we can do when 70% of our fatal accidents are associated with contraventions of standards. We think there is a great deal of opportunity in the way in which we are leading and managing the company, and the way in which we are working with other stakeholders, in making safety improvements.

“Secondly, on the technical side, we need fundamentally to review the way in which we work, so that we physically remove people from the greatest areas of risk. That will take a little bit longer, a five to 10-year time horizon perhaps, but one which we can start working on now.” (*See case study on separating people and risk a new strategy for South Africa www.aga-reports.com/07/emp-at-risk.htm*).

Robbie Lazare, head of the African operations concurs and elaborates: “There are a number of issues that we need to look at as we try and make a fresh start at managing safety and health.

“First, we need to better understand people and the way they work and the way we can get them to change the way they work. A factor here may be our bonus systems – we have to ensure that there is a good balance between the need for and role of production incentives and the incentives for safety, at all levels. Simply scrapping bonuses is not the answer. Rather we should try and ensure that there is a better understanding that a safe working place is a productive working place in the long run.

“Another factor is the need to develop a greater understanding of how people work, what motivates them and what motivates them to change, specifically in the South African mining industry. Personally I think we over-emphasise the risks associated with depth; more important for me are the risks associated with behaviour.

CC&V, USA

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“A second area is the need to make fundamental advancements in technology. If we want to use current or similar mining infrastructure, then we need to remove people from those areas that we know present the greatest potential risk, particularly stopes and near shaft pillars. The only way we are going to be able to do that is to change radically the way we mine, probably using technology that will assist us in mining remotely from the area of potential danger.

“Third, the issue of wellness clearly has an impact on our workforce and working places. Our workforce is older than it has ever been, and less physically fit, with illness and fatigue a factor. Our estimate is that up to 30% of our workforce is infected with HIV. Conventional mining tasks make for arduous work for the well and physically fit. How much more onerous are tasks for those who are not? Fatigue, too is an area of concern. (*See case study on the roll out of fatigue management programme – www.aga-reports.com/07/fatigue-SA.htm*).

“Knowing and accepting these facts is an important driver in the development of in-stope conditions that are more comfortable and manageable, and ensuring that the jobs that people do are less onerous and physical demanding. Again, technology – improving ventilation, cooling systems, transport to the working places, and lighter and more mechanical processes – will play a role.”

In conclusion, AngloGold Ashanti will focus on achieving visible and tangible results: the company and all of its mines have put significant time, effort and money into safety interventions. What is necessary now is for these efforts to result in change, to enable the company to meet the industry targets to which it has agreed through the Mine Health and Safety Council Safety Summit (which requires a 20% reduction in fatalities year-on-year between now and 2013) and to meet its obligation to employees to provide a working environment that does not cause them harm.

CC&V, USA

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AngloGold Ashanti Report to Society 2007 – Occupational safety and health

Case study: The seven pillars – a revised safety strategy for

the South African operations

In working towards the elimination of accidents at work, some notable improvements have been achieved at AngloGold Ashanti's South African operations since the company's formation in 1998. Yet, in 2006, 32 employees lost their lives in occupational accidents in this region, a worrying deterioration in the performance recorded in 2005 when 25 occupation-related deaths were recorded. This was for the first time since 2002 that there had been a reversal in the downward trend in the Fatal Injury Frequency Rate (see graph).

The issue of safety has been the subject of major input at executive level in 2007 and a strategic review was undertaken in the latter part of the year. (*See case study: Reinforced emphasis on safety AngloGold Ashanti engages on a number of fronts on page 44*).

Johan Viljoen, formerly General Manager of Mponeng Mine in the West Wits area was appointed Head: Safety and Health Discipline for the Africa Underground Region for the latter part of the 2007 financial year and was the discipline head when this area of work underwent a significant strategic review. (He has subsequently been appointed head of the southern African operations in a newly-created region and is ultimately responsible for the implementation of this revised strategy.)

TauTona, South Africa

“The old OESH departments (occupational environment, safety and health) have disappeared at operational level,” says Viljoen. “The working environment is separately managed, allowing the safety and health personnel to focus purely on safety and health.”

After an in-depth analysis process involving a number of regular workshops at corporate and operational level (in September 2006; October 2006; February 2007; May 2007; and September 2007), and with input from Anglo American plc as part of its group-wide safety strategy review in November 2006, the following seven strategic safety issues have been identified:

Fatigue management

Production flexibility

Retention of skills

Development of a safety culture

The review process

Fall of ground management

Removing employees from risk in the workplace.

Fatigue management

Sleep disturbance and sleep deprivation, and the resultant fatigue, are health risks associated with long working hours or shift work and clearly can have negative consequences for occupational safety. In the context of the South African mining industry, a number of aggravating factors are present (*See Case Study: Roll out of fatigue management programme - www.aga-reports.com/07/fatigue-SA.htm*). Fatigue management programmes have now been implemented at all mines in South Africa and at Obuasi mine in Ghana, in addition to many of AngloGold Ashanti’s other mines around the world.

During 2007, Peter Simpson, an Australian expert on fatigue management, was retained to help bring an understanding of the issue to the African underground operations. Simpson paid several visits to underground workplaces as well as to a number of residences, and presented his findings and recommendations to senior management teams at mine level. A comprehensive suite of training material which focuses on understanding the causes and effects of fatigue and on appropriate management practices has been prepared. The material – including a book and a DVD – has been distributed to all managerial and supervisory employees at the South African operations and forms part of the induction programme for all new employees and those returning from annual leave. In this way all employees will have been exposed to the programme during the course of the year. Translated versions will be available for distribution to employees in relevant occupations.

All workplaces are being analysed, through a process that began in the third quarter of 2007, in terms of empirically-determined ‘fatigue factors’. Factors analysed include nature of work, travel distance, degree of physical strain and workplace temperature. The analysis will be an ongoing process, as working places and conditions change continuously as they are mined. Employees will also be individually assessed to determine their place of residence (hostel or local community), wellness and lifestyle factors.

Production flexibility

The concept of production flexibility denotes the presence of enough face length to ensure that sufficient working panels are available to allow for adequate equipping and the availability of replacement panels when required, for example if unsafe conditions are encountered.

Case study: The seven pillars – a revised safety strategy for the South African operations continued

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AngloGold Ashanti Report to Society 2007 – Occupational safety and health

All the South African operations, with the exception of Mponeng, have seen a reduction in available face length since 2005, resulting in reduced production flexibility. “There is no ‘quick fix’ here,” says Viljoen. “We need to plan for adequate development to create additional face length.” Projects are under way at Mponeng, TauTona, Moab Khotsoeng (Project Zaaiploas), Kopanang East Mine Area, Great Norigwa Eastern Boundary Area, and through the opening of new areas at Tau Lekoa. Closer integration with mineral resources management forums will also be pursued.

Retention of skills

During 2007, AngloGold Ashanti experienced increased labour turnover in first-line supervisory occupations, such as miners and artisans. Turnover rates varied by operation and occupation, from as low as 10% to as high as 55%.

“We have not only been losing people to other mining companies,” says Viljoen “but also to major engineering and construction projects in South Africa associated with the Gautrain and 2010 Soccer World Cup. The net result has been the appointment of inexperienced, insufficiently trained people in posts at first-line supervisor levels.”

A comprehensive programme, designed to address the skills challenge in the short-, medium- and long-term is being developed. Actions taken include attitude surveys to probe reasons for exit, improved screening and induction processes, a comprehensive review of training materials and programmes, and a review of job grading and conditions of employment issues.

Development of a safety culture

“The company has actively pursued the development of a safety culture for many years, notably since the introduction of the DuPont behaviour-based safety programme in 2002,” says Viljoen. “The desired outcome may be simply stated: safety is our priority, and it needs to be shared and evident in behaviour.” To take the the first phase of a process further, a complete safety culture survey was undertaken late in 2007 by the North West University. The survey included a comprehensive assessment (by peers, managers and subordinates) of safety leadership across the company.

As an industry initiative, a safety leadership tour was conducted, led by representatives of the Chamber of Mines, to five selected mines in the industry to identify industry best practice. The tour included operational visits, interviews and presentations to the Chamber delegation. Mponeng was unanimously nominated as an example of safety leadership in the industry.

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Other initiatives in the pipeline include a thorough overhaul of all training modules and programmes within the company, to ensure the full integration of safety and health aspects. The project is being carried out by AngloGold Ashanti Training and Development Services, under the direction of Viljoen and new head of safety at the African operations, Ian Heyns. Investigations are also being conducted into ways of elevating the role of the health and safety representatives at mine level.

The review process

An important outcome of the external review referred to earlier was the need for a common platform for safety reviews across the company. This formed part of the rationale for the adoption of OHSAS18001 as the health and safety standard throughout AngloGold Ashanti's operations. (*See the Report to Society 2006: From NOSA to OHSAS - a change for the group: www.aga-reports.com/06/OHSAS.htm*).

OHSAS18001 gap analyses were conducted in July and August 2007, and detailed action plans compiled as necessary, while OHSAS18001 certification audits are planned for the third quarter of 2008.

Another new development is the establishment of a specialised internal safety and health audit team, which will carry out a comprehensive audit of all mine workplaces, to enable risks to be identified before incidents occur.

West Wits, South Africa

Case study: The seven pillars – a revised safety strategy for the South African operations continued

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AngloGold Ashanti Report to Society 2007 – Occupational safety and health

“The existing incident review processes remain in place, but the desired outcome is the identification (and timely correction) of safety process deficiencies before these result in an incident, rather than determination of cause and attribution of responsibility once such incidents have taken place,” says Viljoen. Audits began during the second half of 2007, and are scheduled to cover the principal risks in an 18-month cycle.

A further step in this process is the overview of the Integrated Risk Management System (IRMS), which was developed for AngloGold Ashanti by Graphic Mining Solutions International (GMSI – now part of the GijimaAst group) and has been implemented in phases since 2000.

“The system in itself has excellent capabilities,” says Viljoen, “but we do not always apply it correctly. We are developing a new system internally – importantly it will include occupational health as well as safety indicators – and will start running in parallel in the second quarter of 2008.”

Communication at mine level remains an integral part of the process. ‘White flag’ days are now reported centrally from all operations: these indicate that no accidents have taken place in the preceding 24 hours, and are intended to reinforce the belief that accident-free mining is possible. Green, orange and red flags denote dressing cases, reportable injuries and serious injuries respectively. Briefs, posters, safety newsletters and numerous other employee communication channels remain in place.

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Fall of ground management

The five elements of this programme (design of mine layouts; support systems; the human factor; seismic monitoring; and research and development) remain in place (*See case study: Strategy to manage falls of ground – a review at www.aga-reports.com/07/FOGM.htm.*)

Seismic and gravity-related falls of ground have been separated to ensure appropriate focus.

Removing employees from risk in the workplace

The desired outcome under this heading is the removal, as far as possible, of employees from high-risk areas and activities. A number of new technologies are being explored, focusing initially on the rock-breaking, transport and processing sectors.

A steering committee has been appointed, chaired by Nigel Trevarthen (Head: Strategic Projects) to drive the project. Ideas and suggestions are being canvassed from employees, and the committee is surveying industry best practice. (*See case study: Separating people and risk – www.aga-reports.com/07/emp-at-risk.htm.*)

Tau Lekoa, South Africa

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Economic
performance

To undertake exploration and joint ventures, or acquisitions, to maintain and grow our gold production profile.

The optimisation of gold production and processing from our operations, through mine planning, operational performance, high levels of productivity and good cost control.

To invest capital to maximise returns to shareholders.

To undertake research and development into both our core business activities, to improve safety and efficiencies, and to create new and alternative markets for our product, gold.

To maintain and develop the market for our product and to ensure maximum benefit from our sales of gold and other products, including uranium.

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1. Key issues at a glance

The value of gold

The value of gold lies not only in its desirability – in displays of jewellery and as a monetary equivalent – but also for its unique properties. Gold is the most malleable and ductile of metals and is usually alloyed to increase its strength. It is an excellent conductor of electricity and heat, and is not affected by exposure to air or almost all reagents. It is inert and a good reflector of infrared radiation.

Gold's value is enduring given that it can be melted down, re-refined and re-used. It is estimated that around 15% of annual gold consumption is recycled each year – the rest is held and treasured, as a store of value or sentiment or as a useful commodity.

Economic performance continued

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AngloGold Ashanti Report to Society 2007 – Economic performance

2. Living our values

At AngloGold Ashanti, our business is the safe and responsible exploring, mining and marketing of our products, primarily gold, but also silver and uranium.

Vision and values

Our vision, values and business principles are important to us and this entire report has been produced so as to reflect the way in which we live our values.

In response to the significant changes within our company over the past year from a shareholder and leadership perspective, and as the world in which we live in continues to change, we have embarked on a review of our values and business principles. *See box on page 75 in the Ethics and governance section.* We will report further on this in our 2008 report as we will be consulting with a broad range of management and employees across our operations.

3. Our scorecard

The following are key features of our performance during 2007:

Gold production declined by 3% to 5.5 million ounces

Total cash costs increased by 16% to \$357 per ounce, largely as a result of lower production, cost pressures facing the gold mining industry, inflation, stronger local currencies and by-product losses

Adjusted headline earnings for the year were \$278 million

Mineral Resources increased by 34.1 million ounces before depletion, with 6.9 million ounces being added from greenfields exploration discoveries

Ore Reserves increased by 6.2 million ounces, before depletion, to 73.1 million ounces

We declared a final dividend of 53 South African cents per share or 7 US cents per share, resulting in a total dividend of 143 South African cents or 20 US cents per share for the year.

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4. Review of 2007

Introduction

We recognise that as a mining company our business entails the recovery, processing and sale of a non-renewable resource. Thus, our direct economic impact in terms of any orebody will always be finite. It is therefore imperative that the economic benefits which are derived from the resources that we exploit are not limited to one particular set of stakeholders, but accrue to a broader stakeholder group in advance of, during and after mining. The economic benefit must also be balanced against the impacts that we have on the broader socio-economic and natural landscapes.

We also recognise that our operations – and indeed our product – are about people: employees and their families, our neighbours, our customers and suppliers, our shareholders and other interested parties. *See the section on Engaging with our Stakeholders on page 18.*

The Economic Performance section of this report is based on information drawn from our Annual Financial Statements which is published concurrently with the Report to Society. On a quarterly basis through the year, a comprehensive review of the operational activities of the group and its individual operations is published in the company's quarterly reports to shareholders, which are available at www.anglogoldashanti.com.

Operational performance

In 2007, AngloGold Ashanti produced 5.5 million ounces of gold from 20 operations in 10 countries, a decline of 3% on gold production achieved in 2006. The table below analyses our production by region.

Attributable gold production (000oz)

2007

2006

2005

Argentina

204

215

211

Australia

600

465

455

Brazil

408

339

346

Ghana

527

592

680

Guinea

280

256

246

Mali

441

537

528

Namibia

80

86

81
South Africa
2,328
2,554
2,676
Tanzania
327
308
613
USA
282
283
330
Total
5,477
5,635
6,166

The gold market

Continued strong levels of investor and speculator interest, particularly in the fourth quarter of the year, pushed the gold price to levels just short of record highs, records which were then surpassed soon after year end in an exceptionally buoyant market. The average spot gold price for the year, at \$697 per ounce, was 15% higher than that in 2006. The main contributing factor to the price gains seen in the third and fourth quarters was economic uncertainty relating to credit concerns and the impact of the sub-prime mortgage crisis in the US. Inflationary concerns driven by higher food, oil and commodity prices also played a role, as did the escalation in geopolitical tension.

Economic performance continued

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AngloGold Ashanti Report to Society 2007 – Economic performance

The average gold price received for the year increased by 9% to \$629 per ounce, from \$577 per ounce in 2006. Total gold income for 2007 was \$3,280 million, total uranium income was \$100 million, and total income from silver and sulphuric acid was \$45 million.

Production costs

Total cash costs increased year-on-year to \$357 per ounce as a result of the lower levels of production, stronger local currencies against the US dollar and local inflationary pressures.

Group value-added statement

2007

2006

\$ million

%

%

Value added

Gold income

3,280

2,964

Purchases of goods and services in order to operate mines and produce refined metal, including market development costs net of other income

(1,352)

(1,041)

Value added by operations

68

1,928

85

1,923

Fair value gain on option component of convertible bond

2

47

1

16

Profit on disposal of assets

–

7

2

54

Income from investments and interest received

1

24

1

31

Government

– Deferred taxation

3

94

1	
30	
Utilised in the group	
– Retained income	
26	
722	
10	
217	
Total value added	
100	
2,822	
100	
2,271	
Value distributed	
Employees	
Salaries, wages and other benefits	
35	
998	
39	
887	
Government	
– Current taxation	
9	
239	
9	
210	
Providers of capital	
– Finance costs and unwinding of obligations	
4	
125	
6	
123	
– Dividends declared	
2	
54	
8	
173	
– Minorities	
1	
32	
1	
30	
Other	
– Impairment of tangible and intangible assets	
–	
2	
–	
–	6
– Loss from discontinued operations	
–	
–	

–	
2	
– Exchange loss	
–	
–	
2	
– Loss on non-hedge derivatives and other commodity contracts	
28	
780	
11	
239	
Total value distributed	
79	
2,230	
74	
1,672	
Re-invested in the group	
– Amortisation and depreciation	
21	
592	
26	
599	
100	
2,822	
100	
2,271	

Further details and notes may be found in the Annual Financial Statements at www.aga-reports.com.

Total cash cost by country

(\$/0z)

Argentina

264

Australia

313

Brazil

260

Ghana

432

Guinea

464

Mali

350

Namibia

419

South Africa

343

Tanzania

452

USA

282

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Distributing value to employees

In 2007, the group employed some 62,000 people, mostly in South Africa (60%). Total distributions of \$998 million were made to employees (including executive directors), which represents 35% of the value distributed by the group. For further information on AngloGold Ashanti as an employer refer to the Employment section of the report on page 88.

All permanent employees are eligible for certain post-retirement benefits, the specific nature of which varies from region to region. The contribution by the employer varies from 10% to 20% of basic pay.

All employees earn in excess of the minimum wages where these are regulated.

Employee benefits (\$m)

2007

2006

Salaries, wages and other benefits

828

83%

723

82%

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

70

7%

70

8%

Contribution to pension and provident plans

48

5%

41

5%

Retrenchment costs

19

2%

22

2%

Share-based payment expense

33

3%

31

3%

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

998

100%

887

100%

Around 68% of employees within the group benefit from the participation in a share option scheme or a share ownership programme (ESOP). The latter is specific to South Africa; similar schemes elsewhere in the world are being considered. (*See case study in the Report to Society 2006 on Harvesting for the future – Bokamoso_ESOP*).

Geita, Tanzania

Economic performance continued

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AngloGold Ashanti Report to Society 2007 – Economic performance

Payments to government

AngloGold Ashanti is supportive of the Extractive Industries Transparency Initiative (EITI) and is committed to reporting in line with this initiative in all of the countries in which it operates.

The governments of the following countries are shareholders in the company or in the respective operations:

Shareholding by government

Country

Company/Operation

% interest

Argentina

Cerro Vanguardia

7.5

Ghana

AngloGold Ashanti

3

Guinea

Siguiri

15

Mali

Morila

20

Yatela

20

Sadiola

20

Note that the group acquired the 5% stake in the Iduapriem mine that was held by the government of Ghana at the end of September 2007.

The following payments were made to government by AngloGold Ashanti, or its subsidiaries or the joint ventures that the company manages, during the year under review:

Payments to government

Description

US\$ (000)

Argentina

Dividends

2,671

Corporate taxation/provision

9,925

Royalties

10,315

Other taxes and duties

2,272

VAT

13,700

Employee taxes and contributions*

4,731

Total

43,614

Brazil

Corporate taxation/provision

38,745

Royalties

—

Other taxes and duties

13,661

VAT

9,086

Employee taxes and contributions*

25,006

Total

86,498

Australia

Corporate taxation/provision

36,733

Royalties

8,458

Other taxes and duties

2,367

VAT

27,182

Employee taxes and contributions*

5,813

Total

80,553

* *Note that employee taxes and contributions include remittances made to government but borne by employees as individual taxation.*

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Payments to government

Description

US\$ (000)

Ghana

Dividends

4,048

Corporate taxation/provision

—

Royalties

9,383

Other taxes and duties

—

VAT

365

Employee taxes and contributions*

1,550

Total

15,346

Guinea

Dividends***

—

Corporate taxation/provision***

—

Royalties

21,577

Other taxes and duties

914

VAT

2,901

Employee taxes and contributions*

2,662

Total

28,054

Mali

Dividends**

35,040

Corporate taxation/provision

48,925

Royalties

15,232

Other taxes and duties

4,999

VAT 5,970

Employee taxes and contributions*

7,665

Total

117,831

Namibia

Corporate taxation/provision

6,606

Royalties	
1,420	
Other taxes and duties	
250	
VAT	
2,940	
Employee taxes and contributions*	
1,942	
Total	
13,158	
South Africa	
Corporate taxation/provision	
93,600	
Royalties	
—	
Other taxes and duties	
10,496	
VAT	
88,708	
Employee taxes and contributions*	
76,581	
Total	
269,385	
Tanzania	
Corporate taxation/provision	
3,038	
Royalties	
6,025	
Other taxes and duties	
26,140	
VAT	
5,265	
Employee taxes and contributions*	
7,186	
Total	
47,654	

* Note that employee taxes and contributions include remittances made to government but borne by employees as individual taxation.

** Dividend payments (\$4,500,000 by Sadiola, \$16,000,000 by Yatela and \$14,540,000 by Morila).

***No dividends or corporate taxes were paid in 2007. Sigiri has a large shareholders' loan which will be repaid before dividends are declared. Sigiri is not yet in a tax-paying position owing to historic tax losses.

Economic performance continued

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AngloGold Ashanti Report to Society 2007 – Economic performance

Payments to government

Description

US\$ (000)

USA

Corporate taxation/provision

1,170

Royalties

1,190

Other taxes and duties

3,137

VAT

–

Employee taxes and contributions*

3,589

Total

9,086

* *Note that employee taxes and contributions include remittances made to government but borne by employees as individual taxation.*

Assistance from government

No significant financial assistance was received by the company or the operations from government. Any assistance received is detailed below.

Assistance from government

Country

Value in US\$ (000)

Description

Argentina

–

Australia

1,216

Fuel rebates

Brazil

–

Colombia

–

DRC

–

Ghana

–

Guinea

–

Mali

–

Namibia

–

South Africa

3,147

Skills development levy

Tanzania

–

USA

–

Distributing value – shareholders

AngloGold Ashanti is a publicly listed company with shareholders located all around the world. Following the placement by Anglo American of a large percentage of its holding in various markets around the world, 80% of the shares are now in free float. The balance (17%) is held by Anglo American plc and (3%) by the Government of Ghana.

A graph depicting the geographical location of the company's shareholders is depicted alongside. The largest percentage shareholding (after removing shareholding of Anglo American plc and the Government of Ghana, that is, free float) is in South Africa (44.5%), followed by North America (36.5%) and then the United Kingdom (9.9%).

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The company is listed on the following exchanges around the world:

The share depreciated by 11% during the year, from R330 per share on the JSE (primary listing) on 31 December 2006 to R293 per share on 31 December 2007. The share peaked at R359 per share and reached a low of R254 per share, and traded within a range between R273 and R331 during the year. Dividends declared for 2007 amounted to \$54 million (2006: \$173 million).

JSE Limited – Johannesburg (JSE) –

Primary Listing

Share code:

ANG

Security type:

Ordinary shares

Date listed:

11 August 1944

New York Stock Exchange (NYSE)

Share code:

AU

Security type:

American Depositary Shares (ADR)

Date listed:

5 August 1998

Share ratio:

1 ordinary share: 1 ADR

Australian Stock Exchange (ASX)

Share code:

AGG

Security type:

CHESS Depositary Interests (CDI)

Date listed:

15 November 1999

Share ratio:

1 ordinary share:

5 CDIs

London Stock Exchange (LSE)

Share code:

AGD

Security type:

Ordinary shares

Date listed:

4 February 1949

Ghana Stock Exchange (GhSE)

Share code:

AGA

Security type:

Ordinary shares

Date listed:

27 April 2004

Ghana Stock Exchange (GhSE)

Share code:

AAD

Security type:

Ghanaian Depositary Shares (GhDS)

Date listed:

27 April 2004

Share ratio:

1 ordinary share:

100 GhDSs

Euronext Paris

Share code:

VA

Security type:

Ordinary shares

Date listed:

28 May 1974

Euronext Brussels

Share code:

ANG BB

Security type:

International Depositary Receipts

(IDR)

Date listed:

28 May 1974

Share ratio:

1 ordinary share:

1 IDR

Economic performance continued

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AngloGold Ashanti Report to Society 2007 – Economic performance

Capital investment

A great deal of emphasis is placed by the company on capital investment both to sustain operations and in developing operations. In 2007, the group spent \$1.1 billion on capital expenditure (2006: \$817 million). Stay-in-business capex, including ore reserve development, amounted to \$570 million while the new project development made up for 45%. Major capital expansion projects are:

In South Africa:

development of Moab Khotsong South Africa; and expansion projects at TauTona and Mponeng.

In Brazil:

the Cuiabá Expansion project at Brasil Mineraç

~

ao.

In Australia:

underground expansion at Sunrise Dam; and the Boddington Expansion project, a joint venture with Newmont Mining Corporation.

Supporting the gold market

Gold market development

AngloGold Ashanti has since its inception been committed to growing the market for its product, particularly as gold jewellery sales in many developed markets have declined materially over the years in favour of other luxury goods. In response, the company's marketing programmes aim to increase the desirability of gold to sustain and grow demand and to support the deregulation of the market in key economies.

AngloGold Ashanti's market development activities centre on the following areas:

strategic projects undertaken in key and critical gold jewellery offtake markets (USA, India, China, Italy, Middle East), which aim to develop positive corporate identification and recognition while achieving, where sensible and possible, financial returns for AngloGold Ashanti;

host country projects of a downstream development nature; and

AuDITIONS, the company's gold jewellery design competition. *See the case study AngloGold Ashanti's AuDITIONS launches in China at www.aga-reports.com/07/auditions-china.htm.*

AngloGold Ashanti remains a member of the World Gold Council (WGC) and undertakes its own strategic marketing projects in such a way as to co-operate with and support the WGC's wider objectives.

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Exploration and development

The main focus of AngloGold Ashanti's 2007 exploration programme was on greenfields exploration, that is, exploration in new terrains, notably in Australia, Colombia, and the DRC. Brownfields exploration, which is aimed at identifying replacement ounces for production, was undertaken around most current operations, with the most successful programmes being undertaken in Ghana, the United States of America, Australia, and Guinea.

Total exploration expenditure in 2007 amounted to \$167 million, of which \$92 million was spent on greenfields exploration and the balance of \$75 million on brownfields exploration.

The group's exploration programme has yielded a great deal of success during the year and is covered extensively in the Annual Financial Statements to be found at www.aga-reports.com.

Procurement

With significant annual procurement expenditure, the group can and does have a major impact on economic activity. The total amount for the purchase of goods and services in order to operate mines and produce refined metal, including market development costs net of other income, was \$1,352 million in 2007.

It is the group's intention that, as far as it is possible and sensible to do so, goods and services are procured locally and regionally.

In South Africa, the company is aligning its procurement policies with the Department of Trade and Industry's Codes of Good Practice by 2009. The code is a part of the country's transformation process and is aimed at encouraging new and small suppliers, particularly from historically disadvantaged communities. *See the case study at www.aga-reports.com/07/BEE-procurement.htm.*

Auditions, China

Economic performance continued

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AngloGold Ashanti Report to Society 2007 – Economic performance

AuDITIONS, South Africa

Product responsibility

Gold is a unique and valuable product, with most of all the gold ever having been mined still in use or available for recycling. The product itself does not have a significant impact on health and safety. AngloGold Ashanti does, however, look at the full life cycle of its operations when evaluating sustainable development-associated risks and impacts (see pages 10 to 11) and in developing plans to mitigate these risks and impacts.

Uranium is produced as a by-product at three of AngloGold Ashanti's mines in the Vaal River area in South Africa and is extracted from gold-bearing ore as a by-product only. These grades are consequently much lower than those of dedicated uranium mines in other uranium-producing countries. The average grade globally is around 1.5%, and the two largest uranium mines in the world have grades of around 25%. If unprocessed, this uranium is 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 the uranium is in a diluted form, and below environmentally acceptable levels of radiation. The processing of uranium is done in line with strictly enforced international legislation. (*See case study in the Report to Society 2005: Uranium mined as a by-product contributes to the bottom line.*)

No issues of non-compliance with regulations concerning the health and safety effects of products were alleged or proved in 2007.

Products are labelled according to internationally accepted norms and standards. In respect of gold bullion, this typically indicates the name of the refinery and the purity of the bar. No incidents related to product labelling occurred in 2007.

The bulk of the group's gold is sold through well-established and long term channels. See case study on: Where does our gold go on page 68. No significant issues relating to customer dissatisfaction were noted in 2007.

5. Case studies

In this report

The following case studies may be found on our website at www.aga-reports.com/07/case-studies.htm, or at the specific urls indicated below.

AngloGold Ashanti's AuDITIONS launches in China – In March 2007, AngloGold Ashanti launched its first gold jewellery design competition in China, the world's third biggest gold market in terms of consumption. Partnered with the innovative pure gold jewellery retailer, Just Gold®, and the World Gold Council, AngloGold Ashanti's competition encouraged original and striking contemporary gold jewellery design, thereby serving to contribute to the ongoing promotion of its product. This case study includes an analysis of the impact of AuDITIONS on the Chinese gold jewellery market and a full description of the competition itself. *See the case study at www.aga-reports.com/07/Auditions-China.htm.*

Preparing for a changing BEE procurement landscape – The Broad-based Socio-economic Empowerment Charter for the Mining Industry provides a framework for the transformation of the industry in South Africa. Black Economic Empowerment (BEE) procurement is one of seven core areas of activity addressed by the Charter. AngloGold Ashanti has made good progress in meeting the requirements stipulated by the Charter and aims to continue gathering information and developing a strategy to meet any shortfalls in 2008. *See the case study at www.aga-reports.com/07/BEE-procurement.htm.*

From small beginnings: a small business developing – Trevor Mulaudzi's rise to entrepreneurial success is part of AngloGold Ashanti's ongoing drive to support local initiatives. The company has provided financial assistance during periods of rapid expansion, constant encouragement and support, and introductions to new clients, thereby ensuring the growth of Mr Mulaudzi's cleaning business. *See the case study at www.aga-reports.com/07/small-business.htm.*

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Case study: Where does our gold go –
an economic perspective

Much of the reporting undertaken by AngloGold Ashanti focuses on examining where and how AngloGold Ashanti's gold is found and mined. A further question is: Where does the gold go once it has been mined and refined – to whom is it sold and for what purpose? In other words, where and what are the markets for gold, and what drives these markets?

Once the gold has been mined, processed and smelted into doré bars (roughly 85% gold content) at the AngloGold Ashanti operations, these are further refined into saleable form by refineries such as the Rand Refinery (see box on page 40) in South Africa, which refines most of the gold mined by AngloGold Ashanti in Africa, and various other refineries in Brazil, the United States, Australia and Europe.

These refineries sell the gold AngloGold Ashanti produces, generally to bullion banks, such as Rand Merchant Bank and Standard Bank in South Africa or internationally to HSBC, Morgan Stanley, Scotia Mocatta or Société Générale, or to trading houses such as Mitsui or Sumitomo. The exceptions to this are where gold is sold directly to jewellery fabrication industries by refineries, or where forward sales exist and AngloGold Ashanti elects to deliver physical product to fulfil these contracts.

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AngloGold Ashanti Report to Society 2007 – Economic performance

AngloGold Ashanti's gold sales for 2007 can be broken down according to the following geographical regions: South Africa; Europe; North America (this includes the gold mined at AngloGold Ashanti operations in South and North America); and Asia – the gold mined in Australia. (See graph).

Although the supply of newly-mined gold from South Africa has diminished greatly since the peak of 1,000 tonnes of production recorded in 1970, South Africa was the world's largest producer of gold for close on 120 years. China surpassed South Africa's gold production in 2007. In 2007, South African gold production accounted for 11% of global output, with AngloGold Ashanti accounting for almost 27% of this quantity. From a group perspective, AngloGold Ashanti's African operations account for 30% of its total production. Total AngloGold Ashanti production accounts for 7% of global newly-mined gold production. The international gold price has increased steadily since 2002. In 2007, the gold price reached a 27-year high of \$845.84/oz which approached the previous all-time record high of \$852 per ounce. On 4 February 2008, it reached an all-time high of \$936.50. The average spot gold price for 2007 of \$697 per ounce is 15% up on the average price of \$604 per ounce in 2006 (2005: \$444 per ounce).

The rise in the gold price has been a result of several factors. The most recent surge, towards the end of 2007 and continuing into 2008, can be attributed to a steadily weakening dollar, the global credit crises (the matter of the enormous US trade deficit remains unresolved, and the lingering problem regarding the sub-prime mortgage market in the United States has ramifications for the international credit market) and continuing geopolitical tensions – all of which are bullish for gold and have encouraged investment and speculative demand for the metal. Fears of global inflation, which effectively devalues currencies and enhances the value of gold, have been spurred by increases in the prices of oil and other commodities, which in turn have been driven by world economic growth, all of which has contributed positively to the gold price. Note though that although the price of gold has almost doubled since 2004, it has not risen by nearly as much as that of industrial commodities such as nickel, copper and lead.

Secondly, positive market fundamentals, including strong demand especially from the jewellery and investment sectors, have boosted demand for gold. This has also been as a consequence of positive global economic growth, and the strength of demand for gold, particularly in emerging markets. Jewellery consumption/fabrication demand accounts for approximately 68% of total gold consumption annually, and investment demand for approximately 28%.

Continued growth in physical consumption is, however, hostage to other gold price movements. High gold prices and high levels of gold price volatility tend to deter buyers in price-sensitive markets from gold purchases; this phenomenon was evident particularly in the last quarter of 2007.

During the first half of 2007, however, on the back of a more stable gold price, gold demand reached unprecedented levels, particularly in China and India where strong economic growth has resulted in increased demand for gold jewellery. Gold jewellery sales in Russia and the Middle East (Turkey) also soared during this period.

Case study: Where does our gold go –
an economic perspective continued

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AngloGold Ashanti Report to Society 2007 – Economic performance

Overall, during 2007, jewellery demand in tonnage terms was 6% higher than in 2006. In India, consumer demand for gold was 7% higher than 2006. Demand in the first 8 months of the year was well supported by a buoyant economy and stock market, however the latter part of the year volatile gold prices impacted on demand. Similarly in China, a booming economy together with the start of the auspicious Year of the Golden Pig in early 2007, resulted in gold demand there increasing by 23% over 2006 levels with gold jewellery demand reaching 302 tonnes for the full year, exceeding 300 tonnes for the first time since 1997. The Middle East (Turkey in particular) and Russia recorded increases in gold demand of 20% and 27% respectively.

Global net retail investment rose by 51% to 133 tonnes and by 60% in value to \$2.9 billion in Q2 2007.

The major change in recent years has been the introduction of gold-based exchange traded funds (ETFs), for which physical holdings of gold back the value of shares in these funds. The first such fund to be launched, and now the largest, was StreetTracks Gold Shares in 2004. The price of the ETF shares track the gold price and they have made it very simple for retail investors to invest in physical gold – around 70% of investors in StreetTracks are from the retail sector. As at the end of the year, the major gold ETFs had combined physical holdings close to 28 million ounces, with a total value of over \$23 billion.

Although industrial demand for gold is negligible, there is ongoing research into several promising industrial and chemical applications.

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The supply side

On the supply side, there have been some constraints. The market in recent years has been characterised by declining global output and reduced sales by central banks. Production of newly mined gold globally has peaked, despite the strength of the gold price in recent years. This is largely a function of depleted resources and the costs of developing a new mine – existing miners are experiencing rising costs, ever deeper resources and declining grades. Regarding central banks, the Central Bank Gold Agreement (CBGA), or the Washington Agreement, the second one of which (CBGA2) came into effect in September 2004, provides for sales of up to 2,500 tonnes (500 tonnes annually) of gold over five years (i.e. until September 2008) as compared to the 2,000 tonnes (400 tonnes annually) provided for in the initial agreement in 1999. These agreements reaffirmed gold's status as a monetary reserve asset and set out to limit the sales of gold by individual signatory central banks. In recent years these sales have lagged and it is thought that certain central banks (China, Russia, and possibly some South American countries) have in fact been net purchasers of gold.

In terms of CBGA2, gold sales by central banks totalled 1,269 tonnes by the end of the third year of this agreement, which is less than the maximum of 1,500 tonnes permitted. An additional 117 tonnes has been sold since in the fourth year of CBGA2.

Where does our gold go – an economic perspective continued

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AngloGold Ashanti Report to Society 2007 – Economic performance

The role of Rand Refinery

Rand Refinery is the only gold refining operation in South Africa accredited by the London Bullion Market Association, which implies that the good delivery status of the gold, as endorsed by the London Bullion Market Association, guarantees assurance that a bar of gold produced by Rand Refinery contains the quantity and purity of gold as stamped on the bar. It is one of 52 such accredited refiners around the world, the seven largest of which have sufficient capacity to refine three times the current global output of newly mined gold. The refining market is extremely competitive and Rand Refinery's profitability is driven largely by the value it is able to add to product sold, rather than revenue from refining fees.

Rand Refinery is an unlisted public company whose major shareholders are the South African gold mining companies, AngloGold Ashanti (53%) and Gold Fields (35%). Rand Refinery refines and sells almost 100% of the gold mined in South Africa and 80% of that mined in the rest of Africa. This includes most of the gold mined by AngloGold Ashanti's African operations.

The gold (doré) received by Rand Refinery from the gold mines is 70% to 85% pure and contains silver, iron and various other by-products. Rand Refinery refines the gold up to a purity level of 99.5% which is then saleable on international gold markets. Rand Refinery refines the gold even further by means of an electrolytic process to achieve a purity level of 99.99%. After this, the gold can be 'alloyed down' in terms of customers' requirements.

Less than 50% of the gold refined and sold by Rand Refinery is in the form of 400 ounce London Good Delivery bars. Gold in this form is effectively sold at a discount as the price received by the Rand Refinery is that quoted in London and the gold still has to be transported there, and the travel and insurance costs paid.

Rand Refinery currently refines around 400 tonnes of gold per annum – with a ratio of 65:35 in terms of Value Add versus London Good Delivery. Thus around 35% of the gold refined by Rand Refinery is sold into the London market where the purchasers are mostly the bullion banks, exchange traded

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funds and some central banks while 65% is sold to India, Turkey, Italy and the Middle East. Gold demand from India for South African gold in 2007 is estimated at around 160 tonnes (2006: 95 tonnes), which has increased substantially following the successful introduction of more direct marketing. The three main groups of consumers of gold in India are farmers (who buy and store gold as a currency hedge in order to finance the next season's crops), jewellery fabricators and investors. In Turkey (estimated to account for around 70 tonnes of South African gold in 2007), jewellery fabrication demand has increased exponentially in the last five to six years, largely as a result of the significantly cheaper labour and production costs there as compared to those in Italy where jewellery fabrication demand has fallen from some 400 tonnes to around 200 tonnes. Italy nevertheless remains a major destination for Rand Refinery's gold, as is the Middle East (Dubai, Saudi Arabia and Yemen).

Additional factors in determining the destination of Rand Refinery's gold on world markets are transport logistics and market proximity. Australia, the third largest producer of gold, competes with South Africa to supply the Indian market which is fortunately large enough to accommodate both. Australia also supplies gold to South East Asia (Malaysia, Singapore and Bangkok), in which markets are more readily accessible. The United States and Canada are self-sufficient regarding demand for beneficiated gold while China, which became the world's largest producer of gold in 2007, may shortly become a net exporter of gold.

In order to understand the gold market, Rand Refinery has found that it is necessary to 'own' the value chain and it has formed alliances with the security and freight forwarding companies which carry the risk of transportation and insurance. Rand Refinery arranges to collect the doré from the mine sites by helicopter. It oversees the refining of the gold and its transportation to its vaults at OR Tambo International Airport in Johannesburg, South Africa. From here around 1,500 kilograms of gold is transported to world markets every day. This 'ownership' of the value chain gives Rand Refinery closer links and access to important market intelligence concerning the gold market.

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AngloGold Ashanti Report to Society 2007 – Ethics and governance

Brasil Mineraç~

ao, Brazil

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Ethics and
governance

Compliance with laws and regulations in the countries within which we operate, and international conventions and codes that we have adopted.

Compliance with the regulations of the securities exchanges on which our company is listed, and the regulations that are applicable to these.

Maintaining a rigorous risk management process and register of risks, which are actively considered and addressed on a regular basis.

Operating within the policies and procedures approved by the board and executive, and compliance with internal policies.

Avoiding and mitigating legal action against the company.

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2. Living our values

A key feature of our values statement is our intention to conduct ourselves with honesty and integrity in all that we do.

Our values inform our business

principles, which are applicable across AngloGold Ashanti and in all of the countries in which we do business.

Business principles – a responsible and ethical corporate citizen

1.

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

2.

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

3.

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

4.

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

5.

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

6.

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

7.

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

8.

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

9.

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

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

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

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

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

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3. Our scorecard

Objectives for 2007

Performance in 2007

Achieved or

The next steps

not achieved

Developing and implementing an employee handbook on key compliance and governance policies.

While the various materials were

Following the strategic review and

Developing and implementing a

produced during the year, they

review of the company's values in

supplier handbook on key

were not implemented as the

late 2007 and early 2008, the

compliance and governance policies

company has instituted a strategic

Not achieved

various compliance handbooks

applicable to them.

review, which may have an

and values documentation will be

Communication and, in particular,

impact on these documents.

revised and rolled out.

the roll-out of the values and

business principles and associated

policies to all employees.

Cerro Vanguardia, Argentina

Ethics and governance continued

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AngloGold Ashanti Report to Society 2007 – Ethics and governance

4. Review of 2007

Introduction

AngloGold Ashanti remains committed to the highest standards of corporate governance.

Corporate governance is addressed directly by the Audit and Corporate Governance Committee of the Board, although it is the responsibility of the Board as a whole. 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 and the US Sarbanes-Oxley Act of 2002, 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.

A detailed discussion on corporate governance may be found in the company's Annual Financial Statements 2007, at www-aga-reports.com. The following summary is provided for information and context but is by no means a comprehensive review of corporate governance within the company.

A number of significant changes during the year have had a major impact on the AngloGold Ashanti group. They are:

The decision by Anglo American plc (which at the end of December 2006 held a 43.6% interest in the company), to reduce its shareholding to below 20%. As a result of this reduction in shareholding, all the directors representing Anglo American plc on the AngloGold Ashanti board, namely Mrs Cynthia Carroll and Mr Rene Médori, together with his alternate Mr Peter Whitcutt, resigned on 9 October 2007. The immediate consequences of this corporate activity are that the company is able to chart its own independent future without restrictions being imposed on it by a majority shareholder and that over 80% of the company's shares are now in free float.

The appointment of Mr Mark Cutifani as CEO and director of the group, following the retirement of Mr Bobby Godsell.

The restructuring of the group, in line with revised business objectives and management principles. Two other executive directors left the group during the year, namely, Mr Roberto Carvalho Silva and Mr Neville Nicolau. *See the section on Employment on page 88.*

Other changes to the board during the year include the appointment of Mr Siphon Pityana, who is the executive chairman of Izingwe Holdings (Proprietary) Limited, and the resignation of Dr Sam Jonah.

As a result, as at 28 February 2008, the AngloGold Ashanti Board comprises 12 members (2006:17), of whom:

eight (67%) are independent non-executive directors; (2006: 52%)

two (17%) are non-independent, non-executive directors; (2006: 24%)

two (17%) are executive directors; (2006: 24%)

the chairman of the company, Mr Russell Edey, and the Deputy Chairman, Mr James Motlatsi, are both independent.

There are eight board sub-committees that meet on a regular basis. (A decision was taken during the year to dissolve the Marketing Development Committee.) The sub-committees comprise members of the Board and have written terms of reference. The committees are:

The Audit and Corporate Governance Committee

The Employment Equity and Development Committee

The Executive Committee

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The Investment Committee

The Nominations Committee

The Political Donations Committee

The Remuneration Committee

The Safety, Health and Sustainable Development Committee.

The responsibility for the oversight of safety, health, environment and community issues falls under the Safety, Health and Sustainable Development Committee. Members of this committee, which is chaired by Mr Bill Nairn, met on five occasions during the year. Mr Sipho Pityana is the Deputy Chairman.

Management representatives are invited to attend the meetings, with the primary agenda item rotating from meeting to meeting. Safety is always on the agenda.

The company's ethical performance is guided by its mission, values and business principles.

Safety, health and environmental performance, and relations with government, community members and other stakeholders forms an integral part of the management of operations. These aspects are considered when operational and individual managers' performance is reviewed. Safety targets and performance in particular form part of the remuneration policy for senior and middle management at operations.

Risk management

The assessment, mitigation and management of risk is an integral part of the management of safety, health, environment and community issues. The Board, which has ultimate responsibility for the total risk management process, reviews and approves the risk strategy and policies that are formulated by the executive directors and senior management. Management is then accountable to the Board and has established a group-wide system of internal control to manage significant group risk.

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. This is then reported to the management committee, the executive committee and the Board Audit and Corporate Governance Committee. Due cognisance is taken of the precautionary principle in our risk identification and assessment processes. In line with our adoption of the ICMM Sustainable Development Principles and Framework, we implement risk assessment using sound science-based data and methodologies.

Reinforcing our values

As part of the introspection associated with the restructuring process in late 2007/2008, AngloGold Ashanti has been reviewing its mission and values and will, in time, review the company's business principles.

Our mission remains to create value for our shareholders, employees and business partners/stakeholders through safe and responsible exploration, mining and marketing of our products. The process of review has started with consultation with senior managers, and will be rolled out to employees during the course of the year.

Ethics and governance continued

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AngloGold Ashanti Report to Society 2007 – Ethics and governance

Independent risk assurance processes are undertaken in many corporate functions, including safety and health, environment, community relations and mineral resource management. The corporate technical team also covers critical risk areas such as the potential for slimes dam and slip wall failure.

The Board is informed and takes account of material changes and trends in the group's risk profile. A full discussion on the risk management process and some of the risks that could materially affect AngloGold Ashanti may be found on page 132 of the Annual Financial Statements or on our website at

www.aga-reports.com.

Significant legal issues

AngloGold Ashanti's in-house legal counsel in the various jurisdictions in which the company operates work closely with the corporate legal function in Johannesburg in ensuring that significant legal issues considered as part of the risk management process are brought to the attention of the Audit and Corporate Governance Board Sub-Committee, which is responsible for risk management. A register of litigation matters where AngloGold Ashanti has a possible financial exposure is maintained and reviewed on a quarterly basis.

The following is a summary of significant legal issues during the year under review and feedback on those reported in 2006. Note that AngloGold Ashanti defines a significant legal issue as any issue that could result in a liability to the company of \$1.5 million or higher and/or which could have an adverse effect on the company's reputation as assessed by the company executive.

Feedback on legal issues reported on in 2006:

In April 2005, AngloGold Ashanti instituted an 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 at their mines. The company is pleased to report that this issue has largely been resolved with the formation of the Margaret Water Company in 2007. (*See case study on Progress in settlement of KOSH waster issue at www.aga-reports.com/07/KOSH.htm.*)

Mr Thembekile Mankayi instituted action against AngloGold Ashanti in October 2006 in the High Court, Witwatersrand Local Division. Mr Mankayi is claiming approximately R2.6 million (\$0.4 million) for damages allegedly suffered by him as a result of silicosis allegedly contracted whilst working on mines now owned by AngloGold Ashanti.

AngloGold Ashanti filed the exception to the potentially precedent-setting legal action on the basis that mine employers are insured in terms of the Occupational Diseases in Mines and Works Act (ODMWA) and the Compensation for Occupational Injuries and Diseases Act (COIDA) against compensable diseases and this prevents any delictual claims by employees against employers. The matter was heard in the High Court in early February 2008 and a response is anticipated within the first quarter of 2008.

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 national and regional departments of health have embarked on a project to assist in the delivery of compensation and relief to communities that have been affected. (*See case study on the Former mineworkers project and making ODMWA work – one year on at www.aga-reports.com/07/Nongoma.htm and on addressing socio-economic needs – the Nongoma Abalimi Phambili project at www.aga-reports.com/07/Nongoma-social.htm.*)

Significant legal issues that have arisen in 2007

Action has been instituted by a group of AngloGold Ashanti pensioners against the company for introducing a CPIX cap to post-retirement health care contributions by the company. The company maintains that its action is justifiable and fair given the circumstances and precedent. A summons has been issued by the plaintiffs demanding that AngloGold Ashanti restore the level of contributions to what

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pertained before the introduction of the cap. The company has excepted to the summons on the basis of it being vague and embarrassing. The plaintiffs have amended the summons and the matter was set down for hearing in the High Court in February 2008.

28 former expatriate employees of AngloGold Ashanti Kilo (AngloGold Ashanti DRC subsidiary) have made claims for salary arrears, severance pay, damages and interest jointly and severally against AngloGold Ashanti Kilo and AngloGold Ashanti Ghana, the immediate holding company. Some of these former expatriates have instituted proceedings in the Brussels Labour Court claiming varying amounts but these have remained pending for some time now.

AngloGold Ashanti has received a petition of ex-Contract Workers of AGC (Limited) at its Obuasi operation in Ghana. During the last quarter of 2000, a group calling itself Ashanti Miners' Club formed by aggrieved ex-contract workers claimed that the company had deceived them and that the company should pay them compensation for reasons that their salaries should have been pegged to the US dollar and that they should have been paid as permanent employees during the subsistence of their contracts with the company. The matter was taken to arbitration with the Ministry of Manpower Development and Employment appointing a sole arbitrator to arbitrate and make an award. The award by the arbitrator was generally in AngloGold Ashanti's favour. The plaintiffs commenced the present action claiming that they are dissatisfied with the findings and award of the arbitrator claiming the relief set out in their statement of claim.

In Tanzania certain senior staff members are claiming overtime hours to the value of Tsh3.6 billion (approximately \$2,752,293). Mediation failed and the mediator recommended that the applicants should proceed to another forum as provided for in Section 86(b) of the Employment and Labour Relations Act No. 6 2004.

In Tanzania, Joshua Manyelo and 36 others have filed a claim in the High Court against Geita Gold Mining Company. It is an application for filing a representative suit. According to the claimants they are entitled to Tshs 3.8 billion in compensation but they were only paid Tshs 185,045,482.00. They are claiming the balance of Tshs 3.6 billion. A hearing has been scheduled in February 2008.

Significant legal issue that has arisen in early 2008

In early 2008, AngloGold Ashanti was forced by the South African national electricity utility, Eskom, to shut its operations during a massive, country-wide power shortage crisis. Following emergency industry discussions with Eskom, AngloGold Ashanti's power supply has been returned to 90% of previous and contractual levels. AngloGold Ashanti has, as a consequence of Eskom's inability to deliver, declared a *force majeure* in respect of some of its contractual arrangements including uranium supply and a number of contractual arrangements with contractors to the company.

There were no legal actions against the company for anti-competitive behaviour, anti-trust and monopoly practices during the year. No significant fines were received during the year for non-compliance with laws and regulations. Non-compliance with environmental permits resulted in a 12 day shut down of operations at the Obuasi tailings facilities in Ghana and a number of Section 54 instructions in terms of the Mine Health and Safety Act (see page 165) and the case study on Dealing with environmental legacies at Obuasi: an update at www.aga-reports.com/07/obuasi-environment.htm.

Engaging with our business partners/stakeholders

We recognise that a wide range of people – employees, their families, communities and others – have an interest in the operation of the business. While generally, these external parties are referred to as stakeholders, we consider that these people are in fact partners in our business in that they have a material stake in whether our operations begin, continue or close and the way in which they are affected during this process.

Ethics and governance continued

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AngloGold Ashanti Report to Society 2007 – Ethics and governance

We have a wide variety of formal and informal structures in place to deal with our stakeholders and business partners – see page 17 for further details – and a comprehensive but not exhaustive list of these appears on our website at www.aga-reports/07/stakeholders.htm.

Voluntary compliance

AngloGold Ashanti firmly believes in self-regulation and that industry leaders – locally and internationally – should establish robust standards against which companies should perform and be measured. It is the company's experience that these standards very often become the foundation for international law and good practice.

At an operational level the company is involved in a range of organisations and initiatives which guides its actions. At a corporate level, we are not only members of or signatories to the following, but actively support their aims and objectives and participate in their development and functioning:

Organisation

Date of adoption/

Aims

AngloGold Ashanti's participation
membership

United Nations (UN) Global

August 2004

The Global Compact provides a

The principles of the Global Compact are
Compact

(Ashanti, August 2001)

framework for businesses that are
considered by the company, and are
(www.unglobalcompact.org)
committed to aligning their operations
reported against in the Report to Society.
and strategies with 10 universally
See page 194.

accepted principles in the areas of
human rights, labour, the environment
and anti-corruption.

International Council of

Founding member

The ICMM was formed by the

AngloGold Ashanti actively participates in
Mining and Metals (ICMM)
in 2001

world's leading mining companies
several programmes run by the ICMM,
(www.icmm.com)

to develop a leadership position in
and reports against the ICMM principles
sustainable development. ICMM
in the Report to Society.

members believe that the mining,
minerals and metals industry, acting
collectively, can best ensure its

continued access to land, capital and markets as well as build trust and respect by demonstrating its ability to contribute successfully to sustainable development.

Council for Responsible

Founding member

The Council's aim is to promote

AngloGold Ashanti has participated in the

Jewellery Practices (CRJP)

in 2006

responsible ethical, social and

drafting of the codes of practice which are

(www.responsiblejewellery.com)

environmental practices throughout

currently being reviewed through a

the diamond and gold jewellery

consultation process.

supply chain, from mine to retail.

Communities and Small-scale

Member

CASM is a collaborative group aimed

AngloGold Ashanti holds a seat on the

Mining (CASM)

at poverty reduction by improving the

Strategic Management Advisory Group

(www.casmsite.org)

environmental, social and economic

(SMAG) of CASM. As part of the SMAG,

performance of artisanal and small-

AngloGold Ashanti participated in a discussion

scale mining in developing countries.

regarding ASM policy and regulation with the

governments of China and Mongolia. The

SMAG also plays a governance and advisory

role to CASM and as such the two groups

met twice last year.

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Organisation

Date of adoption/

Aims

AngloGold Ashanti's participation
membership

Global Reporting

Organisational

GRI has pioneered the development

AngloGold Ashanti's 2004, 2005 and 2006

Initiative (GRI)

Stakeholder of GRI,

of the world's most widely used

reports were compiled in accordance with

(www.globalreporting.org)

formed in 1998

sustainability reporting framework.

GRI 2002. The 2007 report has been

The framework sets out the principles

compiled in accordance with GRI's G3

and indicators that organisations can

guidelines.

use to measure and report their

economic, environmental, and social

performance.

Extractive Industries

AngloGold Ashanti

The EITI is a coalition of governments, AngloGold Ashanti will report in line with EITI

Transparency Initiative

supports the EITI,

companies, civil society groups,

in 2007 as far as this is possible (in line with

(EITF)

(formed in 2002)

investors and international

any host country legislation). See

(www.eitransparency.org)

through the ICMM.

organisations. It supports improved

reporting on payments to and from

Among the countries

governance in resource-rich countries government on pages 62 to 64.

in which AngloGold

through the verification and full

Ashanti operates,

publication of company payments

Ghana and Guinea are

and government revenues from oil,

currently candidate

gas and mining.

countries in terms of EITI reporting. International Cyanide Founding signatory to The Cyanide Code was developed by Sunrise Dam Gold Mine in Australia received Management Code for the Code. a multi-stakeholder steering committee conditional certification in line with the Code the Manufacture, Transport, under the guidance of the United in March 2007 and full certification in January and Use of Cyanide in the Nations Environmental Program 2008. CC&V in the USA and the four Vaal Production of Gold (UNEP) and the then International River (South Africa) gold plants were fully (Cyanide Code) Council on Metals and the Environment certified in September 2007. The Savuka (www.cyanidecode.org) (ICME). The code is an industry and Mponeng gold plants (West Wits) were voluntary programme for gold mining conditionally certified in September 2007. companies. It focuses exclusively on the safe management of cyanide and cyanidation mill tailings and leach solutions. Companies that adopt the code must have their 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 requirements can be certified. The objective of the code is to improve the management of cyanide used in gold mining and assist in the protection of human health and the reduction of environmental impacts. Voluntary Principles on Developed in 2000. The Voluntary Principles were The company has begun the process of Security and Human Rights AngloGold Ashanti was developed out of a multi-stakeholder formulating a roll-out strategy for the accepted as a signatory process involving governments, Voluntary Principles across all operations.

in May 2007.

resource companies and NGOs as

These include involving senior management

a means of helping companies in

in the Voluntary Principles as they apply to

the extractive sector to improve their

the company, developing implementation

performance in relation to security

guidelines ,and undertaking training of

risk assessment and the control of

company security personnel inside the

security operatives, and to improve

organisation. Countries which we have

relations with communities on security

issues.

prioritised for the roll-out of the principles

include Colombia, DRC, Ghana, Guinea and

Tanzania.

Ethics and governance continued

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AngloGold Ashanti Report to Society 2007 – Ethics and governance

Disclosure

AngloGold Ashanti subscribes to a policy of full, accurate and consistent communication in respect of both our operating and financial affairs.

Through our business principles, we have committed ourselves to “fully, accurately and in a timely and verifiable manner, consistently and fairly disclosing material information about the company and its performance. This will be done in readily understandable language to stakeholders, the public and appropriate regulators.”

A formal Disclosures Policy 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 covers all employees of AngloGold Ashanti and its subsidiaries and the members of the Board of Directors.

The company’s policy (which is available on the website) deals specifically with communications with stock exchanges, disclosure standards, methods for public disclosure, regular disclosure and market guidance, other meetings, presentations and disclosure, mine site visits, group meetings and presentation, 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 on a regular basis.

Political donations

In South Africa

AngloGold Ashanti believes that the principle of multiparty democracy as contained in the founding provisions of South Africa’s young constitution deserve support and that, in particular, our financial support for political parties will aim to promote political competition, public scrutiny of policy, and law-making. Its purpose is not to advance the company’s immediate, narrow commercial interests, though the company will continue vigorously to argue the case for good governance in the broader sense. It will also aim to encourage a policy-making environment in which there is a healthy and robust competition of ideas.

AuDITIONS, China

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A sub-committee 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. The policy will be reviewed in 2008.

Elsewhere in the world

AngloGold Ashanti is considering the extension of this policy to all operations. No political donations were made by any operations within the group.

Dealing with contractors and business partners

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. As part of the full group's implementation of the Voluntary Principles of Human Rights and Security toolkit, this process is being formalised. The group's policy on Security and Human Rights (available at www.aga-reports.com/07/Humanrights-policy.htm) applies equally to contractors as it does to the company itself. A specific module of the group's toolkit includes a section in the interaction between the company and private security contractors. As the toolkit is fully implemented, in 2008, first in those areas deemed to be of a high risk, so a greater understanding of the current status of contracts, contractors, suppliers and other business partners will be gained and further details will be made available.

The group's procurement and supply chain operations ensure the application of the AngloGold Ashanti principles at two levels.

First, this is done contractually and only with accredited and approved suppliers where the supplier is 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.

Second, there is a strict application of the gifts policy which ensures that no supplier receives undue favour and that our 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, but also in respect of the company's values and business principles. We have a white-collar crime unit in place that investigates suspected fraud, malpractice and unacceptable activities and a Supplier Monitoring Committee that considers and takes action against contractors or suppliers that are found to have breached our code of ethics.

Further work will be undertaken during 2008 in formalising these practices into policies and handbooks and ensuring that these are generally and consistently applicable across the group. While guidelines were developed during the year to support this effort, these have not yet been issued as the company is going through a process of reviewing and re-establishing its business principles.

Relying on our employees

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. Induction of all employees in respect of these policies and procedures is mandatory. Policies that are in place include:

Ethics and governance continued

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AngloGold Ashanti Report to Society 2007 – Ethics and governance

The Market Abuse (Insider Trading Policy), which 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 Conflicts of Interest Policy, which aims to ensure that the commercial transactions of the company 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 interest and the interests of the company. (*See case study on Dealing with conflicts of interest at work – www.aga-reports.com/07/conflicts.htm*).

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

Employees are encouraged to discuss issues with their direct managers first (if appropriate) and then, if not resolved, 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/07/governance.policies.htm. In 2007, several initiatives were put in place to promote awareness of the codes and the policy to all levels of employees.

All reports made in terms of the whistle-blowing policy are fielded 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 to management and internal audit for investigation. Feedback on reports is given when requested. A report is provided to the Executive Committee and the Board Audit and Corporate Governance Committee on a quarterly basis. Both codes and the whistle-blowing policy are available on the company website at www.anglogoldashanti.com. In total, there were 39 cases reported in terms of the whistle-blowing policy in 2007 (2006: 29), nine of which remained in progress. The results of the whistle-blowing procedure are reflected in the graph.

Categorisation

Completed

In progress

Total number
reported

Bribery and corruption

3

3

6

Criminal activity

1

0

1

Enquiry

2

0

2

Fraud

4

1

5

Grievance

0

1	
1	
Irregularities	
12	
3	
15	
Misconduct	
4	
1	
5	
Unethical behaviour	
2	
0	
2	
Unfair labour practice	
2	
0	
2	
Total	
30	
9	
39	

Marketing and communications and customer privacy

AngloGold Ashanti does not conduct extensive marketing programmes. The company's investor activities are indicated in the Annual Financial Statements and on the website. No sanctions or non-adherence with codes or regulations were reported in 2007.

4. Case studies

On our website

The following case studies may be found on our website at www.aga-reports.com/07/case-studies.htm or at the specific urls listed below.

Group

Dealing with conflicts of interest at work – AngloGold Ashanti's 2005 policy and guidelines on dealing with conflicts of interest at work has become integrated into the company's corporate governance principles. In 2007, specific conflict of interest cases were assessed, with emphasis being placed on ensuring that employees and other staff members become aware of potential conflicts of interest prior to the manifestation of any actual conflict. *See case study at www.aga-reports.com/07/conflict.htm.*

Business continuity management: update – February 2007 saw the launch of simulation trials with the intent of gathering and sharing information to be used in developing plans to manage and ensure the continuity of business operations in the event of a catastrophe. The pilot project between AngloGold Ashanti and Anglo Platinum which has since been established involves an extremely comprehensive business continuity management (BCM) plan, designed to combat immediate, as well as long-term crises. *See case study at www.aga-reports.com/07/BCM.htm.*

South Africa

Progress in settlement of KOSH water issue – In 2007, a Section 21 company was formed and registered under the name of Margaret Water Company with the express purpose of managing the continued pumping of water from the liquidated Stilfontein Gold Mining Company, thereby assisting the resolution of the KOSH (Klerksdorp, Orkney, Stilfontein, Hartbeesfontein) water issue. Finalisation of the transaction between the liquidators and the Margaret Water Company is anticipated to be completed by the end of 2008. *See case study at www.aga-reports.com/07/BCM.htm. www.aga-reports.com/07/KOSH-update.htm.*

5. Objectives for 2008

Developing and implementing an employee handbook on key compliance and governance policies.

Developing and implementing a supplier handbook on key compliance and governance policies applicable to them.

Communication and, in particular, the roll-out of the values and business principles and associated policies to all employees.

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CC&V, USA

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Employment

Skills development.

Compliance with ILO conventions and labour-related legislation in all the regions in which we operate.

Succession planning and attraction and retention of skilled and talented employees.

Constructive labour relations and the avoidance of industrial action.

Development and promotion of women in mining disciplines across the group.

Promotion of cultural diversity and ensuring compliance with legislation regulations set by country, such as the Mineral and Petroleum

Resources Development Act (MPRDA), the Mining Charter and the

Employment Equity Act in South Africa, and legislation relating to the location of employees in other regions.

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1. Key issues at a glance

Employment

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2. Living our values

One of the group's core business principles relates to employees, namely:

We provide our employees with opportunities to develop their skills while sharing risks and rewards in workplaces that promote

innovation, teamwork and freedom with accountability. We embrace cultural diversity.

AngloGold Ashanti as an employer – labour practice

1.

We are committed to upholding the Fundamental Rights Conventions of the International Labour Organization (ILO). Accordingly, we seek to ensure the implementation of fair employment practices by prohibiting forced, compulsory or child labour.

2.

We are committed to creating workplaces free of harassment and unfair discrimination.

3.

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

4.

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

5.

We will promote the development of a workforce that reflects the international and local diversity of the organisation.

6.

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

7.

We are committed to ensuring that every employee has the opportunity to become numerate and functionally literate in the language of the workplace.

8.

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

9.

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

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

11. We undertake to ensure access to affordable health care for employees and where possible, for their families.

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

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3. Our scorecard

The following table reports on our performance against the objectives we set at the end of 2006.

Objectives for 2007

Performance in 2007

Achieved or

The next steps

not achieved

Alignment of employment practices

Little progress made.

Not achieved

New global human resources strategy

and, in particular, enhancing the

being developed and implemented in

company's localisation and

2008, to include specific emphasis on

employment practices, and

the promotion of diversity.

implementing performance

contracts at all levels.

Adoption and implementation of

Consultation on the ESOP with the

Not achieved

Discussions in Ghana are taking longer

an Employee Share Option

Ghana Mineworkers' Union is ongoing.

than anticipated, but it is hoped the

programme (ESOP) in Ghana;

Schemes still being considered for

matter will be resolved in 2008. It is

progress discussions on an ESOP

Namibia and Tanzania, although no

planned that the Ghana ESOP model will

in Namibia and Tanzania.

material progress has yet been made.

be the precursor to possible ESOPs

in Namibia and Tanzania.

Roll-out of the Executive Development

Good progress made, with first

Achieved

Aim to broaden the participation in the

Programme. (Collaboration between

participants enrolled for 2008

programme to other corporate entities in

the Fundação Dom Cabral (FDC)

programme.

South Africa and South America.

in Brazil, the University of Cape

Town Graduate School of Business

and AngloGold Ashanti).

Roll-out of the Global Human

Good progress made, with a pilot of
Partially achieved
System should be fully implemented
Resources Systems Project to all
the system currently being tested.
by mid-2008.
operations.

Development of opportunities to
A number of ad hoc programmes
Not achieved

New global human resources strategy
enhance diversity within the
introduced during the year.
being developed and implemented in
company.

2008, to include specific emphasis on
the promotion of diversity.

Enhance internal capability to
Some progress made in decreasing

Partially achieved
The new global human resources strategy
decrease the use of external
dependence on contractors.
includes the provision of opportunities for
consultants across disciplines,
both short-and long-term projects to
through short- and medium-term
group employees in preference to using
global work assignments.
contractors.

Employment continued

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4. Review of 2007

Introduction

The year under review was a time of significant change for the company on a number of fronts. Changes in ownership and board structure are dealt with in the section on ethics and governance on page 76. A major restructuring of the organisation took place late in the year following the retirement of former CEO, Bobby Godsell, and the appointment of veteran mining engineer and manager, Mark Cutifani.

Key changes to the company's structure followed and this was accompanied by the restructuring of the human capital of the company. Direct consequences of the restructuring were:

re-evaluation of the business targets and strategy;

review of the company's values and business principles, first at an executive level and second, through consultation within the group; and

the fundamental review of the group's human resources strategy.

Management of the group

Restructuring was undertaken first to improve operating performance, which led to the establishment of decentralised regional operating structures; and secondly, to flatten and simplify reporting lines and hierarchies, at least at senior levels. Thus the former Chief Operating Officer roles were made redundant.

Three Executive Vice Presidents were appointed in the three different time zones in which the group operates. The three – Robbie Lazare (Africa), Ron Largent (Americas) and Graham Ehm (Australia) – report directly to the CEO.

Further appointments made to the Executive Committee of the company were: Charles Carter (Business Strategy); Richard Duffy (Business Development); Peter Rowe (Business Effectiveness); Thero Setiloane (Sustainability); Nigel Unwin (Organisational Development); Mark Lynam (Treasurer) and Yedwa Simelane (Compliance and Corporate Administration); and Srinivasan Venkatakrisnan remains the CFO and is the only other Executive Director (other than Mark Cutifani).

Obuasi, Ghana

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At an operating level, two decentralised teams have been created in Africa, reporting to Robbie Lazare: Johan Viljoen has been appointed Regional Head for Southern Africa and is establishing a lean technical and services team based in Potchefstroom.

Christian Rampa Luhembwe has been appointed Regional Head for West Africa and will establish a similar technical and services team based in Accra.

These changes will involve ongoing restructuring and downsizing to the corporate services provided from Johannesburg.

Performance in 2007

Employees and contractors

AngloGold Ashanti continues to be a significant formal sector employer in most of the countries in which it operates, particularly at the South African operations (60% of employees) and Ghana (12%).

In 2007, AngloGold Ashanti employed 61,522 people (calculated on a monthly average basis), comprising 47,383 (77%) permanent employees and 14,139 (23%) contractors. This is virtually unchanged from 2006, when the group employed 61,453 people, made up of 46,407 permanent employees and 15,047 contractors. Details may be found in the table below:

Employees and contractors

Country

2007

Total 2006

Variance

Employees

Contractors

Total

(%)

Corporate

475

11

486

471

3

Argentina

708

309

1,017

906

12

Australia

140

641

781

479

63

Brazil

2,467

1,885

4,352

4,428

(2)

Ghana

5,394

2,155
7,549
9,443
(20)
Guinea
1,537
1,380
2,917
2,708
8
Mali
540
1,075
1,615
1,473
10
Namibia
409
0
409
313
31
South Africa
31,335
5,641
36,976
35,968
3
Tanzania
2,304
922
3,226
3,220
0
USA
338
67
405
369
10
Other*
1,736
53
1,789
1,675
7
Total
47,383
14,139
61,522
61,453

0

* Includes AngloGold Ashanti Health and other non-producing subsidiaries

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04

05

06

07

Union representation

agreements under

collective bargaining – 2007

%

Argentina

68

Brazil

100

Ghana

98

Guinea

96

Mali

90

Namibia

100

South Africa

97

Tanzania

3

Group

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Employment continued

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AngloGold Ashanti Report to Society 2007 – Employment

Significant changes in total employee numbers were reported in Argentina, Australia, Ghana and Namibia. These were as a result of:

Australia: staffing up at the Boddington Joint Venture and the full impact of changing the shift arrangements at Sunrise Dam;

Ghana continued restructuring of operations at Obuasi;

Namibia: continued increase in employee numbers as a result of the transition to owner mining.

Separations

In total, 5,051 people left the group during the year (represents 10.5% of total number of permanent employees) for reasons relating to dismissal, resignation, death, retirement and incapacitation.

Restructuring at Obuasi in Ghana resulted in the separation of 500 employees as a result of restructuring.

Separation by gender and age group is not specifically recorded by the company for management purposes and therefore cannot be reported. In South Africa and Brazil, where women in mining programmes are run, separation levels among women are lower than in the general population. *See case study at www.aga-reports.com/07/women-Brazil.htm.*

Fundamental human rights conventions

Certain human rights conventions, including those relating to freedom of association and collective bargaining, are entrenched within South African legislation and the constitution, as well as in law and regulations within Argentina, Brazil, Australia, Namibia, Tanzania, Mali, Namibia and the United States. In addition, we are committed to upholding the Fundamental Rights Convention of the International Labour Organization (ILO). Specifically we seek 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 conventions of the ILO 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, although in new project areas such as the DRC and Colombia, special vigilance is due.

Human rights training

Human rights training, particularly for security personnel, has been initiated at all operations where this is required. In South Africa, 84% of all security employees (440 people) were trained during the year.

As part of the implementation of the group's toolkit on security and human rights, monitoring of training, particularly in high risk areas, will be an area of attention in 2008. The company's values and business principles are unequivocal about the company's respect for human rights, and all employees have been informed of these.

Freedom of association and collective bargaining

Freedom of association, in particular, is recognised as a fundamental right within the group, and collective bargaining is encouraged in those countries where the relevant structures exist. Management/union relationships are governed by collective bargaining, recognition and company-negotiated agreements in respect of all of the group's operations, with 93% of the global workforce represented by recognised trade unions or provided for by way of collective bargaining processes. AngloGold Ashanti is a strong supporter of collective bargaining. See pages 105 and 107.

Separations – 2007 (%)

Corporate Office

18.0

Argentina

Cerro Vanguardia

16.0

Australia

Sunrise Dam

21.5
Brazil
Brasil Mineraç~
ao
8.0
Serra Grande
Ghana
Iduapriem
3.4
Obuasi
10.0
Guinea
Siguiiri
2.5
Mali
Morila
6.0
Sadiola/Yatela
3.4
Namibia
Navachab
4.4
South Africa
11.7
Tanzania
Geita
15.0
USA
CC&V
15.0
Group
10.5
}

Although only 87% of all South African employees are members of unions, 97.5% fall under collective bargaining agreements, including the agency-shop agreement. (The agency shop agreement exists across the lower bargaining unit at the South African operations. This agreement provides for the contribution by non-union members of 0.75% of basic monthly pay to a fund which is used to address work and social needs of that bargaining group. This 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.

The only exceptions to the collective bargaining arrangements are operations in the United States and Australia, where employees (as is common practice in these countries) are not members of unions, but where a high degree of employee participation is encouraged. Brief details on the level of union participation and the unions involved are indicated in the accompanying graph.

There were no significant disputes or strikes at any of the group's operations during the year. The most significant agreements reached between the company and unions during the year were the review of wages and other conditions of service in both South Africa and Ghana. (*See case study: Towards collective bargaining, on page 104 of this report.*)

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 and therefore vary from region to region.

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 within legislation and adopted and followed by the company. No significant cases of discrimination were reported during the year.

Women in mining

For a number of reasons, including legislation (which has excluded women from participating in mining operations in many countries) and custom, mining has historically not been a career easily accessible to women. 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. (*See case study on Women in mining on page 108 of this report.*) Key statistics related to women in the group as at the end of 2007 are as follows:

There was one woman member of the board (Mrs Elizabeth Bradley) (8% women in 2007; 6% in 2006);

In South Africa, senior and middle management: 16% women;

Women make up 8.6% of all permanent employees (2006: 6.2%);

In South Africa, 9.1% of permanent employees are women (2006: 8.1%).

Employment continued

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AngloGold Ashanti Report to Society 2007 – Employment

In South Africa in particular, the planning for and implementation of recruitment and advancement programmes for women is a requirement of the Mineral and Petroleum Resources Development Act (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 and realistic targets prepared by the company are illustrated in the table.

Gender ratios – South Africa

2005

2006

2007

2008

2009

% of all employees

6.9%

8.2%

9.1%

12.3%

14.4%

who are women

% of top management

10%

16.7%

13.3%

6.2%

6.7%

who are women

% of senior management

7.9%

8.1%

8.9%

12.8%

13.0%

who are women

% of professionally

14.4%

16.1%

17.4%

21.0%

23.4%

qualified staff who

are women

2008 and 2009 represent targets. Top management = Paterson F band. Senior management = Paterson E band.

Professionally qualified = Paterson D band.

It is the company's intention that there is parity between the wages and conditions of service for men and women. Currently the number of women in mining are still relatively low and tends to be within administrative and advisory positions. Programmes are in place in South Africa and Brazil in particular to increase the participation of women in core mining disciplines. Where the ratio of basic salary of men to women is available and relevant, this is reported in the country reports.

Diversity and equal opportunity

AngloGold Ashanti endeavours to promote an organisation that recognises and is sensitive to the diversity of the people within its host countries and is cognisant of past inequities which need to be addressed, while at the same time affording all employees the opportunity to develop further in their chosen careers.

Specifically at a time when the global resources industry is experiencing a shortage of skilled personnel, it has become even more of a group imperative to attract, train, develop and promote skilled employees.

The employment of historically disadvantaged South Africans (HDSAs) is regulated through legislation in South Africa, specifically the Employment Equity Act, the MPRDA and the Mining Charter. Employment equity targets and performance are set and monitored by a board sub-committee. Employment targets and achievements are reported annually to the South African Department of Labour and the DME.

As at the end of 2007:

HDSAs (including women) made up 33% of the board (2006: 18%).

HDSAs made up 30% of management (2006: 26%). (Managerial employees are defined as those in supervisory and management roles in Paterson job grades D-Lower and above).

Again, in South Africa, historical recruitment practices have created a reliance on the employment of people from outside the country, primarily in the South African Development Community (SADC). In turn, these practices have resulted in a dependence 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

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their dependents, and directly through remittances that are provided. The Mining Charter requires that South African mining companies commit to not discriminating against foreign nationals in their employment practices. In line with the reporting required by the Mining Charter on this aspect, AngloGold Ashanti reports that at the end of 2007, 34.6% of employees in South Africa were drawn from outside the borders of the country. (2006: 35.7%).

Elsewhere in Africa, an issue that has become increasingly important and regulated is the need to encourage the employment of local employees and replacement of expatriate employees, through skills transfer programmes and the career development of local citizens. We have localisation plans and programmes in place at all our operations to manage the placement of expatriate employees and the training and development of the indigenous population. This process is not without its challenges – specifically skills shortages created by the surge in exploration and mining in Africa and elsewhere in the world, the lack of technical skills and competence in regions and countries where the company operates, the remoteness of mining operations, and the finite time horizon of mining and exploration activities. A major company and country initiative, which includes working with other mining companies and the state, was undertaken in Tanzania in 2007 where skills shortages have reached acute levels. These initiatives are reported in a case study on developing artisans at Geita at www.aga-reports.com/07/artisans-Geita.htm. The current level of expatriate employees at the African operations outside South Africa is reported opposite.

Training and development

Training and development initiatives at all levels – from Adult Basic Education and Training (ABET), to skills development and graduate training, to executive development programmes – underpin our overall global human resources strategy.

As part of the initiative at the South African operations to upgrade employee 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. Over and above this, all employees in the relevant disciplines are eligible to participate in learnership programmes in engineering and mining, learner miner programmes, trainee shift boss programmes, and mine overseer

Cuiabá mine, Brazil

Expatriate employees

%

Ghana

Iduapriem

0.1

Obuasi

0.1

Guinea

Siguiri

4.0

Mali

Morila

7.0

Sadiola

4.7

Yatela

5.7

Namibia

Navachab

1.7

Tanzania

Geita

5.1
Corporate
1.7

training. In fact, the broad level of development and exposure that the group can offer is a primary incentive in its efforts to attract and retain qualified and competent employees around the world. Direct total training and development expenditure in 2007 amounted to \$31.4 million (2006: \$26.4 million) of which \$24.8 million (2006: 21.2 million) was spent on employee training and development in South Africa.

Data related to average hours of training per employee is not collated across the group as it is not deemed a meaningful measure given the number of people involved or significant differences in skills sets and the diversity of operations. This parameter therefore cannot be reported. While additional data will be collated in the future when the group's global human resources database is implemented in 2008, it is likely that this will be reported at an operational level only. Some of the training and development initiatives undertaken by the group are discussed in more detail below.

AngloGold Ashanti has, over more than a decade, been providing ABET to employees so as to ensure that all employees have the opportunity to become literate and numerate. All employees at the operations in Australia and the United States are literate, as are most employees in Argentina, Brazil and Ghana. The issue of illiteracy is most acute in South Africa where, currently, 9% of the South African workforce Group 3-8 does not have a recognised school-level qualification (2006: 19%).

In South Africa, the company spent R9.20 million (\$1.31 million) on ABET during the year, with 4,122 employees (includes 29 employees who attended NQF2), and community members participating in ABET programmes. The company provides extensive resources and infrastructure for ABET, with eight ABET centres for employees and two for community members.

In 2007, an ABET programme was initiated at Navachab for employees and community members – *see case study at www.aga-reports.com/07/literacy-Navachab.htm.*

Employment continued

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AngloGold Ashanti Report to Society 2007 – Employment
Obuasi, Ghana

The group's Management Development Programme (MDP) and Intermediate Management Development Programme (IMDP) continued during the year, with 39 and 34 employees respectively participating at a cost to the company of around \$490,000. Increasingly these programmes are becoming international in scope – and this again is providing a valuable forum for diversity management and training.

Support for tertiary education in business-related subjects is another important means of developing the company's talent pool. Study assistance programmes for employees and potential employees were provided at all operations across the group. In Argentina, where the skills shortage is acute, an innovative programme has been developed in conjunction with the University of Patagonia (UNPA) and other employers. *(See case studies on companies join forces to fast track unskilled employees at www.aga-reports.com/07/fast-track-argentina.htm and mining careers for local employees at www.aga-reports.com/07/careers-argentina.htm)*

Training for life (also called portable skills training in South Africa) is another element of our suite of training and development products. The aim of training for life programmes (developed and applied for specific circumstances around the group) is to deliver 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 750 people in South Africa during the year, drawing from both employees and community members. *(See case study on the Lamego Project library in Brazil at www.aga-reports.com/07/lamego-library.htm)*

Minimum wages

At all of its operations, AngloGold Ashanti at least meets the minimum wage requirements legislated by the state for the mining sector where it has been legislated. In South Africa, for example, minimum wages have been set for domestic workers and farmworkers, but in most other sectors like the mining sector, wages and conditions of service have been negotiated through a collective bargaining process, of which AngloGold Ashanti is a firm supporter. Minimum wages in the mining sector are well above minimum wages in the agricultural sector. 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, for example, 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.

Performance reviews

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 and all operations in line with the company's Social and Labour Plan (SLP), which is a submission by the company that has been accepted by government. Skills development plans are reviewed and updated on an annual basis. *See the SLP reports for the West Wits and Vaal River regions on our reports website at www.aga-reports.com/WestWits.pdf and www.aga-reports.com/07/SLP-VaalRiver.pdf.*

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Amount spent on training and development (excluding bursary and scholarships)

US\$ (000)

Corporate office

681

Argentina

394

Cerro Vanguardia

394

Australia
400
Sunrise Dam
400
Brazil
1,299
Brasil Mineraç~
ao
981
Serra Grande
318
Ghana
1,250
Iduapriem
250
Obuasi
1,000
Guinea
358
Siguiri
358
Mali
610
Morila
319
Sadiola
38
Yatela
252
Namibia
111
Navachab
111
South Africa
24,807
Tanzania
2,058
Geita
2,058
USA
242
CC&V
242
Group
31,418
Reporting in line with
the Mining Charter
For the purpose of reporting in
line with the Mining Charter,
the company produces a
separate report for the DME, a

copy of which is available at
[www-aga-reports.com/07/
Social-labour-plan.htm](http://www-aga-reports.com/07/Social-labour-plan.htm).

Employment continued

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AngloGold Ashanti Report to Society 2007 – Employment

Vaal River, South Africa

Additional benefits

In addition to fair remuneration practices and policies, the company provides extensive benefits to employees, beyond those which are legally mandated. These benefits include: health care; maternity and paternity leave; retirement funds; share ownership; housing allowances and accommodation; death and disability cover, and educational/study assistance,

For some employees the provision of housing or accommodation is a benefit, for others it is a necessity.

This is so for employees located at mining operations in remote areas (such as Argentina and Australia) or for employees who are drawn from other areas, as is the case for a significant number of employees in South Africa.

By far the most formalised on-mine, employee-only accommodation is that provided in South Africa, where historically a large proportion of employees have been drawn from surrounding countries and from rural areas within the country itself. The company has been introducing more family accommodation and encouraging home ownership. As long as employees are drawn from areas beyond the immediate vicinity of the mines, however, some form of company-provided accommodation is going to be required. As at the end of 2007, 51% of South African employees were housed in company-provided residences: this shows a significant decline from 2003 when 62% of all employees were housed there. A programme to upgrade residences is under way and, in particular, efforts are being made to convert communal rooms into single room accommodation. Since 2005, when this initiative began, 1,054 single rooms have been created and a further 1,088 rooms will be created by the end of 2008. The cost to the company in 2007 was some R11.36 million. In South Africa, meals are provided to employees living in residences and 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.

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Since women recruits are drawn from local areas, no exclusive accommodation is provided for women (apart from in the family accommodation). However, facilities for women have been identified as a future need, and several new change house facilities have been constructed to accommodate the increasing number of women working underground.

The provision of at least primary healthcare to all employees is a basic condition of service for all AngloGold Ashanti employees and, increasingly, healthcare benefits are provided to dependents as well. Details on the specific housing and healthcare benefits that are provided to employees at the various operations may be found in the country/operational reports at www.aga-reports.com.

5. Case studies

In this report:

The following case studies are presented in this report.

Toward collective bargaining – the view of the group and a comparison between South Africa and Ghana – page 104.

Women in mining – on track to meet targets in South Africa – page 108.

On the website:

The following case studies may be found on our website at www.aga-reports.com/07/case-studies.htm at the specific urls listed below.

Group

Executive development – meeting the challenges of operating successfully in diverse environments – AngloGold Ashanti, in response to the need to enhance the skills of executives and senior management to enable them to function effectively, efficiently and profitably in the global business environment, has commissioned an executive development programme. The programme, which has been initiated in 2008, will be used to develop key competencies so as to facilitate strategic transitions within the organisation. *See case study at www.aga-reports.com/07/EDP.htm*

Argentina

Companies join force to fast track unskilled employees – A new initiative to train local unskilled employees was developed by four mining companies and a service supplier operating in Santa Cruz Province, Argentina, at the end of 2006. The dearth of qualified mining employees facilitated this drive. The programme comprises 11 modules, each with theoretical and practical classes. 52 of the total 151 employees who attended the programme in 2007 were from Cerro Vanguardia. 30 employees are expected to attend in 2008. *See case study at www.aga-reports.com/07/fast-track-argentina.htm*.

Mining careers for local employees – Cerro Vanguardia, AngloGold Ashanti's mine in Argentina, has decided to offer its employees the opportunity to further their education and job prospects by obtaining a degree through the University of Patagonia (UNPA) while they are working. The aim is to develop the skills of local employees by facilitating the learning process at every stage. The project is set to continue in 2008, with 10 employees identified for training. *See case study at www.aga-reports.com/07/careers-argentina.htm*.

Brazil

Lamego project library – A new library at Lamego Mine, in Sabará, Brazil, opened on 21 September 2007. The library, an invaluable resource for the 192 employees at the mine and their families, houses approximately 620 books, donated by employees, relatives and others. Through this project, a culture of reading and general knowledge enhancement has been promoted. *See case study at www.aga-reports.com/07/lamego-library.htm*.

Employment continued

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AngloGold Ashanti Report to Society 2007 – Employment

Women in mining in Brazil – AngloGold Ashanti’s philosophy that its employment profile should reflect the demographic profile of the communities in which it operates saw the launching of a campaign to recruit women in its Brazilian operations in 2006. During the course of 2007, the number of women involved in the company grew significantly, both in administrative and mining-related occupations. AngloGold Ashanti has continued to receive positive feedback from its female employees in Brazil. *See case study at www.aga-reports.com/women-Brazil.htm.*

Namibia

Responding to the need for literacy training at Navachab Mine – Navachab Mine in Namibia saw the implementation of a comprehensive human resources planning process, designed to determine skills needs and provide input into the setting of career development paths, during 2007. ABET was introduced and made available to all interested employees, spouses of employees, and community members. This programme has ensured the enhancement of the qualifications of AngloGold Ashanti’s Navachab Mine employees. *See case study at www.aga-reports.com/07/literacy-Navachab.htm.*

Tanzania

Meeting the skills shortage at Geita Gold Mine – The critical shortage of skills, particularly at artisan and technical level, in the gold mining industry in Tanzania, resulted in the establishment of the Geita gold mine engineering training centre in 2003. Over the years, not only has the scope of the training centre expanded, but the success rate has increased correspondingly. At the completion of their training, apprentices are fully qualified artisans who meet the requirements of the mining industry. *See case study at www.aga-reports.com/07/artisans-Geita.htm.*

TauTona, South Africa

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6. Objectives for 2008

Implementation of recently introduced structural changes and obtaining employee support for the vision of the company.

Redevelopment and implementation of a new, global organisational development strategy that:

- recognises employees for their contribution to the company and to their community and is a partner in their growth and development to mutual benefit;
- develops a skilled and motivated workforce by presenting developmental opportunities and scope for personal growth; and
- promotes diversity and localisation at all levels and all operations, enabling employees to take advantage of the extensive opportunities that the group can offer.

Developing and implementing appropriate systems that support the organisational development goals of the company.

Engaging in constructive labour relations and functional collective bargaining agreements and practices.

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AngloGold Ashanti Report to Society 2007 – Employment
Case study: Towards collective bargaining – the view of the
group and a comparison between South Africa and Ghana

In 2007 AngloGold Ashanti participated in collective bargaining over wages and working conditions in both South Africa and Ghana. These are the two countries where the company employs the largest numbers of people – some 61% of the company's global workforce in South Africa and 12% in Ghana. The two sets of negotiations offer contrasting experiences. Specifically, the experience in South Africa, where relationships are a product of decades of interaction, is indicative of the company's commitment to collective bargaining relationships around the world. The company's goals in this respect are well captured in the collective bargaining clause of the Fundamental Rights Conventions of the International Labour Organization (ILO). The Ghana experience illustrates a developing relationship in labour relations and collective bargaining for AngloGold Ashanti.

Industrial relations and collective bargaining in South Africa

After the founding of the National Union of Mineworkers (NUM) in 1982, representing for the first time the majority of disenfranchised black mineworkers, and a period of adversarial relationships between the NUM and management, a bitter, three-week industry-wide mining strike followed in 1987. This event, involving the new union under the leadership of James Motlatsi (now AngloGold Ashanti deputy chairman) and Cyril Ramaphosa, was a landmark in labour relations in the industry and in the country as a whole. Leading the negotiations on behalf of the mining industry employers was Bobby Godsell, then Anglo American labour *West Wits, South Africa*

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relations adviser and until recently the CEO of AngloGold Ashanti. The deal that was brokered and the way in which it was done set the scene for an evolution of industrial relations in South Africa.

Consequently, at AngloGold Ashanti in South Africa today, almost every aspect of the company's operations is guided or influenced by union/management co-operation. Where conflict or potential conflict exists, as in wage negotiations, mutual historical experience is an influence on all parties towards settlement.

Generally, the union/management relationship is regulated by recognition and other agreements entered into at company and operational level. However, bi-annual wage negotiations in the gold and coal mining industry have historically been undertaken at a central level, with the industry having mandated the Chamber of Mines to engage on its behalf, and the major unions – the NUM, United Association of South Africa (UASA) and Solidarity. From the outside, it may appear that parties only engage with one another in the so-called wage negotiation season in May/June on an annual or bi-annual basis (in the case of two-year wage agreements). In reality, there is frequent communication among them, and the relationships are mature and sufficiently developed to seek fair and mutually acceptable outcomes.

In mid-2007 for example, the major gold mining companies AngloGold Ashanti, Gold Fields and Harmony signed the 2007/2009 wage agreement with the three trade unions negotiating on behalf of gold mining workers, NUM, UASA and Solidarity. The agreement followed nearly three months of negotiations and included smaller working parties dealing with specific issues of contention. While neither the employers nor the unions achieved all they had set out to achieve, all agreed the outcome struck a balance between employee and employer expectations and the long-term viability of the industry, while taking into account the cyclical nature of the industry and declining production levels.

AngloGold Ashanti and collective bargaining

AngloGold Ashanti is committed to upholding the Fundamental Rights Conventions of the International Labour Organization (ILO) and seeks to instill and adopt fair labour practices in all the jurisdictions in which it operates. A key element of this fair labour practice ethos is the right to freedom of association and collective bargaining. The ILO Right to Organize and Collective Bargaining Convention (No. 98), 1949 describes collective bargaining as “voluntary negotiation between employers or employers' organisations and workers' organisations, with a view to the regulation of terms and conditions of employment by collective agreements.” In addition, the company has a global agreement with International Federation of Chemical, Energy, Mine and General Workers Union (ICEM) on the promotion and implementation of good human and industrial relations at its operations around the world.

Case study: Towards collective bargaining – the view of the group
and a comparison between South Africa and Ghana continued

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AngloGold Ashanti Report to Society 2007 – Employment
Wage negotiations in Ghana

Ghana has a long history of trade unionism, born out of that country's transition to independence. A relatively high level of unionisation (estimated at 74% amongst the country's formal sector) masks the fact that, as there is a low rate of formal sector employment and a large informal sector, in reality union membership is low. The Trade Union Congress (TUC) Ghana is the umbrella trade union organisation in the country. While the Industrial Relations Act of 1965 recognised the TUC as the sole representative of the trade union movement in Ghana, the new Labour Act gave rise to trade union pluralism in the country, with a second union, the General Manufacturing and Metal Workers (GMMW) (which is an affiliate of the Ghana Federation of Labour), making its appearance. There are some members of the latter at Iduapriem mine although the majority of unionised AngloGold Ashanti employees are represented by the TUC.

The relationship between the former Ashanti Goldfields and Ghana trade unions was long and established, and relied to a great degree on personal relationships and leadership. The advent of AngloGold Ashanti as the owner of the company's Ghana operations in 2004, and a changing corporate and management structure during the three years since the business combination, has had an impact on relations between the parties. It became apparent in the latest round of negotiations that there are insufficient formal structures in place to facilitate contact, and there is a lack of sufficient trust. The consequences of the differences between the relationships can perhaps be illustrated by the course of the 2007 wage negotiations.

Negotiations began on Friday 27 April and reached an impasse on 9 July 2007. While management made a final offer of a 9.5% increase, the union revised its demand to 16.5%, from a starting point of 18.5%. Having referred the matter to the National Labour Commission for mediation in July 2007, the unions, representing approximately 4,600 workers, threatened to embark on industrial action should their wage demands not be met. In an effort to resolve the matter, the National Labour Commission enforced an unprecedented process of compulsory arbitration and, in August, announced an 11% wage increase for unionised workers.

In commenting on its ruling the Commission indicated that it was mindful of the challenges that confront corporate entities regarding the need for internal equity versus external competitiveness in the design and administration of their compensation, and at the same time it took into consideration inflation in the country (around 10.4% in 2006) which has had an impact on employees. All the parties accepted the outcome of the Commission without appeal.

While AngloGold Ashanti was pleased to have reached a settlement, the company is striving to develop a framework within which sound collective bargaining can flourish. At the same time efforts are ongoing to foster constructive relationships with unions that would enable all parties to participate fully in voluntary collective bargaining without resort to third party resolution.

Many of these initiatives, by their very nature, are medium- and long-term. For the immediate future, however, AngloGold Ashanti has already engaged in discussions with the unions on the way forward for the 2008 negotiations.

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Operating around the world

In two of the countries in which it operates – Australia and the USA – employees have elected not to be unionised. AngloGold Ashanti is satisfied that the statutory protection offered by labour legislation and the constitutions of those countries support basic labour rights enshrined in the applicable ILO instruments. In other areas of operation, the company has relationships with representative trade unions.

Additionally, as the group enters new areas of operation, it faces further challenges and opportunities of operating in new jurisdictions. AngloGold Ashanti believes that its tradition of developing robust and constructive relationships and structures for collective bargaining with trade unions internationally will stand it in good stead, and will guide the company in its interactions.

Obuasi, Ghana

Case study: Women in mining – on track to meet targets in South Africa

In South Africa, legislative barriers prevented women from working underground until relatively recently. Apart from various legislation introduced in recent years to promote and ensure equity in the workplace, the South African Mining Charter has specifically tried to redress this imbalance from the past by setting a target that women should make up 10% of mining companies' total workforce by 2009.

AngloGold Ashanti has made progress, increasing the representation of women in the company's workforce (expressed as a percentage of all South African-based employees, including foreign nationals) from 7% in 2005 to 9% in 2007. Jan Norval, Manager: Human Resources Development for the South African operations, comments that retention rates are encouraging, with labour turnover among female employees no higher than the average across the board.

“Our programme is not just about meeting the Charter targets,” says Norval, “AngloGold Ashanti strives to reflect the diversity of the communities among which it operates, and, ultimately, we would wish our employment demographics to reflect those of the country as a whole.”

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AngloGold Ashanti Report to Society 2007 – Employment
Savuka, South Africa

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At the outset, an effort was made into gaining an objective picture of its female employees' attitudes and perceptions. Following an earlier audit in 2005 (*See case study: Women in mining – uncovering the barriers: AngloGold Ashanti Report to Society: 2005*), the company commissioned a follow-up study in February 2007, carried out by an independent researcher. In total 110 women, at all levels of employment, were interviewed in a combination of focus groups and one-on-one discussions.

“Both studies highlighted similar issues, largely focusing around infrastructural aspects such as the provision of facilities, or workplace issues such as perceived isolation and lack of support,” says Norval. The infrastructural issues most commonly raised in the 2007 audit were shortages of: underground toilets in sufficient proximity to the workplace; and convenient access to family planning facilities.

Work-related issues included:

dissatisfaction with career progression; and

negative perceptions of reasonable representation in all occupational categories and levels.

“While the 2007 audit shows some issues of concern have not changed, some encouraging progress has been made, for example with regard to sexual harassment,” says Norval. “Respondents at all business units indicated a perception that the company had made significant efforts in terms of awareness training on sexual harassment, and that this had gone a long way in creating a shared understanding between men and women regarding personal interaction in the workplace. This perception is borne out by the fact that the number of reported sexual harassment cases is declining.”

Norval also reports that virtually all respondents expressed their confidence that there is now no discrimination against women in terms of pay or conditions of employment; this was not the case in the previous survey.

To date, 23 change houses have been made available, usually through the conversion of existing, redundant facilities; and clinic opening hours are being adjusted to provide accessibility at convenient times.

“Demand for child care facilities (an issue raised by some respondents) varies,” says Norval. “We recruit women exclusively from the communities surrounding the mines, and we mostly find they prefer to arrange child care through family members.” Two crèches have been established, one in Vaal River and one in West Wits.

Regarding such issues as perceived lack of support for women in the workplace, various women's networking forums have been established.

Case study: Women in mining
– on track to meet targets in South Africa continued

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AngloGold Ashanti Report to Society 2007 – Employment

At business unit level, if no formal women's forum has been established, provision has been made for women to be represented on the various structures that feed into the skills development and employment equity committees.

Central forums have been established at West Wits and Vaal River to accommodate women working in the South Africa Region Services and Sustainable Development departments. Meetings of these forums are convened quarterly by Avril Harris, Human Resources Manager Business Services, in West Wits, and by Larissa la Grange, Senior Community and Social Development Officer, in Vaal River.

Meetings to date have been attended by between 40 and 60 women. Suggestions emanating from these meetings are routed through the relevant channels to try and resolve issues that may arise.

The greatest remaining challenge, in Norval's view, is the persistent imbalance in gender distribution between surface and underground jobs. "Across the spectrum, whether you are looking at category 3-8 and artisan jobs, or at entry-level graduate and diplomate positions, you still find relatively few female applicants for jobs in the core technical disciplines. For example, of the 2,764 employees recruited at the category 3-8 level in 2007, 87% are male; the current bursar population is 50, 24% of whom are female."

Overall, Norval is confident AngloGold Ashanti will meet the 10% target by 2009 – equating to some 3,100 employees – and continue making progress towards its broader objective of embracing cultural diversity through an employee profile that reflects South Africa's social demographics.

Savuka, South Africa

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Two success stories

Lizanne Maritz and Elizabeth Molefi are two women who have shown they can cope successfully with the challenges of the mining industry.

Lizanne (25) joined AngloGold Ashanti in November 2000 on a Learnership Programme, for a Level One Stope Artisan position. This is the entry-level for occupations into the artisan engineering programme.

Her technical high school background laid the foundations for a career in the mining industry. Through part-time study at the Carletonville Technical College and Klerksdorp Vuselela Technical College, she went on to achieve a N3 technical qualification and passed her trade test as an instrument technician in October 2005. She joined AngloGold Ashanti Training and Development services in January 2007 as an instrumentation training officer. “You must just believe in yourself,” she says. “Nothing is too hard if you have the right mindset and support.”

Her supervisor, Senior Training and Development Officer JT Ndebele, comments: “Lizanne is a dedicated individual with strong leadership qualities. She is still in the learning phase in her training role, but has already made an impact in the instrumentation department by suggesting a number of new systems. She is a valuable asset to ATDS and the company.”

Elizabeth (43) joined the company in 1989 as a clerk. She cites “personal ambition, and my aspiration to take my rightful place in life” as her reasons for choosing a career in the mining industry. Elizabeth is married with two children. “As parents, we both look after the family, so I am blessed with a good support system,” she says.

Elizabeth was appointed to her current position of winding engine driver training officer in March 2005. JT Ndebele comments: “Elizabeth is dedicated and motivated. She has implemented a number of training systems and plays an important role in ensuring that everyone, especially historically disadvantaged South Africans (HDSAs), has the opportunity to apply for winding engine driver positions. She has already trained a few female learners and they have all successfully completed the programme.”

Case study: Women in mining

– on track to meet targets in South Africa continued

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AngloGold Ashanti Report to Society 2007 – Employment

Women in mining – Mponeng’s approach

Mponeng mine has proved among the most successful of AngloGold Ashanti’s operations in integrating women into the workforce. This is borne out by comments made by respondents in the external audit carried out in 2007, of which the following extract is an example:

“The women at Mponeng were the most positive and satisfied of all women surveyed. The women highlighted that staff don’t want to leave Mponeng. The atmosphere is one of a family environment – ‘feels like home’. They feel that AngloGold Ashanti is moving towards accommodating the needs of women and are encouraged by the recruitment and selection of larger numbers of women.”

Senior Human Resources Manager, Peter Lombard, cites a number of initiatives as contributing to this success.

Development plans for group 3-8 women – A development plan document for group 3-8 employees was drawn up by the Employment Equity sub-committee. The process of completing these plans has begun, and development plans have been completed for 55% of the mine’s female employees. Career paths are discussed with them and they are given the opportunity to nominate their career path preference. Advice is then provided on the development initiatives required in order to pursue this career path. This is a combined effort between the NUM and management.

Administration of ‘Women in Mining’ questionnaire – A one page questionnaire has been drawn up by the Employment Equity sub-committee and has been completed by 124 women to date, with the initial focus on employees in category 3-8. The purpose of the questionnaire is to gauge the present experiences and perceptions of women working at Mponeng. It addresses

Mponeng, South Africa

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such matters as sexual harassment, discrimination and facilities for women. The results of the audit are discussed at the relevant forums and remedial action is taken on any problem areas or proposals discovered during the exercise. This is another combined initiative between management and organised labour.

Single accommodation for women – A survey was carried out to gauge the interest among female employees in residing in single accommodation. 15 female employees indicated an interest and further discussions will be held with them early in 2008 to investigate a way forward.

Women in Mining as a regular agenda item – Women in Mining is a standard agenda item at employment equity committee meetings. Matters such as discrimination, sexual harassment and cultural diversity are discussed, as is the mine's progress towards meeting employment equity targets.

Sexual harassment presentation – A presentation on sexual harassment forms part of the mine's induction programme, both for new employees and those returning from annual leave. A copy of the AngloGold Ashanti Sexual Harassment Policy is also made available during the presentation, and questions and discussions are encouraged.

Cultural diversity training – A cultural diversity course is in place at Mponeng, with gender issues forming an integral part of the content. Gender representation is an important element when nominating delegates for the course: some 338 employees have attended the course to date, and feedback received has been positive.

Social activities for women – A number of social activities have been established, including a female soccer team and a choir, and have proved popular with female employees.

Facilities for women – An appropriately furnished change house facility has been established for women in the residence. Toilet facilities for women are also being established underground, with 24 toilets having been built to date.

Recruitment initiative for women – A focused recruitment plan is in place to meet the 10% target by December 2009. Women are recruited for underground positions which were traditionally occupied by men. 403 women (6% of total complement) are currently employed at Mponeng and Savuka and their services departments, compared with 133 (2.5%) in November 2005.

Positions for women – Initially, after engaging with organised labour, certain underground positions, largely in engineering and in development rather than stoping, were identified as suitable for women. However with the introduction of physical capability testing as part of the selection process, it has been agreed that all occupations, without exception, are open to women provided they meet the necessary criteria.

Meetings with management – Women are well represented on mine forums, such as the employment equity, wellness, skills development, and health and safety committees. Management has also taken the initiative to have ad hoc meetings and workshops with women to ascertain their views, concerns and recommendations.

Risk assessment for women – A comprehensive risk assessment exercise has been carried out at Mponeng mine to determine the risks for women on the mine. The document has been distributed and communicated to all stakeholders. It is standard practice for women in underground occupations who become pregnant to be redeployed to surface occupations during this period.

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AngloGold Ashanti Report to Society 2007 – Regional health
Obuasi, Ghana

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Regional health

Planning for and managing the social and economic impact on the company and the communities in which we operate. Key areas that we have identified are:

HIV/AIDS, particularly in Southern Africa

Malaria, particularly in West Africa

Cholera, which is endemic in Guinea

The global threat of avian flu

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AngloGold Ashanti Report to Society 2007 – Regional health

2. Living our values

AngloGold Ashanti's regional health management practices and policies are guided by the group's business principle, 'AngloGold Ashanti as an

employer – labour practices', the last point of which is relevant to regional health threats:

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

3. Our scorecard

Objectives for 2007

Performance in 2007

Achieved or

The next steps

not achieved

HIV/AIDS

VCT uptake of 60% at all business

VCT uptake of 102% amongst the

Achieved

As VCT needs to be undertaken on a units in South Africa.

South African workforce

regular basis, we will continue with our

(assuming single testing).

efforts to promote VCT.

Rate of 1 peer educator to

Rate of 1 peer educator per 52

Partially achieved

Adequate number of peer educators

50 employees at all business units

employees for the SA region as a

have been procured; now the challenge

in South Africa.

whole

is to use them more efficiently.

25% increase in Wellness Clinic

Net total of 4,610 patients

Achieved

Increasing access to and use of Wellness patients.

enrolled in Wellness Programme,

Programme remains a priority.

an increase of 29%.

25% increase in patients on ART.

Cumulative total of 2,061 patients on

Achieved

Provision of ART to, and retention on ART

ART, an increase of 40%.

of, infected employees will remain an

important area of work.

Malaria

Implement integrated malaria control

Progress has been made as plans for

Partially achieved

Programme to be fully implemented
programme at Geita.

the programme have been put in
in 2008.

place, including liaison with local
government officials, training of spray
operators and a first round of spraying
(mine village and infrastructure) has
been completed.

Obtain approval for funding of

Funds for 2008 programme have been

Achieved

Further implementation of the programme

control programmes at Siguiru

allocated. Initial work started at

is planned for 2008.

and Iduapriem.

Iduapriem and Siguiru with studies of
the regional vectors completed.

Achieve a further reduction in

A further 62% reduction in the malaria

Achieved

Continued implementation of the

malaria incidence of 25% at

incidence rate at Obuasi was achieved,

programme is planned in 2008.

Obuasi and achieve community

indicating a 74% reduction in malaria

parasite prevalence of less than

incidence rate since the implementation

50% in all samples.

of the programme in 2006. The 2007

Obuasi study showed a community

parasite prevalence of 18% to 19% in

all samples, a reduction in malaria

parasitemia of 57% compared with

that of 2006.

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4. Review of the year

Introduction

Inherent in our core values and business principles is a commitment, on the part of AngloGold Ashanti as an employer, to ease the burden for employees in the face of debilitating regional health threats and to ensure that the resulting impact on the company is addressed.

During the year under review four regional health threats have been identified, unchanged from 2007. They are:

the management of HIV/AIDS, which is primarily an issue in southern Africa;

the management of malaria, which is primarily an issue in West Africa;

assistance with the prevention of cholera, which is endemic in Guinea; and

the potential threat of avian flu at any operations.

Management of regional health threats

The management of HIV/AIDS and malaria is undertaken directly at an operational level between mine management and the occupational health and healthcare service professionals contracted to perform these tasks. The exact nature of the services provided differs from site to site, depending on specific circumstances and requirements. Further details are provided below and in the operation- and country-specific reports available at www.aga-reports.com.

Experts within the company, such as James Steele who heads the HIV/AIDS programme in South Africa, and Steve Knowles, who manages the malaria programme at Obuasi, provide guidance to other operations as this is required.

Iduapriem, Ghana

Regional health continued

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AngloGold Ashanti Report to Society 2007 – Regional health

The company's response to HIV/AIDS in South Africa, where the disease is of pandemic proportions, is underpinned by the company's Board-approved HIV/AIDS policy, and supported by an HIV/AIDS agreement between the company and various unions. Arrangements at an operational level provide for joint management/union HIV/AIDS committees that oversee the mine-based programmes.

In South Africa, oversight and implementation of the HIV/AIDS programmes is 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 and malaria programme performance and statistics are reported to the regional management of AngloGold Ashanti 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. During the year, the company's group internal audit, in conjunction with an external consultant, developed plans and a toolkit to manage and ensure the continuity of business operations in the event of a catastrophe with a long-term outlook such as an influenza pandemic. In 2006, the potential for avian flu was considered by a group task force in the light of the World Health Organization's positioning of such an outbreak as a serious global health threat.

A formal plan or code of practice is being developed for each site and a number of simulation exercises have been undertaken. The exercise has proved to be very useful: AngloGold Ashanti's operations have a track record in managing immediate crises, but have had less experience in managing those of a longer-term nature. (*See the case study in the Report to Society 2006 AngloGold Ashanti establishes avian flu task force at www.aga-reports.com/06/avian-flu.htm and Business continuity management – an update at www.aga-reports/06/BCM.htm).*

Home-based care, West Wits, South Africa

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AngloGold Ashanti recognised for its contribution in the fields of malaria, HIV/AIDS and TB control

In 2007 AngloGold Ashanti was recognised by a number of independent entities, NGOs and conferences for its work in delivering sustainable healthcare solutions in the communities in which it operates.

In June 2007, the Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria (GBC) identified the AngloGold Ashanti Obuasi Malaria Control Programme as a global example of excellence in the private sector's response to these three pandemics. Founded in 2001, the GBC is the private sector arm of the Global Fund and has spent the past six years developing a rapidly expanding alliance of over 200 international companies dedicated to combating these epidemics through the business sector's unique skills and expertise. Headquartered in New York, GBC maintains regional offices in Beijing, Geneva, Johannesburg, Nairobi, and Paris; it harnesses the individual and collective power of the world's top corporations to fight AIDS, TB and malaria at the local, national, and international levels.

AngloGold Ashanti also won three awards in the second annual ABSA Healthcare Initiative Awards held in August 2007, a part of the Pan African Health Congress, for its integrated HIV/AIDS and Tuberculosis Control Programmes in South Africa, and for its Malaria Control Programmes in its operations in East and West Africa winning in the category of Listed Company/Multinational Organisation/Hospital Group, as well as the Most Sustainable Project award and the award for Project with the Biggest Impact.

Performance for the year

HIV/AIDS

Prevalence estimates

HIV/AIDS remains an issue of concern in the African countries in which we operate, with the most significant affected areas in Sub-Saharan Africa. Generally, the estimated prevalence levels at our operations are in line with similar demographically segmented portions (that is, predominantly males of working age) in the general population.

It is estimated that the HIV/AIDS prevalence levels amongst employees at the South African operations in 2007 remained stable, at around 30% of the workforce.

Prevalence levels are estimated at around 8% at Navachab in Namibia, at between 15% and 20% at Geita in Tanzania, at between 3% and 4% at Sadiola/Yatela and Morila in Mali, at 3% in Ghana, and at 4.5% at Siguiiri in Guinea. While the prevalence level at Geita is far higher than the estimated Tanzanian national average of around 9%, the prevalence rate at the mine is consistent with the level in Mwanza Province in which the mine is located. The same applies to Siguiiri mine in Guinea, where the prevalence level in the province and at the mine is higher than the national prevalence level of 1.5%.

AngloGold Ashanti programme

The group's HIV/AIDS programme in South Africa is the most comprehensive as this is where the disease has had its greatest impact and, additionally, where the company has the greatest number of employees. For this reason, the performance that is covered below relates primarily to the South African operations.

The key objectives of the group programme are: minimising the risk of HIV/AIDS to the company and its employees by reducing and ultimately eliminating new infections; efficiently managing those infected; and supporting those with advanced AIDS.

AngloGold Ashanti's HIV/AIDS programme is grouped into three areas:

prevention of HIV, through various workplace initiatives, including Voluntary Counselling and Testing (VCT);

treatment programmes, which comprise the clinical care of those infected by the virus, including the use of anti-retroviral therapy (ART); and

support for the AIDS-ill requiring separation from the company and palliative care, including support for various community initiatives.

Regional health continued

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AngloGold Ashanti Report to Society 2007 – Regional health

Prevention:

Extensive education and awareness programmes are in place at various operations in an effort to halt the spread of the disease and to reduce and eliminate the stigma associated with it. (*See case study on the success in recruiting peer educators at Great Noligwa mine in South Africa at www.aga-reports.com/07/Great-Noligwa-peer.htm and the launch of the HIV/AIDS programme at Iduapriem at www.aga-reports.com/07/Iduapriem-HIV.htm*).

Voluntary Counselling and Testing (VCT) forms a cornerstone of every HIV/AIDS programme and is available, directly or through nearby facilities, at every operation. All our African operations encourage VCT in a strictly controlled anonymous environment that provides not only for further options in terms of treatment but guarantees confidentiality and support by the company.

A great deal of emphasis is placed on VCT at the South African operations, with VCT targets being an important part of performance management at senior levels. In 2007, 33,435 VCT encounters were recorded and, assuming single testing, this represents around 102% of the South African workforce (2006: 75%). Of those tested, 65% have had a single test during the year, while 35% had two or more tests. Of those tested during the year, 20% were HIV-positive and 80% HIV-negative.

At a number of the African operations outside of South Africa VCT is undertaken by third parties (such as state hospitals or jointly-funded centres). Not all the statistics are available to the company and hence cannot be meaningfully reported. At some operations, where VCT is offered to dependents and community members, statistics are captured for all VCT encounters and not for employees alone.

Prevention

Treatment

Support

AIDS co-ordinators

Integrated healthcare

Engagement with NGOs and

AIDS committees

provision – primary,
community

Induction training

secondary and tertiary

Home-based care

Peer education

Primary health care clinics

Projects supported through

Awareness campaigns

Wellness clinics

corporate social investment

Information sessions

Treatment of opportunistic
initiatives

Condom distribution
infections

Treatment of STIs

ART

Commercial sex worker
treatment

VCT

** Restated due to a transition from
an external database to an
internal database.*

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Two significant achievements during the year were the successes achieved in promoting VCT: at Siguiri mine in Guinea more than 1,000 community members participated in VCT during the year; similarly, at Iduapriem in Ghana, a new state/mine partnership saw the rapid growth in VCT in the second half of the year, with 41% of employees participating in a programme that was also extended to dependents and contractors.

Wellness programme

In line with the significant increase in VCT in South Africa, so there has been a similar rise in the participation in the wellness programme – as those who have tested positive are persuaded to understand and manage their health.

At the end of December 2007, there were a cumulative 4,610 participants in the wellness programme, with 1,182 people joining the programme for the first time. The comparative figures for the end of 2006 were a cumulative total of 3,554 patients, with 1,252 new enrolments during the year.

Anti-retroviral therapy

Anti-retroviral therapy (ART) is available to all employees at the African operations either directly from company facilities (South African operations, Navachab in Namibia, Obuasi in Ghana, Siguiri in Guinea), through company sponsored or funded facilities (such as Iduapriem in Ghana, Geita in Tanzania, and Morila in Mali) or through state facilities (Sadiola/Yatela in Mali).

In South Africa, a cumulative net total of 2,061 employees are being provided with ART, through AngloGold Ashanti Health in West Wits and Vaal River. A total of 189 patients previously receiving ART withdrew from the programme for a variety of reasons, including poor adherence, retirement, resignation and death. In 70% of these cases ART was no longer considered to be medically indicated for a variety of reasons. It should be noted that in South Africa ART is provided by the state and efforts are made to support the transition by referring employees on ART to state-run facilities. In 2006, the corresponding statistics were 1,467 patients on ART, with 617 new patients during the year.

VCT attendance

(South Africa) %

0
 20
 40
 60
 80
 100
 120
 03
 04
 05
 06
 07
 102%
 75%
 32%
 10%
 9%

Home-based care, West Wits, South Africa

Malaria

Malaria remains an area of concern for AngloGold Ashanti's operations in Ghana, Guinea, Mali and Tanzania. Not only does the disease result in death, illness and absenteeism amongst employees, but the disease is a major cause of death in young children and pregnant women, with an obvious impact on employees' families and communities.

Key elements of the malaria control programme are depicted in the diagram below:

Regional health continued

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AngloGold Ashanti Report to Society 2007 – Regional health

Economic benefits of ART

In 2002, AngloGold Ashanti took a decision to provide ART to employees where this was medically indicated, in advance of the state-provided ART programme that followed in 2004.

At that time the company was faced with either introducing what was deemed to be a high-cost intervention (in the form of ART) or face the reality of rising death rates (peaking at 14 people per 1,000 employees in 2004) and consequent impact on the company, employees and their communities. The loss of a breadwinner in the South African context could have an impact on more than 10 people, very often in rural and poverty-stricken areas of Southern Africa.

Over the past five years, however, drug access and affordability have improved and the cost implications have not been as significant as had originally been envisaged. Interventions with ART have increased both the physical and economic lifespan of those affected, and limited the social consequences associated with the loss of a breadwinner. In addition, outcomes to date indicate improved levels of absenteeism of affected individuals, lower costs of medical care and lower than expected recruitment costs.

Medical separation

In total, 763 employees in South Africa left the employment of the company as a result of ill-health in 2007. Although not all of these separations were as a result of AIDS it is likely that this was the reason behind

some of the ill-health formal medical separations. In 2006, this figure was 993.

Deaths

Approximately 285 people died because of illness while in the service of the company in South Africa in 2007 (2006: 305 people). It is estimated that AIDS was one of the main courses of these deaths. This figure has declined, largely as a result of the provision of ART. Statistics for operations outside of South Africa are not disclosed for reasons of confidentiality as the numbers are so low.

Costs

Total expenditure on the company's HIV/AIDS programme in South Africa amounted to approximately R25.15 million in 2007 (\$3.6 million) (2006: R21.5 million). This excludes medical care (for example admissions for opportunistic infections) and other costs associated with ill-health retirement, recruitment, training and productivity losses.

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Malaria programme, Obuasi, Ghana

An extensive malaria programme is in place at Obuasi and the lessons learnt here are being applied elsewhere (*See case study Lessons learnt at Obuasi to lead other programmes at www.aga-reports.com/07/malaria-Obuasi.htm*). Malaria rates have declined consistently over the past three years – from 25% in the first quarter of 2005, to 15% in the first quarter of 2006 and then again to 7% in the first