

positive impact • life cycle • social investment • participation • consensus
• sustainable economic development



Community

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C2 | 1 AngloGold Ashanti in the community

- AngloGold Ashanti's aim is to have a **positive impact on the people, cultures and communities** in which it operates. Accordingly, AngloGold Ashanti will be respectful of local and indigenous people, their values, traditions, culture and the environment.
- We will strive to ensure that surrounding **communities are informed** timeously of, and where possible, are involved in developments which affect them, throughout the lifecycle of our operations.
- We will undertake **social investment initiatives** in the areas of need where we can make a practical and meaningful contribution. In particular, we will contribute to those areas of education and health care which are relevant to our business activities, and those most likely to be sustainable once our operations have come to a conclusion in that community.
- The company will encourage its employees to make themselves available for **participatory and leadership roles in community** activities.
- We will seek to acquire and **use land in a way which promotes the broadest possible consensus** among interested people. Where involuntary resettlement is unavoidable, we will abide by appropriate guidelines for resettlement, where they exist, and in any event will work with the local communities to develop workable plans for any resettlement which may be necessary.
- We will strive to **contribute to the sustainable economic development of host communities** through procurement activities; the contribution of redundant assets to the community; assistance in the establishment and growth of small- to medium-sized sustainable enterprises; and the outsourcing of goods and services from local vendors where appropriate.



2 Key indicators:

- Formal social investment/community development programmes are in place at all operations. These are overseen by a group social development manager, and reported to the board committee on safety, health and sustainable development on a quarterly basis.
- Social investment and community expenditure amounted to \$7.429 million in 2004. Since social investment and community initiatives often also form part of the operating budgets, expenditure may be under-reported.
- The board committee on safety, health and sustainable development ratified the adoption of the International Finance Corporation's (IFC) Resettlement Policies, Guidelines and Standards for implementation at all managed operations and joint ventures. (See *resettlement policy statement alongside*).

Social investment spending per region in 2004

Region	(\$ 000)
South Africa	
Corporate office	1,143
AngloGold Ashanti Fund	2,519
Operational expenditure	146
Ghana	635
Tanzania	808
Mali	622
Guinea	199
Namibia	257
South America (Brazil and Argentina)	727
USA	245
Australia	128
Total	7,429

Note: Community issues form an integral part of the responsibility of the safety, health and sustainable development committee of the board. While the group's social investment initiatives stretch back over many years, the group is in the process of more effectively integrating the management of these activities. While the Board committee receives a formal update of activities on a quarterly basis, the requisite systems are not yet in place that allow for a meaningful level of assurance of these activities. This was exacerbated by the integration of the Ashanti operations during the year. It should be noted though that the expenditure at an operational level forms part of an annual financial audit of operations and that the AngloGold Ashanti Fund (which represents the majority of social responsibility spending by the group) is independently audited. Also, many of the projects supported are themselves audited on an individual basis.

Resettlement policy for AngloGold Ashanti

Policy objective

The objective of the policy is to provide good practice operational guidance with regard to the resettlement of involuntary displaced communities in line with our existing business principles.

AngloGold Ashanti's existing Business Principle on land usage states:

We will seek to acquire and use land in a way which promotes the broadest possible consensus amongst interested people. Where involuntary resettlement is unavoidable, we will abide by appropriate guidelines for resettlement, where they exist, and in any event will work with the local communities to develop workable plans for any resettlement which may be necessary.

Policy approval, applicability and review

The International Finance Corporation's Resettlement Policies, Guidelines and Standards

Our aim is to avoid involuntary resettlement to the extent feasible, or to minimise and mitigate its adverse social and economic impacts, where no other options exist. The IFC's policies, guidelines and standards on Involuntary Resettlement promote participation of displaced people in resettlement planning and implementation, and its key economic objective is to assist displaced persons in their efforts to improve or at least restore their incomes and standards of living after displacement. It goes on to prescribe compensation and other resettlement measures to achieve its objectives.

Accordingly, these policies, guidelines and standards have been formally adopted for implementation at all managed operations, including joint ventures.

The policy will be reviewed as necessary, including any time that the IFC makes changes.

Actions stemming from the policy

In line with the spirit of our business principles and in keeping with best practice, AngloGold Ashanti will seek to avoid relocation where possible. And where evidence that relocation is unavoidably required by a project, it will take place in accordance with our business principles, local legislation and the IFC's policies, guidelines and standards on Involuntary Resettlement. Where such resettlement takes place under specific, current, local legislation, the local legislation will take precedence.



C4 | 3 Milestones 2004

Australia

- During 2004, Sunrise Dam commenced an indigenous supply initiative, aimed at encouraging indigenous business from the local area to get involved in tendering for services associated with the mine.

Group

- Alignment of the social investment and community policies of AngloGold and Ashanti following the business combination in April 2004. A workshop was held in November 2004, in Ghana, for social investment and community managers from the developing countries within the group to improve knowledge-sharing and facilitate the integration of the operations in Ghana and Guinea.
- Launch of 'Social Development Toolbox', a guide to AngloGold Ashanti's community practices.

South Africa

- In South Africa and its traditional labour-sending areas, where the majority (69%) of employees are based or originate from, the AngloGold Ashanti Fund and Trust has invested R16.148 million (\$2.59 million) (2003: R15.5 million or \$2.42 million) in a vast range of projects/institutions. (This includes the management fee.)
- Businesses supported by the Small and Medium Enterprise Development Initiative (SMEDI) achieved a turnover of R696 million (\$93 million) in 2004 (2003: R15.5 million). SMEDI has set up 172 businesses since its formation in 1998, with an accumulated turnover of more than R500 million (\$78 million). The initiative has facilitated the creation of more than 3,000 jobs.
- The Masakhisane Fund, which provides capital to SMEDI supported-businesses, disbursed R1 million largely to HDSA ventures during the year, providing them with access to seed funding for commercial ventures.
- Give-as-you-earn and employee volunteering programmes were implemented at the corporate office, with plans to extend this to the South Africa region being put in place.
- The South Africa region submitted its social and labour plans for all its South African operations (excluding Ergo, which will cease operations in March 2005), in line with the Mineral and Petroleum Resources Development Act (MPRDA).
- The Masifunde Fund, which is an Education Trust established for the children of employees and contractors fatally injured at AngloGold Ashanti operations in South Africa, disbursed some R262,000 in 2004.
- Good progress has been made with both consultation and social-impact mitigating initiatives surrounding the closure of the Ergo operations. Located in Gauteng, this 25 year-old operation is due to cease operations in March 2005.



Brazil

- An employee volunteer programme – Holding Hands – was launched at AngloGold Ashanti Mineração in 2004. (See case study: *Holding hands – the volunteer programme in South America on page C21.*)

Ghana

- The three-year \$1.162 million malaria prevention programme that is being implemented at Obuasi is likely to have a significant impact on the region. Currently, an average of 6,000 new malaria cases are treated every month at the mine hospital – some 40% of new admissions; 27% of these are employees, 40% their dependents and 33% community members.
- \$87,000 (50% spent in 2004) for an alternative livelihood project undertaken in conjunction with the Centre for Biodiversity Utilisation and Development at the Kwame Nkrumah University of Science and Technology.

Guinea

- In Guinea, AngloGold Ashanti's Sigiri mine allocates 0.04% of the mine's revenue for social investment and community relations projects, amounting to \$199,000 in 2004.

Mali

- An Integrated Development Action Plan (IDAP) is being implemented at the Sadiola and Yatela operations in Mali. Some \$1.22 million has been budgeted for the implementation plan over the next three years. (See case study: *Integrated Development Action Plan for Sadiola and Yatela on page C24.*)
- A multi-stakeholder workshop was held at the Sadiola/Yatela operations in Mali in October 2004.

Tanzania

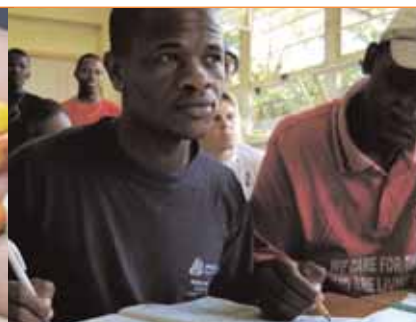
- In June 2004, Geita mine in Tanzania once again undertook the Geita Gold Mine Kilimanjaro Challenge Climb Against HIV/AIDS, with employees, suppliers and community members climbing the highest mountain in Africa to raise funds for, and awareness of, people with HIV/AIDS. A total of \$150,000 was collected from this year's climb and donated to eight different HIV/AIDS organisations.

United States

- The North America region continues to run one of the most successful volunteering programmes in the group, with employees donating some 2,500 hours to the community during the year.

Relationship with the Government of Guinea

Government embargoes on the sale of gold and the import of fuel implemented during the second quarter of the year had a significant impact on production. The embargoes were subsequently lifted and discussions with government relating to certain disputed claims and the renegotiation of the Convention de Base continue. Further information relating to this can be found on the company's website at www.anglogoldashanti.com.



Structure and governance

The safety, health and sustainable development committee of the board has as its brief the evaluation of social, economic, environmental and health impacts of the company's operations on communities globally. The committee comprises two non-executive directors, Bill Nairn (chairman) and Dr James Mottlasi, and the chief executive officer, Bobby Godsell. Members of management, including the chief operating officer, Dave Hodgson, are invited to participate, as well as John McEndoo (safety), Dr Dave Barnes and Dr Brian Chicksen (health), Andrew Mackenzie (environment) and Paul Hollesen (community).

The management of community issues at an operational level falls under the auspices of the chief operating officer, who is supported by line management. In many cases, particularly in Africa, initiatives are undertaken collaboratively with non-governmental organisations (NGOs).

In **South Africa**, the largest part of AngloGold Ashanti's corporate social investment programme is undertaken by the AngloGold Ashanti Fund and Trust. Overseen by a board of Trustees, the fund is managed by Tshikululu Social Investments (TSI), a non-profit organisation, which also manages the Anglo American, De Beers and a number of other companies' social investment funds. Increasingly, the Trustees are supported by local area committees at the operations, which are closer to and can be more responsive to the more immediate needs of the community. Mine management has oversight of social investment spending.

Impact on people and communities – policies and procedures

AngloGold Ashanti is committed to having a positive impact on the people, cultures and communities in which it operates. It is the group's philosophy to be respectful of local and indigenous people, their values and traditions, culture and the environment, and this is demonstrated in many of the case studies in this document.

Because exploration and mining frequently occurs in remote areas, or regions where there is very little other economic activity, its relative impact is often heightened. These impacts need to be considered at the exploration stage, right through to operation and eventual closure. A range of potential impacts and mitigating measures are identified during the Environmental Impact Assessment (EIA), and mitigating measures are then incorporated into the Environmental Management Plans (EMPs) over the operation's life-of-mine. Case studies that demonstrate this are as follows:

- During exploration:
Generating new ounces – doing business in new places in the Economic Performance section on page EP9.
- During operation:
Local community development a key issue for sustainable development on page C22.
- During downscaling:
Reducing the trauma of retrenchment at Savuka in the Labour section on page L32.
- During closure:
Closure consultation with communities at Ergo on page C29 and Ergo programme focuses on maths and science education on page C30.

AngloGold Ashanti's values and business principles guide the group's relationships with communities. In addition, a number of operations may have specific community policies in place developed for their particular circumstances and in collaboration with employees and/or interested parties, but these are never in conflict with the overriding group policy. An example of this is the Community Policy in place in the Australia region. This policy was reviewed by a group of key external stakeholders in July 2003, and will be reviewed again in 2005.

Particularly during exploration activities, employees and contractors in the **Australia** region deal with diverse cultures. Many legal requirements exist which dictate minimum standards for exploration and mining activity and are reflected in standard operating practices. Together with the safety, health and environment policy, a number of community programmes and practices have been put in place to support these activities (see box).

Dealing with different cultures in Australia

- Cross-cultural training for new AngloGold Ashanti employees and contractors (both in Perth and at Sunrise Dam) as part of their normal induction. The course is aimed at demonstrating the links between Aboriginal culture and the local environment, as well as at demystifying some of the differences between Western and Aboriginal cultures.
- Project and specific induction for field staff and relevant mine site personnel, highlighting safety, environmental and community aspects that may be impacted upon by the company's exploration and mine site activities.
- Field staff are trained to recognise Aboriginal archaeological sites, flora, fauna, and geomorphologic features that have a higher probability of being areas of cultural significance.
- Ethnographic and anthropological consultation is carried out with local indigenous people prior to commencement of significant exploration and mining activities. This practice is designed to mitigate any damage to potentially significant sites.
- Compliance with voluntary codes of practice for the exploration industry, such as activities on pastoral leases, on Aboriginal lands and in environmentally sensitive areas; and
- Local community capabilities are assessed to identify opportunities for supply of services.

In **North America**, AngloGold Ashanti operates in a highly regulated environment where the legal regime encompasses, among others, indigenous people, archaeological and cultural resources. Permitting procedures for any new developments or expansions are rigorous and no specific country-specific community policy exists. In addition to compliance with these policies, the mine participates in local initiatives and debate, such as the Southern Teller County Focus Group, which aims to bring tourism to the district.

The Mineral and Petroleum Resources Development Act (MPRDA) which came into effect in **South Africa** in May 2004, requires that all mining operations submit and adhere to a social and labour plan, including work programmes, as a pre-requisite to the granting of new order mining rights. (All mining operations have to apply for conversion of so-called old order mining rights into new order mining rights.)

The East and West Africa region, which comprises the Morila, Yatela and Sadiola mines in **Mali**, the Geita mine in **Tanzania**, and the Navachab mine in **Namibia**, has developed a regional strategic plan and environmental operating practices manual to guide social investment and community initiatives. The manual covers aspects such as legal and corporate governance, sustainable development, social investment, partnerships, procurement, stakeholder planning, land management and rehabilitation, media strategy and reporting, among others. In addition to the internal monitoring of compliance with these guidelines, regular socio-economic impact studies are conducted by independent consultants.

The **Ghana and Guinea** operations have adopted the AngloGold Ashanti group policy on community relations. The region abides by the guidelines set by the local Environmental Protection Agency (EPA) and the Mines Inspectors' Department. The EPA approves all Environmental Management Plans and Environmental Impact Statements after consultation with stakeholders. Close contact is maintained with the chiefs and traditional authorities, showing respect for local norms and customs. In Ghana, this includes paying homage – particularly to the Asantehene, the king of the Asante – at significant events. Good relationships are maintained with the District Heads in Ghana and the Prefecture in Siguri. Structures are also in place for members of the community to lay complaints and air grievances. These are then investigated by community development managers and appropriate action taken.

Involvement of communities

The need to, and the process of, informing communities timeously of any potential impacts and maintaining their involvement throughout the operational life cycle is enshrined in the law of many of the countries in which the group operates, and is another fundamental commitment made by the group.

In the **North America** region, for example, stakeholder identification and engagement is formalised under the National Environmental Policy Act when public lands or federal permits or approvals are involved. When not triggered, other community outreach processes may be followed such as local land use planning and state permit hearing processes. These processes were used in part to explain the recent Cresson mine expansion project to local community stakeholders as well as to engage government agencies. The company also engages with the community informally by encouraging employees to actively participate in community affairs, both in terms of time and leadership roles. Presentations on mining activities and impact mitigating measures are also presented regularly at both informal meetings and visits and formal public gatherings.

Aims of community relations policy in Ghana

- To conduct our affairs with a high sense of responsibility towards the environment and to manage our activities with prudence as we increasingly pursue the amelioration of the negative impact of our activities on the respective communities.
- To strive to ensure peaceful co-habitation and a relationship of trust with the communities through the recognition of each community's peculiarities, and a creative relationship between the mine and the employees on the one side and the people of the communities on the other.
- To seek to support relevant programmes and initiatives to develop and improve the living standards of employees and communities around our operations by identifying community expectations of our activities and integrating these into our broad management processes and objectives.



In the **South Africa** region, community involvement and interaction with local, regional and national authorities is extensive and ongoing. This was particularly so during 2004 as the company prepared its submission for new order mining rights. As an example, during the year, company representatives participated in a series of workshops with the West Rand District Council regarding alignment with the MPRDA, and requirements relating to the development of service delivery focus areas in accordance with regional Integrated Development Plans (IDPs) as required by the Mining Charter. Other councils with which the company interacted are the Southern District Council (Klerksdorp), the Mqohaka District Council (Viljoenskroon/Kroonstad) and the Ekurhuleni Mining Forum (near Ergo). The process surrounding the closure of Ergo in March 2005, which is covered extensively in this document, is also an example of this.

Business unit personnel also engage regularly with community stakeholders through local chambers of business, AngloGold Ashanti Fund Local Area Committees and various community and charity forums. More formally, the company communicates with local communities at large in open briefings on the company's quarterly results and other issues. This is hosted in the three regions by the executive officer responsible for the South Africa region and the relevant general managers. Community members then have the opportunity to ask questions.

In **South America**, there are a number of programmes in place for interaction with community representatives, local development agencies, other companies, municipal authorities, district associations and others. A call centre is available to register community complaints and requests. Surrounding communities are kept informed about operational developments, particularly life-of-mine plans, through frequent meetings and other forms of communication such as bulletins.

Extensive stakeholder engagement structures exist at the African operations in **Mali, Tanzania and Namibia**. Stakeholder engagement, including relations with government, media, organised business and the communities themselves, is the responsibility of the business unit manager in the region. Mine management plans to meet formally with the local community structures at least once per month and briefing of local media takes place at least twice a year.

A Public Consultation and Disclosure Plan (PCDP) was developed for the Sadiola and Yatela mines in **Mali** to manage community development projects and to ensure their implementation in a sustainable fashion. The process followed in the development of an IDAP being put in place at Sadiola in **Mali** is an example of the engagement process being adopted in these regions.

The Annual Stakeholders Consultation Workshop held at the Sadiola mine in September 2004 brought together 120 participants from the local communities, regional and national government representatives, national and international NGOs, representatives of the media, mine management and representatives from AngloGold Ashanti and the International Finance Corporation. The main objectives of the workshop, which were largely achieved, were the review of progress since the last stakeholder workshop in 2003, the presentation of the findings of the IDAP and the identification of closure issues.

Klerksdorp Methodist Primary School

The Klerksdorp Methodist Primary School, which began as an after-care centre for disadvantaged children 17 years ago, celebrated a milestone in March 2004 with the official opening of new facilities provided by the AngloGold Ashanti Fund. Built at a cost of R1.34 million (\$210,000), the new facilities include five classrooms with accommodation for 150 pupils, a computer centre and an administration block.

When the after-care centre was started in a private home in Klerksdorp in 1987, extra lessons were offered. Such was the success of this venture that in time it led to the establishment of a primary school on the premises of the Methodist Church in the town. Buildings belonging to the church were used until 1998 when the first three classrooms were constructed. Further classrooms were added in 2000 and 2001.

Given the rapid growth in enrolments over the last few years – from 254 pupils in 2000 to 420 this year – the school needed to expand once again and approached the AngloGold Ashanti Fund for assistance. Pupils from the school are accepted by leading high schools in the area. Apart from the academic standards it sets, the Klerksdorp Methodist Primary School encourages extra-mural activities. The school has two choirs and offers piano and flute lessons with pupils participating in Eisteddfods and other cultural events. It also boasts a chess team that competes at school and provincial level. All the children are given the opportunity to learn basic computer skills while remedial classes are available for those who struggle with competency in the English language.



Another example of this relationship has been the ongoing involvement of communities in water management at the Sadiola and Yatela mines. An inclusive water committee that will oversee regular water testing and the development of plans in conjunction with the mine, for the sustainable provision of water, will be introduced. In this regard a dedicated epidemiological study has been undertaken.

At Geita in **Tanzania**, community workshops were held in six villages surrounding the mine – Nyakabale, Saragulwa, Mgusu, Samena, Mpomvu and Nyankumbu – with the aim of improving relationships, establishing a community profile and developing an understanding of the mine's business. The mine also hosted stakeholder orientation visits from Geita-based secondary and primary schools, religious organisations, engineers from the Mwanza regional and Geita district offices and the Tanzanian Commissioner for Mineral Resources. In August, Geita participated in an Investors' Forum held in Mwanza, hosted by the Tanzanian Vice President and which was well attended by foreign and local investors, representatives of international institutions, distinguished public figures, members of the diplomatic corps and media. The Forum deliberated on issues affecting the investment climate in the lake zone and in the country in general.

In **Ghana**, public consultation and disclosure guidelines underpin the community relations process. Monthly meetings are held with consultative committees comprising the traditional chief or head of the community, two community elders, a female community leader, a youth representative, representatives from NGOs and a representative from the district authority. The region is also an active member of the Chambers of Mines in Ghana and Guinea.

In **Australia**, AngloGold Ashanti has developed communication strategies for managing and consulting with key stakeholders. Local government and relevant state government departments are kept apprised of activities through normal mining activity processes. Sunrise Dam is an active member of the Laverton shire and regularly hosts shire council meetings on site. For aboriginal lands, it is standard practice to conduct annual community meetings to discuss current and planned mining activities.

Social investment initiatives and expenditure

In line with its business principles, social investment initiatives are aimed at making both a practical and meaningful contribution in those areas of greatest need. This varies from region to region, and operation to operation. In **South Africa**, there is a focus on education and health care, particularly HIV/AIDS; in East and West Africa, education, health care and economic development are priorities, while in North America community initiatives take priority.

In the **USA**, funds are made available at both a corporate and operational level. Specific initiatives during 2004 at the corporate level included support for political organisations, ballot education initiatives, and mining-related educational causes; at CC&V specifically, initiatives included health and safety projects, environmental projects, projects related to arts, culture and heritage, youth and education projects and general community projects.



In **South America**, social investment initiatives are mainly undertaken in the communities surrounding current and past operations. These include the following:

- *Education*: this includes 60 annual scholarships for intermediate level schooling and courses in administration at SEBRAE Technical Management School, particularly for underprivileged students; investment to date in this initiative amounts to some \$21,200.
- *Community development*: this includes the building, equipping and management of an environmental centre in Santa Bárbara, near the Córrego do Sítio project, at a cost of some \$115,000. The centre was completed in June 2004 and aims to provide environmental education for school children and the local community. Similar centres have been established at Nova Lima and Serra Grande. During the year the company also participated in the restoration of the old municipal theatre in Nova Lima at a cost of some \$126,000. A project to restore the old Gold Museum in Sabará was also funded.
- *Health care*: projects included financial support to the health department in the town of Raposos, equipping and furnishing a new paediatric centre in Minas Gerais, Brazil. In Argentina the San Julian hospital was rehabilitated and a refrigerator for the storage of vaccines was purchased.
- *Socio-economic development*: this included support for the dressmakers' co-operative in Raposos (see box on page C16) and contributions to Carnival festivities to promote tourism in the State of Minas Gerais. Other initiatives included the funding of various development agencies (See case study on *Local community development a key issue for sustainable development on page C22*) and the partnership with Micromina – FIEMG, Minas Gerais Industry Federation, which finances local small-scale entrepreneurs.
- *Sports*: supporting participation in sports included sponsorship of the Villa Nova Athletic Club football team and sponsorship of 30 children at the Crixás football school, amongst others.
- *Environment*: contributions to funding of the environmental rehabilitation of the Rio da Velhas basin, along with other companies.

In **Australia**, management of funds and programmes is primarily undertaken at a local level, with each area managing its local community and indigenous relations, with funding and support budgeted for in advance.

- *Social* investment initiatives are concentrated on communities surrounding the exploration activities and the mining site.
- *Education*: support for Mt Margaret mission school facilities, All Saints College and local Laverton school administration.
- *Health*: a variety of projects are supported around Laverton and Sunrise Dam. These include Royal Flying Doctor service, medical support to local doctor, Laverton volunteer fire and rescue service and the Princess Margaret Children's Hospital
- *Social/Sport*: support for local Laverton aboriginal sport teams and the Laverton Leonora Cross Cultural Association group.

In **South Africa**, social investment initiatives are undertaken in the areas of need where the group can make a practical and meaningful contribution at two levels:

- first, the AngloGold Ashanti Fund and Trust disbursed some R16.148 million (\$2.59 million) in 2004 to about 100 projects across southern Africa. (This amount includes the Fund's management fee.) The fund is managed by TSI, which studies and makes recommendations to a board of trustees on social giving. (See case study on *Making a difference – the AngloGold Ashanti Fund and Trust on page C28*.) TSI is supported in its endeavours by local area committees which also make grants and recommendations to the Trustees.
- second, the various operations have their own social investment budgets to respond to more immediate local community needs that are spent independently of the Fund. Collectively these amounted to R933,667 (\$145,658) in 2004.

The corporate office also funded a number of initiatives and organisations at a cost of some \$1.1 million (R7.05 million). These included:

- contributions towards Business Against Crime;
- sponsorship of the Tall Horse project (see box overleaf);
- sponsorship of the Aardklop festival;
- contributions to the SA Business Coalition on HIV/AIDS;
- support for the Centre for Sustainability in Mining and Industry at the University of the Witwatersrand; and
- various political donations.

The focus in the African operations continues to be education, health care and agriculture.

A development foundation is being established at the Sadiola and Yatela mines in Mali to manage community development projects and to ensure their implementation in a sustainable fashion. A bursary scheme implemented in Mali in 2004 will fund the studies of 10 top school leavers at South African tertiary education institutions in 2005 in mining, engineering, environmental studies and geology. (See case study in labour section of the Report to Society 2004). Some of the projects that the operations supported include training of newly elected Sadiola district councillors; assistance with polio inoculation by the Sadiola Commune Health Centre; a locust-fighting campaign; and sponsorship of a tourism day in Mali.

At the end of 2002, the Morila mine in **Mali** established a development foundation, donating \$500,000 as initial seed funding. A local NGO, Aserni (Association d'Etude et de Mise en Valeur des Ressources Naturelles et des Institutions), completed a socio-economic review of the region and community around the mine. The report will form the basis for the mine's community development strategy. These social aspects will be incorporated into the mine's closure plan which is to be compiled with the assistance of Aserni. Social investment initiatives during the year include contributions to schools in Sanso and Domba, the sponsorship of a health awareness programme in Sanso, support for International Women's Day celebrations, various Sanso traditional ceremonies and independence day celebrations and local economic development projects including a market garden and rice fields at Fingola and Morila.

Also during the year, malaria control spraying was completed at Sanso village, as well as at the Morila mine prior to the commencement of the rainy season. The Morila mine community health educator joined the spray teams, giving malaria education as the teams went through the village. Unfortunately the use of impregnated mosquito nets by the community remains poor, despite an awareness campaign to promote them.

In **Namibia**, the focus of funding continues to be the Karabib Private School, which is a centre of educational excellence in the area, alongside other, smaller donations. In addition, two agricultural projects have been identified at Karabib and Usakos.

Victor City Hall renovation – CC&V adds the finishing touch

The historic city of Victor is near one of the areas where gold was first found in the 1890s and is the location of the North America region's CC&V administration offices in a building renovated for this purpose. So it was no wonder that when the current mayor of Victor, Kathy Justice, needed assistance in completing the renovation of the City Hall and inclusion of a visitors' centre, that she turned to CC&V.

The remodelling and renovation project was started in February 2003 with funding from a variety of sources. In a unique touch, Mayor Justice hired local artist Noel Wallace to complete decorative painting inside the building. After seeing Mr. Wallace's work, Mayor Justice wanted to include a mural of Bison Reservoir, Victor's water supply source, on the otherwise blank but highly visible wall of the fire station next door to the City Hall. The mural, however, was not included in the renovation budget, nor Victor's annual budget and so Mayor Justice appealed to CC&V for help. Says Ron Largent, VP and general manager, "CC&V considered it an honour to be involved in such an important project for the City of Victor and gladly contributed the approximately \$7,500 for the mural."

Renovations were completed in 2004 and a dedication of the renovated building was held on June 14, 2004. The beautiful representation of Bison Reservoir has been popular, and the 104-year old City Hall is now a destination for tourists interested in the history of the area.



At the Geita mine in **Tanzania**, contributions to health care and education make up the bulk of social investment spending. These include:

- *education and training*: facilities were constructed at the Bukwimba Secondary School, Kamena Secondary School and the Katoro Secondary School.
- *health*: This includes the flagship annual voluntary initiative by the company, the Kilimanjaro Challenge Climb against HIV/AIDS. Geita also supports the local NGO AMREF, the AIDS centre in Geita Town and contributed to the mercy mission by Australian plastic surgeons who operated on 11 Geita children. (See case study: *Geita community benefits from Australian surgical mission to Tanzania on page C32.*)
- *donations* include assistance given to the Media Council of Tanzania to assist in meeting the expenses in hosting the International Media Councils Conference.
- *local economic development* projects include the Nyakabale agro forestry project – which has now been extended to chicken farming – and the Nyankumbu brick-making project. (See *Report to Society 2003*).

In **Ghana**, community relations efforts are focused on education, health care/sanitation and agricultural projects.

At Iduapriem in Ghana, some of the major projects undertaken during the year include:

- *health care/sanitation*: provision of primary health care and care for the community of some 7,400 people continues. The construction of two toilet blocks for the Mile 7 and Nkwantakrom, Acheampong, Domebra and Kofi Ahantakrom communities at a cost of \$15,000 will benefit about 700 people.
- *electricity*: the first phase in providing electricity to about 500 local rural residents at the Wassa West – Mile 7 village has been completed at a cost \$19,000.
- *water*: the design and installation of filters to remove naturally-occurring manganese and iron from borehole water at the Mile 7, Adieyie, Nkwantakrom, Teberobie and Adisakrom villages to the benefit of some 4,000 residents.
- *education*: the construction of a new six-classroom school building (to accommodate 240 learners) at Abompuniso (at a cost of some \$41,000) will replace the existing dilapidated structure.
- *agriculture*: a snail farming venture is being piloted in the Iduapriem area.

Obuasi's role in its community is all-encompassing and it is difficult to separate community initiatives from the 'normal' operation of the mine. Two significant developments that were initiated during the year are:

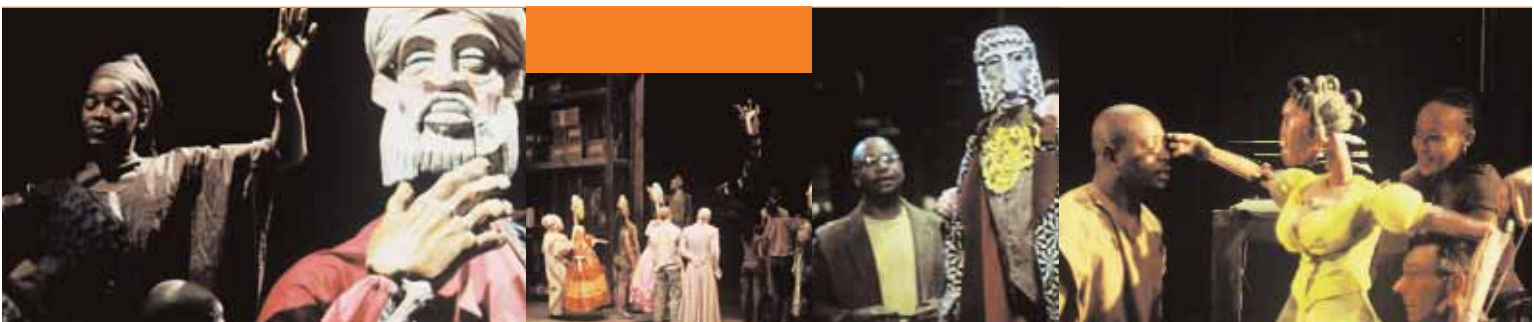
- the \$1.235 million upgrade being planned for the Edwin Cade Memorial Hospital. (See case study: *Upgrade planned for the Edwin Cade Memorial Hospital at Obuasi in safety and health section on page SH25.*) The hospital currently provides health care to more than 70,000 people within the community. Going forward the hospital's priority will be to preferentially care for employees and their dependents, although members of the community may use the facilities for a nominal fee.
- the three-year \$1.162 million malaria prevention programme that is being implemented at Obuasi is likely to have a significant impact on the region. Currently, an average of 6,000 new malaria cases are treated every month at the mine hospital – some 40% of new admissions; 27% of these are employees, 40% their dependents and 33% community members.

Tall Horse project

From September to October 2004, South Africa's Handspring Puppet Company, in collaboration with the Sogolon Puppet Troupe of Mali, dancer and choreographer Koffi Kókó of Benin, New York-based playwright Khephra Burns and South African director Marthinus Basson produced a new play called Tall Horse, which was funded by AngloGold Ashanti and the National Arts Council of South Africa.

The play showcases one of Africa's oldest puppetry traditions – the Bambara puppetry of Mali – which was given a contemporary interpretation in Tall Horse, the story of an African giraffe captured in Sudan and delivered as a gift to the King of France. Tall Horse is a multi-media production with a combination of puppets, live actors, costumes, music, video projection as well as dance and is the product of a long and rich interaction between Handspring Puppet Company in South Africa and Mali's Sogolon Puppet Troupe. Both countries are home to extensive AngloGold Ashanti operations.

Says Steve Lenahan, Executive Officer, AngloGold Ashanti: "We learned about the project at an early stage, and our interest was immediately piqued. This was not only because the production arises out of artistic collaboration between the South and West of Africa, but also because it tells the story of how an African 'native' – the giraffe – captured the imagination of Europe. AngloGold Ashanti is a company rooted in Africa, but with global aspirations. This exciting collaboration between African countries, with the potential to show the world what riches are contained here, excites us and mirrors much of how we see and conduct ourselves as a business."



One of the main social investment projects at Obuasi this year was the alternative livelihood project undertaken in conjunction with the Centre for Biodiversity Utilisation and Development at the Kwame Nkrumah University of Science and Technology. The project involves the provision of training and financial support for the cultivation of grasscutters, snails, mushrooms and vegetables primarily at the village of Ayunfuri. The group is spending \$5.6 million over a five year period on community development initiatives and in the fostering of alternative livelihoods. The construction of the Adubirem Junior Secondary School was completed in July 2004 at a cost of some \$32,000, while the water supply well provided for the people of Okyerekrom, near the Gyanbunso pit, was also completed during the year.

In respect of health care/sanitation, Bibiani mine has financed the construction of public toilet facilities for the people of the Bibiani old town at a cost of some \$15,000. Three boreholes have also been provided – two at Mpasatia and one at Bibiani old town – which will benefit more than 600 people, mainly farmers.

The mine's community farms at Bibiani and Anwhiaso have employed 28 young trainees who were previously involved in artisanal mining activities, as part of the group's alternative livelihood programme. Some \$14,000 was spent on similar youth programmes in 2004.

In **Guinea**, AngloGold Ashanti's Sigiri mine allocates 0.04% of the mine's revenue for social investment and community relations projects, amounting to \$199,000 in 2004. Some of the main projects in 2004 are listed below.

- The mine is currently financing the construction of the Boukaria mosque in the predominantly Muslim district of Kintinian. Work started early in 2004 and the \$50,000 project is expected to be completed in 2005. In addition to being a place of worship, the mosque is also the main Koranic school in the region.
- As part of a project to reconstruct the district capital, the mine is funding the development of a public cemetery in Sigiri Town at a cost of some \$45,000.
- Sigiri is also funding the establishment of a community radio station – including the construction of a studio and offices at a cost of \$35,000. The radio station is to be used to create awareness among the community of diseases and their prevention (such as malaria, HIV/AIDS, tuberculosis (TB), sexually transmitted diseases (STDs), etc) and other issues that have an impact on the lives of the community.
- The mine also spent \$32,000 in 2004 on the expansion and modernisation of the Sigiri Sports Stadium.



Participatory and leadership roles in communities

AngloGold Ashanti actively encourages employees to make themselves available for participatory and leadership roles in their communities.

The **North America** region has a long-standing volunteer programme in place where 31 employees (10% of eligible workforce) volunteered a total of 2,500 hours of community service during the year. Employees are rewarded with one hour of paid time off for each three hours volunteered for community groups, and one hour off for each two hours volunteered for governmental positions, up to a maximum of 40 hours paid leave per year. Activities ranged from Little League coaching to assisting in local nursing homes and blood drives by the volunteer fire departments. Since inception in 1996, CC&V employees have donated over 5,000 hours per annum.

In June 2004, Geita mine in **Tanzania** once again undertook the Geita Gold Mine Kilimanjaro Challenge Climb Against HIV/AIDS, with some 48 people climbing the highest mountain in Africa to raise funds for and awareness of people with HIV/AIDS. A total of \$150,000 was collected from this year's climb and donated to eight different HIV/AIDS organisations.

In **South Africa**, a 'give-as-you-earn' and matched volunteerism programme was piloted at the corporate office during the year. (See case study: *Hearts of Gold programme launched in South Africa on page C23.*) The programme is currently being rolled out at an operational level.

The Holding Hands initiative was launched in **South America** in October 2004. (See case study: *Holding Hands – a volunteer programme in South America on page C21 of this report.*)

The **Australia** region has policies and practices that encourage its employees to participate in leadership roles in their local communities. Making this work at Sunrise Dam is challenging, owing to the fly-in, fly-out working arrangements, but efforts are made to support employee involvement in volunteering activities. Nonetheless, Sunrise Dam employees have played an active role in supporting the Laverton Fire and Emergency Services group, Lake Carey Catchment Management Group and the Asian Rhino Project at the Perth Zoo.

Land use and resettlement

AngloGold Ashanti is committed to acquiring and using land in such a way that promotes best consensus among interested parties. Where resettlement is unavoidable, the group is committed to following best practice and to working with local communities in developing a workable solution in the interests of all parties.

The board committee on safety, health and sustainable development ratified the International Finance Corporation's Resettlement Policies, Guidelines and Standards on Involuntary Resettlement for all resettlements undertaken in future. Specifically, the board committee resolved to "seek to avoid relocation where possible. And where evidence that relocation is unavoidably required by a project, this will take place in accordance with AngloGold Ashanti's business principles, local legislation and the IFC's policies, guidelines and standards on involuntary resettlement. Where such resettlement takes place under specific, current, local legislation, the local legislation will take precedence."

The policy is intended for all managed operations, including joint ventures, and will be reviewed as necessary, including any time that the IFC makes changes.

- No resettlement was undertaken or is planned in **South Africa**, the **USA**, **Australia**, **Tanzania**, **Mali** or **Namibia**.
- Although no resettlement of communities took place at Geita in **Tanzania**, on occasion the mine has compensated informal farmers for the loss of farming land due to mining activity. Local legislation was followed.
- Resettlement of three communities has been and is being undertaken in **Brazil**. Those mainly affected are families living around the tailings dam and those perceived to be at risk. In all cases, the families' existing homes are valued, new land is identified and financed, and assistance is

given in both purchasing building materials and in construction. The aim is to ensure that the families are no worse off than prior to the commencement of the resettlement. In fact, they are frequently better off.

- At Mina D'Agua, 23 families living in areas adjacent to the tailings dam were resettled as the level of the dam was raised. This resettlement was completed over a three year period at a cost to the company of \$300,000.
- 22 families living too close to the tailings dam at Galo are being resettled at a cost to the company of some \$145,000 to date.
- 23 families living at Vista Alegre were resettled by AngloGold Ashanti Mineração, despite the fact that the land was sold more than 50 years ago. The resettlement became necessary as the families were considered to be at risk. Following consultation, they are being resettled at a single location at Banqueta do Bananal in Nova Lima at a cost to the company \$280,000. The process will be completed in 2005.

In **Ghana** resettlement has, in the past, been based entirely on Ghana's Mining Law (L154) which places emphasis on monetary compensation, rather than physical compensation for the loss of surface rights. The most recent exercise, which is being conducted in accordance with IFC policy, involves a compensation process of the Teberebie farmers in the Wassa West District for the loss of farmlands due to mining activity. The compensation process has presented new challenges to Iduapriem, with valuable lessons being learnt by both principal parties. Due to a number of issues and events, the process itself has become complex, and in this case the farmers rejected the Land Valuation Board's price per crop compensation guide and demanded an independent assessment, which the company has accepted. The mine has also undertaken to make alternative farmland available to the affected farmers.

Contribution to sustainable development through local economic development

A fundamental philosophy of the group is that its operations and activities should contribute towards the long-term sustainable development of its host communities. This is particularly challenging for sometimes short-lived mining operations or exploration projects, particularly when there is a short window of opportunity to make an impact. A number of ways in which that be achieved, however, are:

- support through local procurement activities;
- the contribution of redundant assets to the community;
- assistance with the establishment and development of small to medium-sized sustainable enterprises; and
- the outsourcing of the provision of goods and services to local vendors where appropriate.

In the **North America** region, a specific policy has been developed to ensure that corporate social investment initiatives are indeed sustainable. This includes:

- ensuring that corporate donations are made to projects that will either promote the long-term economic and social benefits of the area, or creating a favourable, long-term socio-political environment in support of the company's activities;



- directing corporate donations towards those areas where these donations act as seed money for matching grants, resulting in a multiplier effect for its donations. (See case study: *Getting the Pikes Peak Regional Medical Center off the ground on page C36*);
- identifying opportunities in local communities for the development of sustainable ventures where the group's relationship with vendors, company expertise or peer companies' activities can be substantially leveraged; and
- avoiding situations where donations become a continuing, annual expectation.

The **South America** region has adopted a formal, integrated approach to the development of economic activities other than mining, based on lessons learnt following the Morro Velho mine closure in 1995. Together with a number of other partners, AngloGold Ashanti Mineração set up the Nova Lima Development Agency, one of the company's first formal community development initiatives. The agency aims to create economic and socio-development networks that draw and then facilitate new investment in the region. The efforts of the agency in Nova Lima have resulted in attracting 6,000 new jobs and 84 new companies into the region. In Sabará, where currently the company's primary operation – the Cuiabá Mine – is located, a similar development agency was formed in November 2003. The group has also initiated a development agency in San Julián in southern Patagonia, **Argentina**, home of the Cerro Vanguardia mine. In the towns of Crixás and Santa Bárbara, where the Serra Grande and Córrego do Sítio mines are situated, talks are underway to set up similar initiatives. (See case study: *Local community development a key issue for sustainable development on page C22*.)

In the **South Africa** region, the view is taken that its socio-economic activities should build on existing relationships with relevant stakeholders to stimulate entrepreneurship and sustainable economic activity, including infrastructural development, and to diminish the economic dependency of local and labour-sending communities on the mining industry over time. A second area of attention is poverty alleviation.

Examples of projects in local and labour-sending communities are:

- Lesotho water project. AngloGold Ashanti has contributed (\$70,300) R450,000 to the Lesotho Water Project, which is managed by Teba Development. This involves fully restoring boreholes and hand pumps in order to reinstate access to water for at least 35 villages in what has traditionally been a 'labour-sending area'. (See case study: *Lesotho Water Project – bringing a much-needed resource to employees' families on page C27*.)
- The group's Small and Medium Enterprise Development Initiative (SMEDI), which identifies people, mainly from an historically disadvantaged background, who have ability and potential, to enter into partnership to provide education, capacity-building and funding with the long-term aim of creating self-sustaining businesses. The raising of venture capital is managed through a fund called Masakhisane (which means 'Come let's build each other together' in Zulu), which was established in 1998 with an initial capital outlay of R10 million. (See case study: *Outsourced health care at Ergo on page EP15*.) In 2004, R603,000 was allocated for investment in new Black Economic Empowerment (BEE) companies that will add value to the local community.

The operations in **Mali, Namibia and Tanzania** have programmes in place to support local procurement as far as this is possible.

- At Morila mine, 45% of funds accumulated through the sale of redundant material from the salvage yard is redistributed to a local community fund which is used for the establishment of local small business initiatives. The fund has established a food (cereal) bank in Sanso, which is of particular benefit to the community during times of drought. Also, at Morila, market gardens were established at Sanso (1 hectare) and Domba (2 hectares) in June 2004 under the supervision of a monitoring and training committee. A community rice field was also established during the year.
- A micro-credit scheme implemented at Sadiola in 1999 for the development of small business has granted 83 loans, amounting to \$72,000, to date, of which 30% have been fully repaid. A micro-credit scheme at Yatela was established in 2000. To date the scheme has granted 20 loans to a value of \$20,571, of which 50% have been fully repaid. Both schemes were suspended in 2004 pending the outcome of the IDAP study. (See box on page C17.)
- The Nyakabale agro project at Geita, established in 2001, now has 60 registered members. (See *Report to Society 2003*.) More recently, chicken farming has been introduced. Communities are also involved in nurseries which provide seedlings for mine rehabilitation and in brick-making ventures. (See case study on C34 on *Rehabilitation at Geita*.)

Dressmaking follows mining – developing new livelihoods at Raposos

From 1899 to 1998 the local economy of Raposos, a small town in the Brazilian state of Minas Gerais with a population of 14,300 inhabitants, depended almost entirely on gold mining for its livelihood. With the closure of the Raposos mine, the economy of the region was substantially affected with very little alternative economic activity in the area.

In an effort to develop alternative livelihoods, AngloGold Ashanti embarked on a range of initiatives to stimulate economic activity in the town. One of these was the formation of a Seamstresses' Cooperative, tapping into the skills and availability of women in the area. In 1999 AngloGold Ashanti donated a building to the local township to be used to house the seamstress and work began. It closed the next year due to lack of knowledge and simple managerial skills within the group.

In 2002, in light of the financial difficulties of the town, AngloGold Ashanti proposed that the Seamstresses' Cooperative reopen once more to generate work and income. Thirty women registered and the existing machinery was restored. AngloGold Ashanti expanded the business infrastructure by leasing new machines and other equipment required for the job, as well as donating raw materials for the first production items.

The company placed a purchase order with the Seamstresses Cooperative to manufacture uniforms for the mine employees, giving them their first major client. The company also supplied the services of a designer to assist with garment design, and an AngloGold Ashanti social worker assists the cooperative with various social problems they may experience.

The Cooperative now has 20 women producing working clothes and uniforms for several small businesses in the region, such as bus companies, hospitals, maintenance and upkeep organisations, timber merchants, amongst others. Based on their efforts these women are able to earn an income for their families – on average about \$98 per month per person; the current minimum wage in Brazil is \$91.

In **Australia**, Sunrise Dam supports and encourages local economic development and, in particular, the development of business initiatives by local indigenous people. The mine promotes the use of businesses from the local town of Laverton for site activities and encourages its suppliers and contractors to do the same; this has resulted in contractors from Laverton supplying water to Roche, AngloGold Ashanti using Laverton-based car hire companies and local vehicle servicing. During 2004, Sunrise Dam began an indigenous supply initiative aimed at encouraging indigenous business from the local area to get involved in tendering for services associated with the site. A further initiative is to expand the indigenous seed-collecting activities around the region. Sunrise Dam works with Indigenous People in Mining, an industry and government network support group fostering contracting opportunities for Aboriginal business. A significant initiative by the company has been with Carey Mining, an indigenous contracting company, working on site.

About 24% of the all purchases made in **Ghana** and **Guinea** are procured locally (Obuasi – 20%, Iduapriem – 20%, Bibiani – 25% and Siguri – 30%). This is made more difficult by the nature of the purchases required to run extensive underground mining operations (including equipment, machinery, consumables such as explosives and chemicals), and which have traditionally been sourced from other more industrialised regions. This is extended to the provision of services, such as the services of security companies to support the in-house security department.

An integral part of the region's social investment programme is the Alternative Livelihoods Programme aimed at providing skills for generating employment for local, illegal artisanal miners on the one hand, and to developing alternative opportunities for communities in advance of mine/pit closures.

At the Geita mine in **Tanzania** a micro-finance credit scheme has granted loans to 145 groups in the local community for small business development. About 82% of the loans have been repaid. Just over \$16,000 has been donated to this project in total. At the Nyakabale Community Agro-Forestry project, 60 farmers from the local community are engaged in supplying 65% of the fresh fruit and vegetable supplies to the mine, while at the same time developing a cash crop that will sustain them once mining has ceased. Some 300 day-old chicks were added to this initiative in an effort to diversify this project into chicken farming.

As in Ghana, the Lake Victoria Goldfields in the Geita district in Tanzania attract artisanal and small-scale miners owing to the rich mineral endowment in the region, particularly of gold. The informal mining sector has provided an often meagre livelihood for many people and has persisted, despite the presence of a large-scale mining operation. Following research conducted in the area, Geita has developed a strategy aimed at offering socially, environmentally and economically sustainable alternatives to these miners. (See case study: *Geita formulates policy to assist artisanal miners on page C33*)

IDAP being developed and implemented at Sadiola and Yatela

Following a multi-stakeholder workshop in June 2003, the International Finance Corporation (a partner in Sadiola and Yatela) commissioned the preparation of an Integrated Development Action Plan for the region with funding from the Government of Luxembourg and SEMOS SA, Sadiola's holding company. The main objective of the IDAP is to "create an overall strategy for promoting socio-economic development within beneficiary communities, in order to improve livelihoods and employment opportunities, and to establish new initiatives to lessen the communities' reliance upon the mine in the closure period".

The boards have approved expenditure of \$1.3 million over the next three years for the implementation of the IDAP. (See case study: *Integrated Development Action plan for Sadiola and Yatela on page C24*.)



Awards

- In the **North America** region, CC&V and the Southern Teller County Focus Group (which was assisted in its formation by CC&V) were awarded the Wirth Chair Community Award recognising sustainable community development projects.
- The Denver office and the CC&V mine in **North America** were recipients of awards for their involvement in the Colorado Mining Association Pollution Prevention Program. *(See case study: Awards for North America region's contribution to pollution prevention on page E51 of the Environment section.)*
- The **South America** region has received a number of awards, namely:
 - One of 40 best companies in 'people management' in 2004, awarded by Hay do Brasil in conjunction with the newspaper Valor Econômico.
 - Best mining company – 2004. awarded by the Valor Econômico newspaper. The 1,000 largest Brazilian companies were entered for the awards, which were made by the economic sector.
 - First place in the mining sector – 2004 awarded by the 'Isto É Dinheiro magazine'. AngloGold Ashanti Mineração earned first place in the Innovation section, first place in the Socio-Economic Management section and second place in financial management.



5 Reporting in line with GRI

Social performance indicators:	
Labour practices and decent work	
<i>Core indicators</i>	<i>Additional indicators</i>
Community	
SO1. Description of policies to manage impacts on communities in areas affected by activities, as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring	SO4. Awards received relevant to social, ethical, and environmental performance
See discussion on pages C3 to C18 of this report	See discussion on page C18

Performance indicators relating to bribery and corruption are dealt with in the ethics and governance section, and performance indicators relating to political contributions and competition and pricing are dealt with in the economic performance of the Report to Society 2004.

C20 | 6 Scorecard

Objectives for 2004	Review of 2004	Objectives for 2005
Further implementation and monitoring of social development initiatives in line with business principles.	Systems for reporting social development performance in line with business principles have been established.	Further refinement of social and community development performance planned.
Development of common basis for reporting in line with principles.	Alignment of reporting between regions, including the former Ashanti operations.	Development of a common, auditable base for reporting.

New objectives for 2005:

- addressing the issues arising from small scale and artisanal mining including human rights concerns;
- increasing emphasis on economic development activities (including setting of targets);
- ensuring community and stakeholder engagement processes are in place at all the operations; and
- capacity-building, support and the development of practical tools for practitioners at site level.

7.1 'Holding Hands' – the volunteer programme in Brazil

AngloGold Ashanti's South America's Volunteer programme – called in Portuguese 'Holding Hands' – was set up at the end of 2003 following a survey where employees indicated that they would like to proceed with the development of such an initiative. A strategy for the programme was developed with involvement of employees and the assistance of group representing different economic sectors, known as "Voluntários das Gerais" (Volunteers from Minas Gerais) which was formed by FIEMG, the Minas Gerais State Federation of Industries.

A group comprising 18 employee representatives meet on a weekly basis to plan the activities of the 'Holding Hands' venture. Although most of the work is done behind the scenes, a 'Volunteer Show' was held on 16 October 2004 to officially launch the programme. At this event eight employees – who are computer specialists, equipment operators, miners, technicians, engineers and buyers by day – entertained other employees and their families and, in so doing, collected almost 2,000 kilograms of non-perishable foodstuffs in lieu of entrance fees for those in need in local communities.

AngloGold Ashanti Mineração currently has 106 registered volunteers. Most of the volunteers' work is done after working hours. But, in the case of helping at day care centres, schools and other institutions that do not operate at night or on weekends, the work may be done during normal working hours.

A further step in the programme is the provision of training for registered volunteers to better understand the reasons for corporate volunteer work, the rights and duties of a volunteer, and more details on the 'Holding Hands' Programme. Some 40 volunteers underwent training in November 2004, while a further 40 will receive training in March 2005.

The Holding Hands initiative participated in 'V Day' on 5 December 2004, a day dedicated to volunteerism within the state of Minas Gerais.



AngloGold Ashanti Mineração supports V Day

On 5 December 2004, the state of Minas Gerais, where AngloGold Ashanti Mineração is located, called a Volunteers Day – or V Day – in an effort to mobilise as many people as possible to volunteer time for community initiatives.

Over 150 people – employees, family members, friends and members of the community – took part of the activities spread over the towns of Raposos, Sabará, Nova Lima, and Caeté.

"The Volunteer Day is an example of what we can do for our communities," says AngloGold Ashanti's president and CEO of the region, Roberto Carvalho Silva, who visited the hospital Nossa Senhora de Lourdes in Nova Lima.

More than 1,000 people benefited from the initiative. In Raposos alone, a group of over 60 people got together to clean the river banks of the Ribeirão da Prata. Adults and children helped plant 336 plant seedlings and collected over 20 tons of trash. Two groups dedicated themselves to the aged in the Sabará and Caeté homes.

At the Environmental Educational Centre, around 20 children from the Maria Magalhães Pinto Educational Centre had fun with the volunteers. "It was an extremely gratifying day that left us with a very important lesson: we can contribute a lot for a better world," says Ely da Conceição Souza, a mining engineer.



C22 | 7.2 Local community development a key issue for sustainable development

Formed in 1995, following the closure of the Ashanti Morro Velho lower level operation, the Nova Lima Development Agency was one of AngloGold Mineração's first formal community development initiatives. The partnership was formed with the town authorities, the local Commercial Association, SEBRAE (Support to small size business, a non-governmental entity sponsored by the Industry Federation) and two mining companies, AngloGold Ashanti Mineração and Minerações Brasileiras Reunidas (MBR). Management was entrusted to the town authorities.

At the time of its closure, the Morro Velho mine in Nova Lima had been in operation for more than 170 years, employing 7,000 people at its peak in 1975, and some 289 people at its closure in 2003.

The first step in the process was a thorough analysis to identify potential business opportunities in the region. The results showed Nova Lima had the potential to develop services such as hospitals, universities and hotels owing to its proximity to the provincial capital Belo Horizonte. This presented business opportunities for local inhabitants after mining ceased. Another area highlighted by the study was the need for computer skills among the local population to be able to create a thriving services sector. Out of this was born the SEBRAE Technical School of Management, which AngloGold Ashanti Mineração supports with several scholarships for underprivileged schools aimed at preparing local students for business.

This joint effort has yielded positive results. Since the start of the project, Nova Lima has managed to attract more than 84 new companies, such as hospitals, hotels, food service enterprises and university facilities, which have generated 6,000 new jobs. A local Peoples Bank was also formed for the purpose of offering credit to small businesses. As a result, more jobs have been created, reinvigorating the local economy. The construction of a highway leading to town is nearing completion, again improving its prospects of attracting new investors .

In Sabará, where currently the company's primary operation – the Cuiabá Mine – is located, a similar development agency was formed in November 2003. Although still in its infancy, the Agency Council has been set up and is jointly managed. An analysis of the business sector needs – similar to the one undertaken at Nova Lima – is currently being completed. Similarly, based on its Brazilian experience, the group has initiated a development agency in southern Patagonia in Argentina, home of the Cerro Vanguardia mine. A partnership has been formed in that region with the local provincial authorities to create the San Julian Development Agency. San Julian is the closest town to the mine and its economy is greatly influenced by mining, with the declining fishing industry as a secondary source of income.

In the towns of Crixás and Santa Bárbara in Brazil where Serra Grande and Córrego do Sítio are situated, talks have been initiated with the authorities and like-minded companies and agencies to implement development agencies in these regions.

What is very different about these latter initiatives is that the planning for the replacement of economic activity (post mining) is being done at an early stage so that the mining operations may act as a catalyst for economic growth. Based on the experiences gained at Nova Lima, the training and development of local people is an important imperative.



7.3 Hearts of Gold programme launched at corporate office

AngloGold Ashanti launched the Hearts of Gold programme at its corporate office in Johannesburg in July 2004 to support and encourage staff members to contribute to their community.

Launched as a pilot programme to test staff response, the programme aims to demonstrate visible support for AngloGold Ashanti's employees' interest in their community, to encourage employees to make a contribution to the social development of their communities and to reward those employees already involved in such activities.

Within Hearts of Gold, employees can choose between the 'Give As You Earn' or 'Matched Volunteering' options. The former allows staff members to donate money, on a monthly basis, directly from their salary to a charitable non-profit organisation (NPO) either of their choice or from a list of pre-selected NPOs. This pre-selected list was compiled based on results of a staff e-mail survey, conducted in January 2004, to identify the most popular charitable causes. These were identified as helping people living with HIV/AIDS, children, the elderly and caring for the disabled. All nominated NPOs are strictly assessed by the Charities Aids Foundation South Africa (CAFSA) and the AngloGold Ashanti team.

AngloGold Ashanti agreed to match the monthly employee contributions on a Rand-for-Rand basis, in effect doubling the donation to the NPO. Participation rates increased from 2% in launch month to just under 13% at the end of December, based on 400 employees in the corporate office. The average donation to a NPO is R264 per employee and the average amount being donated in total per employee is R453 per month, a consequence of many employees donating to more than one NPO. Both figures are significantly higher than averages seen in other company 'Give As You Earn' schemes, as documented in the Charities Aids Foundation South Africa (CAFSA) report. On average, supported, NPOs receive about R17,500 every month in donations from AngloGold Ashanti and its employees at the corporate office.

The Matched Volunteering option operates on the basis that for every eight hours an employee assists at a NPO, AngloGold Ashanti donates R500 to that organisation. If four employees volunteer their services as a team, then the company donates R2,500 to the NPO for every eight hours served by that team. As an example of this, staff members participated in a pancake flipping event to raise funds for The St Vincent School for the Deaf, where about eight AngloGold Ashanti staffers participated.

Custodian of the Hearts of Gold project, Rian Raghavjee, attributes this success to the willingness of the company's employees to give towards worthy causes. The 'champions' of the project also play a significant role since they provide a point of contact. This group of eight people from various departments meet regularly and market the project within their divisions.

Although in South Africa, the project has only been launched in the corporate office, the intention is to implement it in some form in the South Africa region. However, Raghavjee recognises that since certain communications media are not as easily accessible to the group as a whole, the current method of intranet marketing, for example, might not be as successful as it has been in the corporate office. Also, all the marketing thus far has been in English, which might not be the language of choice for many outside the corporate office.



C24 | 7.4 Integrated development action plan for Sadiola and Yatela

Following a multi-stakeholder workshop in June 2003, the International Finance Corporation (IFC) commissioned the preparation of an Integrated Development Action Plan (IDAP) for the Sadiola Commune (the communities surrounding Sadiola and Yatela) with funding from the Government of Luxembourg and SEMOS S.A. (The Sadiola and Yatela mines are owned in a partnership between AngloGold Ashanti and lamgold (through Semos SA), the Malian government and the IFC).

The main objective of the IDAP is to create an overall strategy for promoting socio-economic development within beneficiary communities to improve livelihoods and employment opportunities and to establish new initiatives to lessen communities' reliance upon the mine. Despite significant funds (\$2.85 million) being set aside by the Sadiola and Yatela mines between 1997 and 2003 for development in the Sadiola Commune, a lack of clear development priorities, involvement of the community, and overall strategy, necessitated the need for an IDAP.

The IDAP preparation process incorporated a total of 15 villages and two hamlets, accounting for almost 60% of the commune's population, as per an agreement with key stakeholders. The IDAP implementation process will focus on local development activities prioritised by stakeholders and target groups during the IDAP preparation process, and that other institutions are not effectively dealing with already. Three programmes have been proposed:

- **training and capacity building:** the lack of local development planning and implementation poses a significant constraint to local development. Training and development will ameliorate this.
- **agricultural assistance:** agriculture remains the cornerstone of the area and will be especially important to the livelihoods of local communities after mine closure and thus forms an important and natural focus area for local development efforts. The programme aims to provide extension and support to the local agricultural sector to improve productivity, thus contributing to improved food security and the possibility of additional income-generation. The agricultural programme will not attempt to introduce or promote large-scale commercial agriculture in the study area, but will instead aim to assist smallholders to obtain better yields from the limited area of arable land available.
- **enterprise development:** artisanal and commercial activities have a significant role to play in the sustainable socio-economic development of Sadiola commune. A programme has been developed to enable local entrepreneurs and economic interest groups to enter and succeed within the cash economy, as well as increasing the number and importance of small enterprises in the local economy.

Responsibility for IDAP implementation needs to involve multiple stakeholders. An important part of this process is the involvement of the community – one such example is the stakeholder communication and consultation meetings held at Sadiola. (See accompanying box). This target will be achieved through the creation in the mid-term (after a two to three year transition period) of a stand-alone IDAP Foundation based in Sadiola and administered by a Board and General Assembly reflecting the range of stakeholders in Sadiola Commune with a direct interest in local economic development. Costs for the IDAP implementation are expected to amount to \$1.2 million over the three years of implementation.



The IDAP General assembly met for the first time on 27 November 2004 and constituted the 'Integrated Development Foundation within Sadiola Commune'. The general assembly also elected seven members to act as the foundation board. The first meeting was held on 13 December 2004 where the International Finance Corporation (IFC) was incorporated into the Board. The immediate tasks of the board are to:

- appoint officers for the foundation
- select a site/s where an office will be constituted, and
- draft internal regulations for the foundation and general assembly.



Stakeholder communication and consultation meetings at Sadiola

The Sadiola and Yatela operations held a three-day Stakeholders' Communication and Consultation Workshop at Sadiola between 23 and 25 September 2004. Topics covered included an overview of the year's activities at the Sadiola and Yatela mines; progress regarding the Integrated Development Action Plan (IDAP); progress on recommendations made at the previous workshop held in June 2003; and identification of key issues regarding mine closure.

Represented at the workshop was the Ministry of Mines, Water and Energy; the central authorities of Bamako; the local administration authorities of Kayes and Sadiola; local communities of Sadiola Commune; NGOs (non-government organisations); associations; SEMOS and Yatela SA; the International Finance Corporation (IFC); AngloGold Ashanti; and members of the public and the media.

It was reported that much had been achieved between the June 2003 and September 2004 meetings. Notable were:

- the establishment of a Stakeholders Committee (comprising current members of the workshop, representatives of the national, regional and local authorities, local communities, and Semos management) to monitor progress on recommendations emanating from the June 2003 meeting
- the initiation of a Code of Conduct to improve stakeholder relationships between the two mining operations; the establishment of a water management committee to ensure sustainability after mine closure
- appointment of the services of the National Institute of Research in Public Health (INRSP) to assess public health risks
- dust management initiatives
- an education programme to improve the level of English, and
- a malaria and STI/AIDS prevention programme.

The forum was reminded of the Malian government's expectations of the mines' responsibilities towards vocational training, the development of villages impacted by mining operations and their environmental obligations.

Feedback on progress thus far was encouraging, for example:

- the INRSP health survey began on the 14 September 2004
- an awareness programme on STDs (Sexually Transmitted Diseases) and HIV/AIDS has been conducted
- an 'open-door' policy is now in operation to encourage interaction between the local community and the mines
- women are being trained in small business activities like cloth-dyeing, soap manufacture and plastic re-cycling
- 16 wells and a number of small dams have been constructed in some villages
- a dust suppression programme is to be implemented after initial trials
- a current tree-planting initiative is being expanded, and
- efforts are underway to provide electricity through the installation of solar panels.

Much discussion was given to an IDAP study that had recently been conducted. Although stakeholders at the workshop were in agreement on the objectives of the IDAP document, concerns were raised regarding content and form of the document. These concerns include:

- too much focus on training and development rather than on the funding of projects
- operating costs are too high compared to investments
- too little involvement of recipient communities, and
- the absence of an IDAP monitoring tool.

Another worrying aspect, which became evident during the workshop discussions, was the realisation that many participants did not fully understand what the IDAP project is about. This was an issue that was addressed before embarking on the final day of the workshop, which concerned issues of sustainability on mine closure. These related primarily to health, employment, communication, women promotion and the preservation of natural resources. Suggestions on a range of issues were volunteered, for example:

- ongoing health care provision
- the promotion of women in mining
- job creation
- education and training
- the development of tourism
- water management, especially quality and availability of potable water
- agriculture and livestock breeding
- protection of flora and fauna
- rehabilitation of mine sites
- road infrastructure and maintenance, and
- clarity of Malian legislation laws regarding mine closure.

The next annual Stakeholders' Communication and Consultation Workshop, which will once again provide a platform for feedback on recommendations suggested at this forum, as well as a review of the year's activities, will take place during the latter part of 2005.

C26 | 7.5 Yatela fish farm – sustainable use of the pits post closure

In anticipation of the closure of the Yatela mine in 2006, a number of initiatives have been explored to promote the sustainable development of the region after mining ceases. One of these initiatives is the Yatela Fish Farm, located in a quarry that was used to provide aggregate for the base of the leach pads at the mine. The trial project began in early 2002 and is driven and managed by the on-site environmentalist Emma Bamforth and the mine management team, with support provided by the corporate office in Johannesburg. The quarry trial provides an ideal opportunity to both breed up a stock of fish to be introduced into the main Yatela pit at closure and to be used as a training facility in the interim.

Water is supplied to the quarry from an overflow pipe which feeds the mine water supply and, because of the nature of the host rock – which is diorite – there is very little seepage. This means that water accumulated here during the rainy season would remain for a couple of months, causing a stagnant malaria-breeding area.

About 150 fish and 30 eels were initially introduced into the quarry after having been captured in the nearby Senegal River. The species which are breeding highly successfully are the Banded Jewel Fish, Nile Tilapia, Banded Tilapia and Catfish – all of which are hardy and have good tolerances regarding pH and salinity levels.

The fish are fed on insects attracted to light that are suspended a few feet above the water. Bi-weekly two buckets of sorghum husks are thrown into the water for the smaller fish to feed from. (These husks are commonly used by local fishermen.) An added benefit of the fish breeding project is that they also feed off mosquito larvae (reducing the prevalence of malaria in the area), breed extremely quickly and provide high levels of protein. They are also indigenous to the area.

Recently some of the fish were netted to check species and sizes and it is estimated that harvesting can begin from 2005 onwards. A suitable Malian operator is being sought in association with the Small Business Development Foundation and will be guided in good aquaculture practices – the frequency of harvests, seasons, size limits etc. This has the potential to become a large scale operation once these fish species are introduced into the pit-lake at mine closure. In the best case scenario individuals could farm and sell the fish to local communities; at worst case they would have a resource to use on an individual basis that also reduces malaria in the area.

A number of different fish traps have been experimented with, although it has been found that a small mesh size must be used or the outside of the trap effectively becomes a gill net for the smaller species trying to feed from the bait inside the trap. The advantage of this system is that fish are caught live and undersized ones can be returned.



7.6 Lesotho water project – bringing a much needed resource to employees' families

TEBA has been engaged in the development and maintenance of village water supplies in Lesotho since 2001, working in close co-operation with the Lesotho Department of Rural Water Supply (RWS). (TEBA, which was the mining industry's recruitment agent, formed TEBA Development in 2001, as a not-for-profit company to undertake development in rural labour sending areas on behalf of the mining industry. Lesotho is a major labour-sending area, with 60,000 mineworkers – including contractors – working on South African mines.) The work of the RWS has been restricted by limited funding and by challenges in the supporting water distribution network to support the dam building project put in place.



Research undertaken by AngloGold Ashanti in 1998 showed that communities in southern Lesotho regarded the supply of water as their main priority. This project, based in the Mafeteng District of Lesotho, involves repairing and refurbishing 180 boreholes and hand pumps across at least 50 villages. Most of the pumps in the villages are in extremely bad condition having been neglected and vandalised. On average about 40 households use one water pump and with the average number of people per household estimated at six people, about 240 people benefit from each pump.

The job is being done by so-called 'water teams' consisting of specialists (mentors) and trainees, with a fully equipped trailer carrying tools and equipment. Former AngloGold Ashanti mineworkers living in the area were identified and trained by an experienced mentor in all aspects of repair, maintenance and installation of water equipment (including hand pumps, electrical and mechanical pumps, boreholes, water tanks and other storage mechanisms and windmills). By the end of 2004, the trainees had taken over as local contractors.

Says David Cooper, managing director TEBA Development, "We developed the concept of trainers and mentors in an attempt to build local capacity. Initially, TEBA attempted to promote engagement by local service providers (in water equipment installation, repair and maintenance) but this experience was not positive. The tenders submitted by local service providers were unrealistically priced and show little understanding of the nature and fair cost of services to be provided and, when engaged, the renovation was not done to the level required.

"Eventually, all of the specialist service providers came from the capital Maseru, as opposed to local district towns and villages, so there was little contribution to local enterprise development. But we knew that there was little prospect of continued reliable and ready support on maintenance from Maseru-based operators. TEBA has therefore looked for alternative approaches that overcome these challenges."

The first phase of the project started in 2003 and, in addition to AngloGold Ashanti, is supported by platinum companies, Lonmin and Implats. The project costs about R65,000 per month, of which AngloGold Ashanti provides R50,000.

Discussions are being held with the Lesotho government to ensure that the project is integrated with other government programmes.



C28 | 7.7 Making a difference
– the AngloGold Ashanti Fund and Trust

The AngloGold Ashanti Fund is the primary vehicle for the group's social initiatives in southern Africa. During 2004, the Fund distributed R16.148 million (\$2.59 million) to a wide range of projects across the region – primarily in those areas where the company operates and the regions from which it draws its employees and where many employees families reside. The Fund's primary areas of activity are:

- education
- health care
- skills training and job creation
- welfare and development
- HIV/AIDS

The AngloGold Ashanti Fund has a responsive philosophy to community-initiated projects, and a belief that development works best where people are empowered to work towards their own advancement and where ownership of the initiatives rests either with the individuals or with the communities responsible for those initiatives. The Fund aims to provide constructive support for sustainable projects which contribute to the region's longer-term well-being and development. Successful projects do far more than simply identify a need – they assign resources and people to address that need. It is also important that they are rooted in the communities they serve, providing for practical interventions of a scale and at a pace that beneficiaries can absorb and utilise.

The AngloGold Ashanti Fund is managed by Tshikululu Social Investments with a professional management team at the helm.

An important change for the Fund in the past year has been the increasing emphasis placed on the Local Area committees. These comprise operational personnel who are in close contact with the regions and communities in which they operate and are able to better advise on local needs. A concern has been that the Fund is not close enough to the communities and people that it is contributing to and it is hoped that the role of the local area committees will grow and achieve this. In addition, in South Africa, relationships with local authorities have been strengthened by the appointment of a Corporate Social Responsibility (CSR) manager, Butiki Loliwe. He works with a small team whose duties include ensuring a closer alignment between the fund's activities and the local authorities' Integrated Development Plans.

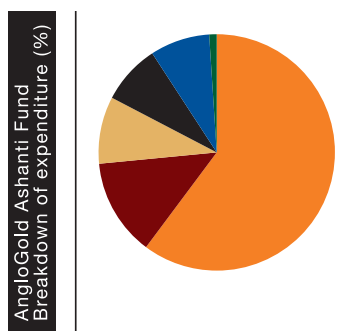
Some of the major projects that received approval by the Trustees during the year include:

- The Ergo programme. (See case study: Ergo programme focuses on maths and science education on page C30.) The fund has committed R2 million (\$310,000) per year over three years.
- Inyatelo Public School, located in Kanana in North West. The school services a large residential area near a number of AngloGold Ashanti operations in the Klerksdorp area. The funds (some R2.5 million or \$390,000) have been allocated for the building of additional classrooms and toilet facilities.
- Hospice North West cares for community members who are terminally ill in the areas surrounding the company's operations near Carletonville and Klerksdorp. The fund has awarded R300,000 per year for three years
- A number of "Special Relationship Schools", located close to company operations in the Carletonville and Klerksdorp area have been supported with funds amounting to R1 million (\$160,000).

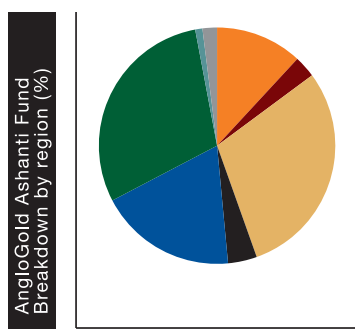


Boiteko Special Needs School

The Boiteko Special Needs School, located in Khutsong in North West Province is one of those institutions with which the AngloGold Ashanti Fund has had a long and special relationship. The name means "We are trying hard" and it is because of the initiative and persistence shown by the community and the school leadership that the fund has continued to support this school for severely challenged children. The company funded the construction of the school in 1994 at a cost of R1.8 million, but the need in the area has been so great that the school recently approached the Fund to assist in building an additional eight classrooms, a therapy centre and a facility to cater for profoundly handicapped children on the school premises. The Fund has agreed, committing R2.8 million (\$440,000) to this worthy cause.



Education	59
Welfare and development	13
HIV/AIDS	9
Health	8
Skills training and job creation	8
Arts and culture	1



Eastern Cape	12
Free State	3
Gauteng	30
Kwazulu-Natal	4
National	19
North West Province	30
Outside South Africa	1
Western Cape	2

7.8 Closure consultation with communities at Ergo

Consultation with local communities, local government and non-governmental organisations on the impending closure of the Ergo operation has taken place at numerous levels and over an extended period of time. The following discussion captures some of these.

Ergo has been an active member of the community of the East Rand since it opened 25 years ago – this through its close association with the local municipalities as well as its membership of the Springs Chamber of Commerce. As far back as the year 2000, Ergo informed the Ekurhuleni Metropolitan Municipality that closure was rapidly approaching and that this would have significant impact on the local community. These discussions moved to a more formal basis in 2003 when the Ekurhuleni Mining Forum was initiated for interested and affected parties (I&APs), informal miners, community members and the Local Economic Development (LED) department of the Ekurhuleni Metropolitan Municipality. One of the Ekurhuleni Mining Forum's focus areas is sustainable development.

The Mining Forum, which also discusses general Mining Charter issues and the activities of mining companies within the Ekurhuleni district, meets once a quarter; it was at this forum that the so called 'Project Hloekisa' initiative was first raised with the Ekurhuleni Metropolitan Municipality.

The objective of this project is to remove all remaining gold residue dumps on the East Rand, thereby removing potential future environmental problems, making land available for urban development as well as providing ongoing employment for many people in a depressed labour market. The project would make use of Ergo's reclamation and pumping infrastructure and would possibly utilise Ergo's Brakpan plant to extract any residual gold. Though still in the conceptual phase, a preliminary study concluded that the project would require funding of more than R5 billion (\$800 million) over a 20 year period and, although offset to some extent by available gold recovery, would still result in a net loss of some R3.5 billion (\$550 million). However, it has the backing of the Ekurhuleni's department of LED, from a land rehabilitation point of view – land which the Metro foresees as having potential for future business and commercial development. Karuna Mohan, Executive Director of LED, said that she is impressed with Ergo's responsible handling of the closure and that the Hloekisa Project is seen as a priority project by the Executive Mayor of the Ekurhuleni Metropolitan

"Because much of the land is privately-owned, it needs a partnership with government to successfully integrate into the municipality's Spatial Development Framework. In the meantime, we are talking to property owners to unlock the potential of land already recovered by Ergo," says Mohan. "It positions the local economy for take-off with regards to economic investment," she adds.

Reports concerning Ergo's impending closure are also given to the Springs Chamber of Commerce and Industry by Ergo's general manager, Alan Muir, who is a member of the Industrial Committee. The Chamber's main project is a Business Linkage Centre to empower small enterprises by linking them with bigger businesses. Ergo's Chris Wiseman sits on the Steering Committee of this initiative.

Consultation with the community at a direct level started in 2001 following a report from the Legal Resources Centre which criticised Ergo for not having an arena for community discussion around issues that affected them. The two surrounding townships which had grievances were those of Tsakane/Kwa-Thema and Kingsway Lindelani, both of which had complaints about windblown dust from adjacent tailings dumps. The Community Forum, which was subsequently established, allows Ergo to engage with these communities on topics of interest such as the measures that the operation is taking to minimise dust levels; ongoing tests to establish health risks associated with the dust; and to conduct site visits to affected areas. Ergo also used the Community Forum as a platform to discuss the impending closure of the operation. Although there was initial interest from both parties, attendance by the Kwa-Thema group tapered off, after it became apparent that jobs were not on offer.

Another means of interaction with the community has been the Local Area Committee of the AngloGold Ashanti Fund. Since September 2000, this committee disburses R50,000 per year in response to requests from local communities to support deserving charities, for example, soup kitchens and HIV/AIDS organisations, and to support sustainable projects like vegetable gardens.

Another initiative currently being undertaken by the Fund will continue well after closure. Aimed at uplifting education and community care over a three-year period, the R6 million (\$940,000) donation will be used for maths and science capacity-building for both learners and tutors at a number of primary and secondary schools. (See case study: *Ergo programme focuses on maths and science education on page page C30.*)



C30 | 7.9 Ergo programme focuses on maths and science education

In keeping with its commitment to mining communities and sustainability, during operations and after closure, AngloGold Ashanti felt it fitting that it should leave the communities surrounding Ergo with a lasting legacy when the plant is decommissioned in 2005.

The AngloGold Ashanti Fund makes available a budget of R16,148 million (\$2,159 million) a year for corporate social investment, to focus on health care, HIV/AIDS, welfare, education, skills development and training and job creation. (This includes the Fund's management fee.) The Fund's board of trustees gave the go-ahead in 2004 for a sum of R6 million (\$0,936 million) to be invested in the township communities of Tsakane and Kwa-Thema over a period of three years.

In February 2004, the Fund invited a number of key stakeholders from the area to take part in a consultative process to jointly prioritise interventions which would be sustainable into the future. A number of workshops were held, bringing together NGOs (non-governmental organisations), government departments, Ergo employees, service providers, and Fund Management in order to fully understand the social dynamics and specific needs of the area.

Three important areas were identified – education, skills development, welfare and community care development. The education and community care components are being directed by the Fund and skills development is the responsibility of the Ergo operation through its social plan training programme, aimed at providing marketable skills to employees. (See case study: *Closure consultation with communities at Ergo on page C29.*)

The Ergo Programme commenced in January 2005 and will run for a three-year period, ending in December 2007.

Education development component

The main aim of the education component is the upliftment of educators and learners in mathematics, science and technology, with a view to improving and enhancing the teaching skills of educators, many of whom are under-resourced, and encouraging more learner interest in these subjects, particularly at higher grade level. The focus though is on the educators, as they will be able to make a sustainable difference for many years to come. Siphohle Mhlangu, programme manager of the Fund, says, "In order to achieve this goal, the levels of Mathematics, Science, Technology and Literacy at Primary School and Secondary School level need to be addressed as these are areas where teachers are under qualified and learners are not performing".

The Ergo programme will include a selection of 20 primary schools and all 14 secondary schools in these two areas. The programme is aligned with the National Curriculum 2005 – outcomes-based education (OBE), which favours a pupil-centred rather than a teacher-centred approach to learning and will thus assist teachers in the transition from traditional teaching methods to the new OBE approach. Mhlangu says the Fund's vision is to demystify mathematics and science teaching and learning. "Many children today make subject choices at school, based on the fear of mathematics and science, rather than on their personal aspirations. We hope to change this attitude," he explains.

Programme for Technological Careers (PROTEC) is the preferred service provider for the implementation of a Mathematics and Science intervention in Secondary Schools. PROTEC has excellent experience in implementing Mathematics, Science and Technology interventions in Secondary Schools. Although the focus again is on improving teaching skills in mathematics and science, PROTEC will also provide



Why Tsakane and Kwa-Thema?

AngloGold Ashanti is spending R6 million (\$0.436 million) in the township community of Tsakane and Kwa-Thema.

These two areas are the largest sources of labour for the operation and are likely to be hardest hit by the withdrawal of a major source of revenue and employment from the area. Ergo's current staff complement is 843 of which 273 (33%) and 283 (34%) are drawn from Kwa-Thema and Tsakane respectively. In common with many urban townships in Gauteng, Kwa-Thema and Tsakane face a number of social problems particularly unemployment, crime, HIV/AIDS, a growing number of orphans and vulnerable children, and poverty. AngloGold Ashanti is acutely aware of the impact that the Ergo closure will have on local communities.



coaching to learners. The high school programme will start with Grade 10 educators and learners, who will benefit from the intervention up to matriculation (grade 12) level.

The primary schools programme will also include basic technology and literacy, the latter of which is to be supplied by the Read Educational Trust, which serves 1,600 schools in South Africa and develops materials and books for students and teachers. Mathematics, science and technology teaching will be supplied by the Mathematics Centre for Professional Teachers (MCPT), which provides training materials, workshops and classroom visits to enhance teachers' competency in teaching mathematics.

A Management Committee has been formed comprising the Ekurhuleni East Department of Education (under which Tsakane and Kwa-Thema fall), including its curriculum, mathematics, science and technology (MST) and institutional development divisions; the service providers – PROTEC, Read Educational Trust and MCPT; a Principals Forum (comprising representatives from primary and secondary schools); Chris Wiseman, senior human resources manager Ergo; and Sipho Mahlangu from the AngloGold Ashanti Fund.

All parties are accountable to the Ergo Programme and will meet regularly during the three-year period. Service providers will be required to submit quarterly progress reports as part of monitoring and evaluation. The high school programme is expected to yield tangible matric results only at the end of the programme in 2007.

Community care component

The community care component of the programme is to be run by St George's Home through its 'Rearabilwe Programme' (Sotho for 'we are answered'). This programme aims to develop and implement community-based models of care for orphan and vulnerable children, and to facilitate the co-ordination of services by existing service providers in order to limit the impact of HIV/AIDS on the social fabric of society. Mahlangu says, "The purpose of this component is to uplift the communities' social standing. The growing number of orphans and vulnerable children resulting from HIV/AIDS is a much neglected area and requires attention and resources. Children are falling out of the system due to uncoordinated efforts from current service providers dealing with only elements of care and support for children. There is a general lack of holistic programmes which ensure that all the needs of children are addressed."

Aimed at long-term social sustainability, 'Rearabilwe's' planning methodology is to support and strengthen existing community initiatives; to facilitate access to available resources; to bridge the gaps in service provision; and to ensure access to state support.

The project brings together major stakeholders, who are committed to meeting key objectives through crucial interventions for children in need. Intervention strategies, aimed at establishing efficient systems and ensuring sufficient resources through which to provide immediate and on-going child care, include a networking and partnership programme; a governance and management programme; a main programme (which comprises identification, registration, referral and placement of needy children); continuous care; screening of potential care-givers; a foster care recruitment programme; school-based support teams (SBST); and training and support. Equally important is the establishment of a reporting tool, by way of committees and forums, both to monitor and support all interventions. Stakeholders are expected to assume full responsibility for its running and monitoring.

St George's Home already runs a successful 'Rearabilwe' programme in the Etwata/Daveyton community and this is to be replicated in Tsakane and KwaThema. A pre-feasibility study has already been conducted to identify areas of need.

A separate Steering Committee has been formed, comprising St George's Home and representation from other service providers and/or NGOs; the Ekurhuleni East Department of Social Development; Chris Wiseman from Ergo and Sipho Mahlangu from the Fund.

Way forward

The Ergo Programme is a pilot project which, if successful, will pave the way for similar projects in other communities surrounding AngloGold Ashanti's operations. Recent experience has shown, however, that any interventions should preferably start at a much earlier stage than the Ergo Programme, ideally while the operation is still running.

Maths education needed

Recent research by the Centre for Development and Enterprise (CDE) showed that, although enrolment for senior certificate (SC) mathematics nearly doubled between 1991 and 2003, enrolment in higher grade mathematics – a tertiary education entrance requirement – had plummeted.

"Only 4,637 African candidates matriculated with HG mathematics in 2002. This reality undermines all our ambitions for the country, for expanded economic growth, for black economic empowerment, for community development," said CDE executive director Ann Bernstein, in a study commissioned on the two communities earmarked by the Fund for the programme. "Think what this means by looking at two townships, Tsakane and Kwa-Thema, situated at the heart of the national economy in Gauteng. In 2003, they had 1,600 senior certificate passes but only 12 of these included higher grade mathematics."

C32 | 7.10 Geita community benefits from Australian surgical mission to Tanzania

For thousands of children around the world – particularly in rural areas and developing countries – unilateral cleft lip and palate deformities, an inborn disease that leaves a child without some parts of the lips, means untold misery and ostracisation. Unfortunately, this affliction is relatively commonplace around Lake Victoria, where Geita Gold Mine is located.

Faida Matogoro, 12, was one of those born with such a deformity. His story is sorrowful: his parents permitted him to leave their house only during night time. Children of his age who met him during his night sojourn ran away from him shouting the 'ghost'. He was never enrolled into primary school as his parents were ashamed to expose him to the world. His misery ended on 14 October 2004, thanks to Geita's efforts to take him and 10 other affected children to undergo surgery by a team of doctors from Australia in an hour-long procedure at the Comprehensive Community-Based Rehabilitation Tanzania (CCBRT) Disability Hospital in Dar es Salaam. Faida can now smile for the first time.

Says Geita corporate affairs manager, Clement Msalangi, "The outcome of the operations was pretty amazing. We were really proud to be associated with the first ever 'operation smile' carried out by an Australian doctors' surgical mission to Tanzania. The company is committed towards seeing that such a mission is repeated regularly in the future.

"Geita was involved in the surgical mission right from the start of fundraising conducted in Perth, Australia when the Australian team first visited the Tanzanian Consulate in that country. The Consul, Mr. Didier Murcia, himself contacted Geita Gold Mine management and since then, we fully supported the initiative."

Doctors from the mine visited surrounding villages where unilateral cleft lip and palate deformities are prevalent. Eleven children were identified as needing urgent plastic surgery – seven girls and four boys. Many other children with similar problems could not be reached in time for this first mission.

The company funded the transportation of the 11 patients – two of whom had to be accompanied by their mothers – and two nurses (one from the Geita District Hospital and the other from the Mine Clinic).

The beneficiaries from Geita include an 11-month child Rahel Paulo, five-year old Edna Moshi, and six-year olds Regina Selemani and Abel Moshi. Others are Masumbuko Manyandizi (12), Faida Matogoro (12), Nyaswa Mashauri (12), Levina Richard (14), Alice Joachim (19), Hoja Kazalabanu (20) and Chausiku William (30).

Geita managing director, Peter Turner, extended the company's heartfelt thanks to the eight-person mission from Australia and to the two voluntary bodies of plastic surgeons (Interplast – Australia and Operation Rainbow – Australia) for choosing Tanzania as their first destination in Africa. Those who made up the mission were Dr. Tony Connel (head of the team), Dr. Anthony Baker, Dr. Ross Boulter, Dr. Tim Mann and four nurses, Wilma Dunne, Michelle Carthew, Margaret Twine and Natasha Haines.



7.11 Geita formulates policy to assist artisanal miners

Artisanal mining activity has been taking place for centuries within Tanzania. (See information box on the website on the role of artisanal miners in sustainable development). The Lake Victoria Goldfields in the Geita District provide a great attraction for artisanal and small-scale miners (ASM) owing to the rich mineral endowment in the region, particularly with gold. The informal mining sector has provided a livelihood for many people and has persisted, irrespective with the presence of a large-scale mining operation.

The informal nature of ASM activities promotes unsafe mining practices and adverse environmental impacts, creating a legacy of liability that is often assumed by the nearest large scale operator. In addition to the safety and environmental issues, the nature of the settlements that arise from ASM activities brings a host of social consequences such as HIV/AIDS, child labour, prostitution and substance abuse.

Through research undertaken by AngloGold Ashanti, stakeholder workshops and site visits, Geita has developed a strategy for its interaction with artisanal miners surrounding the mine. The study provided an in-depth understanding of the nature of the ASM sector in the Geita District. It also identified other stakeholders involved in these issues and what work had been carried out to date. The study also highlighted the legal and financial liabilities which may arise for Geita Gold Mine with artisanal workings on its lease area.

Geita believes that it can have a positive impact on this sector of the industry through raising awareness of the destructive and dangerous practices that are commonplace and, through forming alliances with other stakeholders, improve the working conditions of these miners. Exact figures on the number of artisanal miners in the area are not easily obtainable owing to the informal and dynamic nature of the sector and the ad hoc basis on which mining is carried out; operations can spring up overnight and then disappear. The Tanzanian Chamber of Minerals and Energy estimates that there are between 500,000 and 1 million artisanal miners in Tanzania today. These artisanal miners come from all over Tanzania and neighbouring countries. It is estimated that 26% of artisanal miners are women; accurate statistics on children involved in mining activities are not available, but their involvement is clearly evident.

Says Carolyn Brayshaw, community development coordinator at Geita, “The approach we have adopted is a holistic one, and will be incorporated into the wider community development initiatives and engagement processes already in existence. We understand our limitations in effectively solving the artisanal problem, and have identified areas in which we can have a positive contribution. Using various methods we aim at offering socially, environmentally and economically sustainable alternatives to these miners, particularly in educating them on mercury contamination risk, shaft ventilation, wearing protective equipment and child labour.

“Part of our policy has already been put into action, as Geita has employed three artisanal miners as full time members of the mines rescue team. They receive world class rescue and first aid training, and have participated in rescue operations in and around the region. These three miners will play a crucial role in awareness campaigns in the surrounding communities, as well as assisting with rescue operations should this become necessary.”



C34 | 7.12 Rehabilitation at Geita

The Geita Gold Mine in Tanzania is situated within the Geita Forest Reserve. This reserve falls under the control of the central government of Tanzania and comprises an area of 477km². Geita owns approximately 144 km² of land within the reserve. This reserve is rich in floral diversity (about 400 species) comprising the important Miombo woodland (47%), Combretum/Terminalia/Lateraite grasslands (51%) and riverine vegetation (2%). Unfortunately, illegal logging and charcoal-making activities by local communities who are driven by the growing demand in Geita town, Mwanza and further afield, is threatening the survival or existence of some of these species, and has had a significant impact on these resources. Some of the important species in the vegetation types include *Pterocapus Angolensis* (Mninga), *Dalbergia melanoxylon* (Mpingo or African black wood), *Brachystegia boehmii* (Myenze), *Brachystegia speciformis* (Mtundu), *Julbernardia globiflora* and *Pterocarpus angolensis* (mbanga).



Geita is not only intent on rehabilitating the area within its lease area after mining activities have ceased, but believes that its rehabilitation programmes offer an ideal opportunity to promote the value of conservation in neighbouring communities, while offering them an economic alternative to the environmentally destructive practices which are often the only form of income for these communities.

Geita's environmental management is verified externally: 2004 saw the company retain its ISO 14001 certification with a 97% rating; together with its four platinum star Nosa rating.

Geita's environmental policy and management plan prohibits any activities on site that could damage the environment, and clearing of any vegetation on site is not allowed without the written permission of the environmental manager. A comprehensive rehabilitation programme is in place: all cleared areas are rehabilitated and revegetated once mining activities have been concluded using species similar to those that existed before clearing. Three zones of rehabilitation have therefore been established – Miombo woodland, Mbuga and grassland use in rehabilitation of different areas.

Since the start of operations \$3 million (Tsh. 3,315 million) has been spent on land rehabilitation, planting trees, the nursery, and the herbarium. To date, 180,000 trees have been planted, and 713 kilograms of seed broadcasted, resulting in 230 hectares of land being restored. Another 120,000 trees from Geita's own five-acre tree nursery were planted into the 90 hectares of land disturbed during 2004. 2,326 hectares have been disturbed to date, most of this in the pits and waste dump areas. The initial area to be rehabilitated has seen the vegetation stabilise and firmly combine with other areas of land. Of 60,000 trees planted in 2003, 88% have survived.

"At Geita we view the environment in its totality," says Carolyn Brayshaw community development co-ordinator for the mine, "which includes the involvement of people. Local communities are involved in all levels of rehabilitation – from seed collection, seed cleaning and preparation, growing seedlings through to transplantation and landscape and erosion control. By involving them in this process communities can see trees as an economic resource beyond that of charcoal or timber. After mine closure we hope we will leave behind a conservation ethic, and a sustainable timber industry. These issues will be dealt with in mine closure planning which addresses vision for the local community development and thus sustainability.

"At present Geita supports three local nurseries that produce saplings for transplantation. Two of these nurseries, Bukoli and Geita Town nurseries, were existing commercial nurseries, but in the past there was never a market for indigenous trees. The third nursery developed out of the existing Nyakabale Agro forestry project, which is supported by the mine and which came about as a result of the financial assistance and training provided. Seeds were originally supplied to all three nurseries; now, however, the owners of the nursery organise the collection themselves."



The species required are identified by the Health, Safety and Environment (HSE) team who, through research, trial and error and consultation with local communities have identified the most suitable species. They are selected taking the following into account:

- seed germinability;
- seed availability;
- species distribution and /or dormancy; and
- historical landscape species relationship and abundance for example grassland species, mbuga species and highland species.

The species growth response is monitored constantly by HSE staff. Growth response assessment is conducted on an annual basis by experts from Tanzania Forest Tree Agency. Local communities have benefited from experts from within Tanzania and beyond, who have worked with these communities in the identification, seed collection and optimum planting and germination practices.

The HSE department has set the target for each of these nurseries to have 40,000 trees ready for transplanting for the 2004 rainy season. This stretched target was exceeded as all three nurseries have produced in excess of 60,000 trees each.

Geita (in conjunction with the District Forest Office) also takes part in Forest Reserve management by fighting unsustainable activities. Six people have been employed by the mine on a permanent basis to patrol around the forest reserve and prevent those conducting illegal activities within the forest.

"We also work with the community and the district leadership in a number of environmental projects. For instance, we sponsored the National Environmental Day in the district by purchasing seedlings from different suppliers in the district worth Tsh1 million (5,000 trees). These were distributed to schools and villages to be planted when commemorating the day."

Can environmental projects be sustainable?

Sustainability of local communities is a complex and difficult objective, particularly in respect of a non-renewable resource such as mining. Some commentators claim that the involvement of local communities in rehabilitation is not sustainable, because the market for the trees/plants will disappear when mining operations cease. The view taken by Geita mine in Tanzania is that by placing a value on indigenous trees it will promote both the concepts of conservation and entrepreneurship. Two of the nurseries that Geita is working with were in existence prior to the mine's operation, but they were cultivating and selling non-indigenous plants. The mine encourages the nurseries to expand their markets outside of the mine. As hardwood species become more of a scarce resource, their demand may well increase in the future, and the Geita area has the potential to become a valuable producer. With the encouragement of Geita, the Tanzanian Forestry department is forming alliances with local communities in the management of forest reserves and to encourage planting of indigenous species, creating yet another market.



C36 | 7.13 Getting the Pikes Peak Regional Medical Center off the ground

The North American region's Cripple Creek & Victor Gold Mining Company (CC&V) is located in the rural area of southern Teller County in the state of Colorado, in between the small communities of Victor and Cripple Creek. The nearest city of some significant population is about 25 miles away in Woodland Park.

The Woodland Park area and Teller County region have struggled for many years to secure reliable health care for the community.

The Langstaff-Brown Medical Center, opened in 1982, provides office space for doctors and limited urgent care facilities. Although it was originally planned as a 24-hour emergency facility, it was unable to support the demands from the increase in traffic largely attributable to casino gaming in Cripple Creek, and its hours of operation have since been reduced.

The growing and aging population has placed increased pressure on the existing health care system in the region, to the detriment of AngloGold Ashanti employees, their families and the community as a whole. To address this need, the Pikes Peak Regional Medical Center Association was formed in 1999 with the aim of establishing a comprehensive health care delivery system to serve the primary needs of the region. Land for the facility was donated and site improvements to bring sewer and water systems to the site were completed in 2001.

CC&V has been involved in the Medical Center from its inception. Current VP/general manager Ron Largent says, "We are involved for two reasons: a full service medical center is clearly needed in the community and such a facility would be very beneficial to CC&V employees and their families."

From the beginning of the capital campaign in 2000, CC&V has donated \$25,000 per year each year. These funds were used as matching funds to obtain grants from the State of Colorado – totalling \$750,000 – from the Energy Mineral Impact Assistance Fund. This fund was established by the State to support communities that may be impacted by mining activities. CC&V pays taxes into this fund each year; for example, CC&V paid nearly \$285,000 in 2003. Largent and Jane Mannon, CC&V's manager of community affairs, attended the grant hearings to testify to CC&V's support of the Medical Center and its value to CC&V and the entire region.

CC&V also has supported the Medical Center's other fundraising activities by providing booth space at Victor's Gold Rush Days and assisting with the annual raffle fundraiser. The Medical Center staff meet CC&V employees at the annual safety refresher training sessions, and these opportunities for distributing information have increased the profile of the Medical Center in the community.

During 2004, road improvements, which is the first step in the construction of the full facility, were completed. The association hopes to have full funding in place in 2005 and begin facility construction soon thereafter.

