




Labour Practice

1. Business principle – AngloGold Ashanti as an employer – labour practices	L2
2. Key indicators 	L3
3. Milestones 2004 	L5
4. Review 2004	L6
5. Reporting in line with GRI 	L20
6. Scorecard	L24
7. Case studies	L25
Ghana	
7.1 Apprenticeship programme at Obuasi	L25
Group	
7.2 Being part of a global group – the opportunity of secondment	L26
Mali	
7.3 Malian bursary scheme develops managers of the future	L27
7.4 Managing labour relations: ‘Prime de Rendement’ dispute at Morila	L28
South Africa	
7.5 Adult Basic Education and Training for all	L29
7.6 AngloGold Ashanti bursary scheme: developing engineers for the future	L30
7.7 Orderly closure at Ergo – social plan for employees	L31
7.8 Reducing the trauma of retrenchment at Savuka	L32
7.9 Implementing fall of ground regulations	L33
7.10 Towards the transformation of proto teams	L35

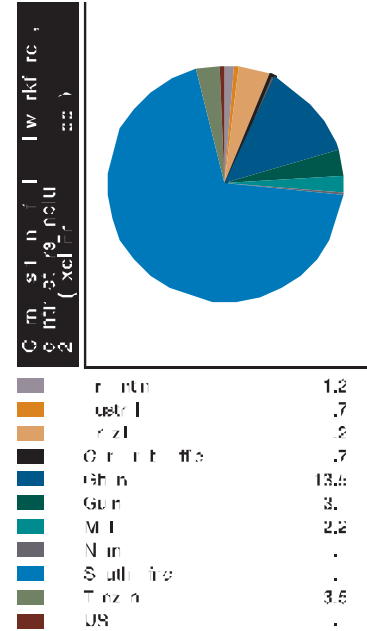
L2 | 1 AngloGold Ashanti as an employer – labour practices

- AngloGold Ashanti is committed to upholding the Fundamental Rights Conventions of the International Labour Organization. Accordingly, we seek to ensure the implementation of fair **employment practices** by prohibiting forced, compulsory or child labour.
- AngloGold Ashanti is committed to creating workplaces free of **harassment** and **unfair discrimination**.
- As an international company, we face different challenges in different countries with regard to, for example, offering opportunities to citizens who may not have enjoyed **equal opportunities** in the past. In such cases, the company is committed to addressing the challenge in a manner appropriate to the local circumstances.
- We will **seek to understand** the different cultural dynamics in host communities and adapt work practices to accommodate this where doing so is possible and compatible with the principles expressed in this document.
- The company will promote the development of a work force that reflects the international and local **diversity** of the organisation.
- The company will provide all employees with the opportunity to participate in **training** that will improve their workplace competency.
- The company is committed to ensuring that every employee has the opportunity to become **numerate** and functionally **literate** in the language of the workplace.
- The company is committed to developing motivated, competent and experienced **teams** of employees through appropriate recruitment, retention and development initiatives. An emphasis is placed on the identification of potential talent, mentoring and personal development planning.
- Remuneration systems will **reward** both individual and team effort in a meaningful way.
- Guided by local circumstances, we shall continue to work together with stakeholders to ensure minimum standards for company-provided **accommodation**.
- The company assures access to affordable **health care** for employees and where possible, for their families.
- We are committed to prompt and supportive action in response to any major **health threats** in the regions in which we operate.




2 Key indicators

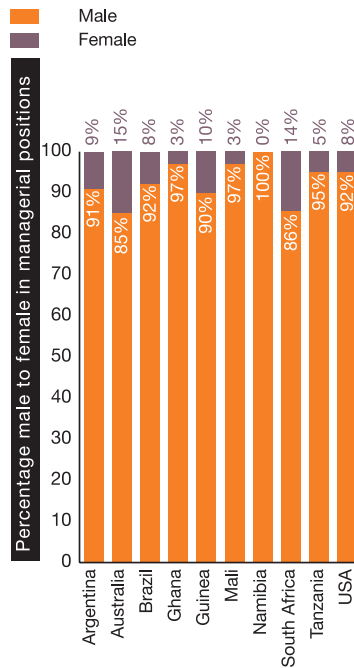
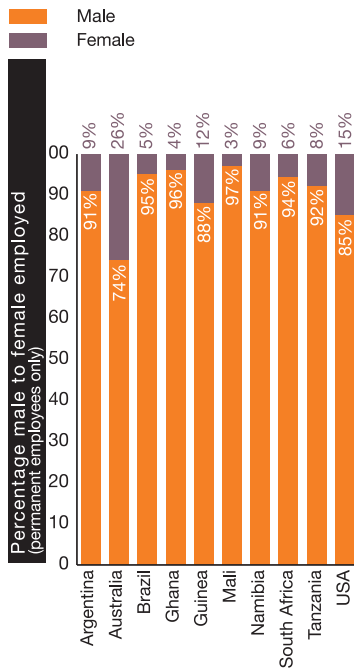
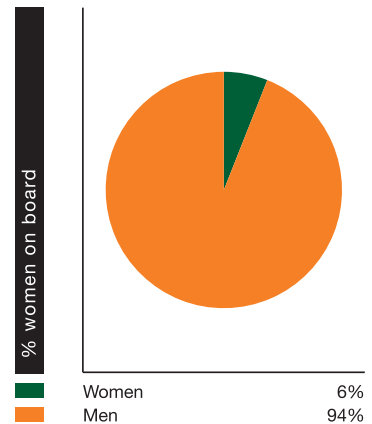
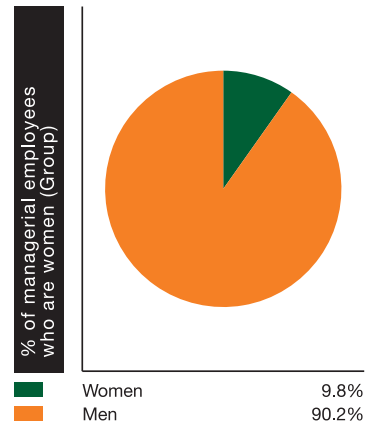
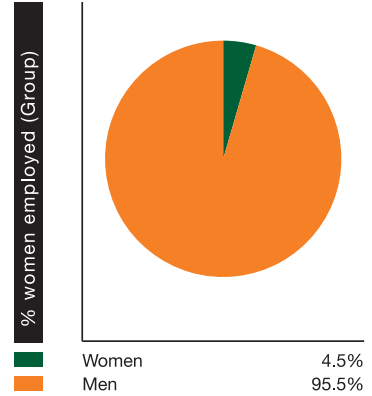
- Following the business combination between AngloGold and Ashanti on 26 April 2004, 65,400 people worked at AngloGold Ashanti (calculated on a monthly average basis post the business combination) in 2004. This figure comprises 50,737 employees and 14,663 contractors. As at 31 December 2003, this number was 55,439. At the time of the business combination, 8,965 permanent employees were employed by Ashanti. As part of the combination of AngloGold with Ashanti, the parties entered into a stability agreement where AngloGold agreed not to implement any retrenchment programmes for two years after the effective date of the business combination (26 April 2004).
 - The Freda Rebecca mine in Zimbabwe (745 employees) was sold on 10 September 2004.
- No breaches of fundamental rights conventions of the International Labour Organization (ILO) were charged or alleged during 2004 against the company.
- Employment costs for the group amounted to \$863.14 million for 2004.
- 83.5% of the global workforce is represented by recognised trade unions or catered for by collective bargaining processes.
 - In **South Africa**, 92.7% of all employees are either represented by unions or catered for by the agency shop agreement. (An agency shop agreement exists across the non-supervisory bargaining unit within the company. This means that subscriptions are deducted from non-union members and paid directly into a human and industrial relations fund.)
 - Union recognition agreements or industry collective bargaining arrangements are in place in **Mali, Tanzania, Namibia, Ghana, Guinea, Brazil and Argentina**.
 - The **Australia** and the **United States** operations are non-unionised.
- Training and development expenditure in the AngloGold Ashanti South Africa region amounted to \$28 million in 2004.
 - Adult Basic Education and Training (ABET) is a significant area of development in South Africa in particular, with 5,147 employees enrolled in the programme, at a cost to the company of \$1.6 million or R10.4 million in 2004 (2003: \$1.7 million or R12.8 million).
 - Training costs amounted to 3.2% of total employee costs for the year.
 - An estimated amount of \$950,000 was spent on executive, management and senior management development.
- Employment equity and/or equal opportunity targets are set and their achievement is monitored by a board sub-committee – the employment equity and skills development committee. In **South Africa** the employment of Historically Disadvantaged South Africans (HDSAs) is a particular priority. Employment targets and achievements are reported to the South African Department of Labour on an annual basis.
 - Within South Africa, 32% of management comprises HDSAs. (The latter term includes citizens of countries within the South African Customs Union – SACU – and Mozambique. Managerial employees are defined as those in supervisory and management roles in Paterson job grades C-Upper and above);
 - HDSAs make up 20% of the board.



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

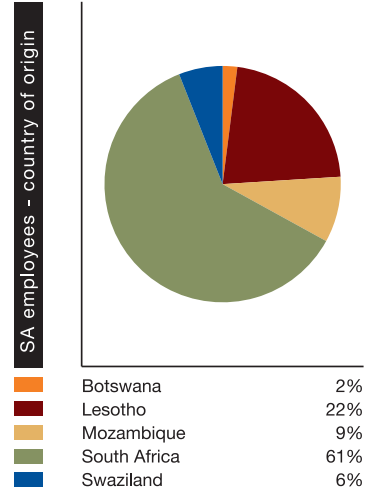
- In relation to selected data marked with  on which we have provided reasonable assurance:
- conducting interviews and holding discussions with management, key personnel and/or stakeholders of AngloGold Ashanti limited and assessing data trends;
 - obtaining an understanding of the systems used to generate,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

- Efforts to increase the representation of women at all levels continue:
 - 4.5% of all permanent employees are women;
 - 6% of all permanent employees in South Africa are women;
 - 9.8% of all managerial employees are women, while 14% of managerial employees in South Africa are women; and
 - women comprise 6% of the board.
- A programme to employ indigenous people (rather than expatriates) is in place in the African operations (excluding South Africa). The percentage of indigenous people employed was 97% during the year (90% in 2003 for AngloGold).
- Foreign migrancy is reported in **South Africa** in line with the spirit of the Mining Charter. Foreign migrants are defined as employees drawn from outside of the borders of the country and generally from within the South African Customs Unions, plus Mozambique. Many other migrant workers originate from rural areas within South Africa. The percentage of foreign migrant employees (defined in this way) was 37% as at 31 December 2004.
- Across AngloGold Ashanti, 5,430 employees left employment during the year, representing a turnover rate for the group as a whole of 10%.



3 Milestones 2004

- Following the business combination between AngloGold and Ashanti Limited becoming effective on 26 April 2004, task teams were appointed to ensure the integration of systems and values between the two companies. A number of structural and senior management changes have been effected and the integration between the two companies has now largely been completed.
- At the Navachab operation in **Namibia**, the company successfully transferred to owner-mining (as opposed to contractor-mining) during the year.
- A bursary scheme was implemented in the **Mali** region during the year in an effort to develop local skills and expedite the localisation programme. Ten top Malian school leavers began graduate studies at the University of Pretoria, South Africa, at the beginning of 2005 in the disciplines of mining, engineering, metallurgy, environment and geology, following a language bridging programme at the end of 2004.
- A two-year dispute regarding the legal obligation of the Morila Mine in **Mali** to pay a bonus scheme (*prime de rendement*) was successfully resolved in November 2004.
- Closure plans, particularly in respect of reskilling of employees, have progressed at Ergo in **South Africa** in anticipation of the cessation of operations in early 2005.



A significant employer

AngloGold Ashanti is a significant employer in the global mining industry.

On average, during 2004, AngloGold Ashanti employed 65,400 employees and contractors (AngloGold 53,466 and Ashanti 11,934), broken down as follows: Corporate office 476; South Africa 44,867; Ghana 8,712; Argentina 791; Brazil 2,686, USA 411; Australia 455; Mali 1,413; Guinea 2,335; Tanzania 2,258 and Namibia 251. 745 employees were employed by Freda-Rebecca mine which was sold in September 2004.

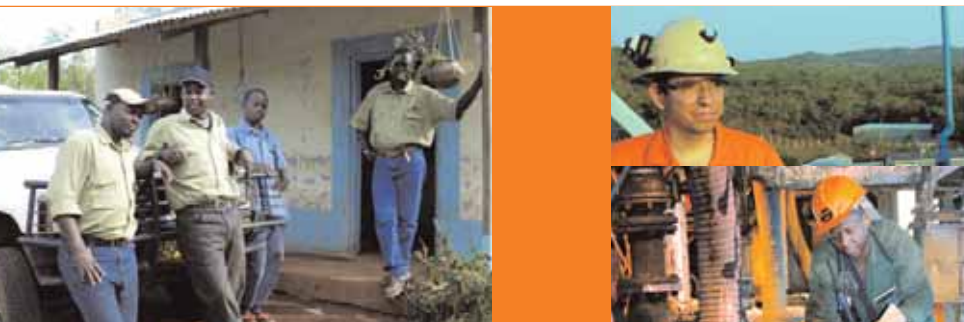
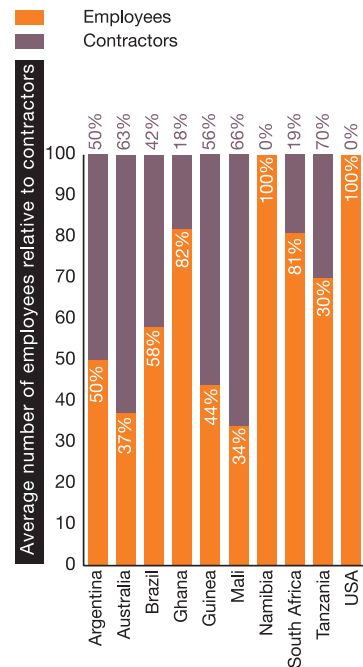
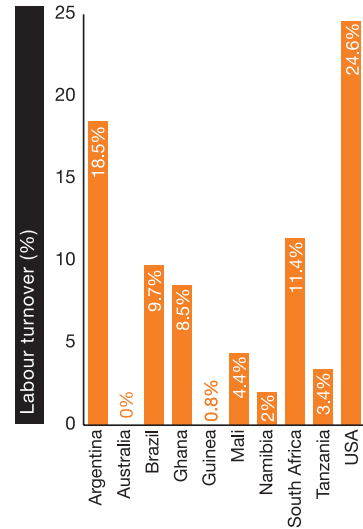
The number in South America increased as a result of the Cuiabá Expansion project in **Brazil** and additional employees at Cerro Vanguardia in **Argentina**. Employee numbers in the **South Africa** region decreased by about 4% largely as a result of natural attrition and downsizing at Savuka and Ergo.

It is expected that there will be a 10% increase in labour at the Geita mine in **Tanzania** in 2005, as a result of the implementation of new labour legislation limiting working hours. The number of people employed in the **South Africa** region is expected to decrease by close on 2,000 employees (5%) and 1,107 contractors (15%) during 2005 as a result of further downsizing of Savuka (See case study: *Reducing the trauma of retrenchment at Savuka on page L32*) and the closure of Ergo (See case study: *Orderly closure at Ergo – social plan for employees on page L31*).

An important part of the group's global presence is the allocation and use of the most appropriate personnel where they are required. While efforts are in place to minimise the use of expatriate labour, the secondment of staff is both an incentive to employees and a benefit to the company. About 270 assignees were placed on contracts within the group during the year, primarily in the African operations in **Mali, Tanzania, Ghana** and **Guinea**. These employees have largely been drawn from South Africa, Ghana, the United Kingdom, Australia and Canada. In 2004, some 5% of senior management at the corporate office were expatriates, mainly from Ghana, the US and Australia. (See case study: *Being part of a global group – the opportunity of secondment on page L26*.)

Management structure and governance

Five executive directors and 10 non-executive directors make up the board of the group, with the former CEO of AngloGold – Bobby Godsell – remaining the CEO of Anglo Gold Ashanti and the former CEO of Ashanti – Dr Sam Jonah – becoming the President of the group. The Board structure is dealt with comprehensively in the *Annual Report 2004* and in the *Ethics and Governance* section of the *Report to Society 2004*. The five executive directors – Bobby Godsell, Dr Sam Jonah, Jonathan Best, Kelvin Williams and Dave Hodgson – are charged with the day-to-day running of the company (making up the executive committee, which is chaired by the CEO), and they are supported by operations committee, which is chaired by the chief operating officer/s.



While a member of the operations committee is responsible for human resources and the central human resource development policies that guide and support the human resources practice within the group, each region and/or business unit operates under the auspices of a regional head. Policies are developed and procedures implemented that are relevant to the country and circumstances inherent within the region, complying with regional legislation and labour requirements, as well as region-specific imperatives.

Human rights and fair employment practices

AngloGold Ashanti is committed to upholding the Fundamental Conventions of the International Labour Organization (ILO) and seeks to ensure fair employment practices group-wide. The group's business principles – (See page L2) underpin this commitment, and reflect the spirit of the Universal Declaration and the Fundamental Human Rights Conventions of the ILO.

By virtue of its domicile in South Africa, AngloGold Ashanti is subject to certain conventions signed by the South African government. These include human rights and social conventions (ILO 29, 87, 98, 100, 105, 111 and 138). South Africa's constitution, together with its associated laws, is internationally acknowledged to be amongst the most progressive in the world, guaranteeing non-discrimination on the basis of race and other unfair grounds, freedom of association and the rights of children, among other basic human rights. These guarantees and undertakings are extended to the rest of the group by virtue of the company's commitments and domicile.

Certain ILO conventions (such as ILO Convention 128 dealing with child labour, and ILO Convention No 29 dealing with forced and compulsory labour) are also governed by law in **South Africa, Argentina, Brazil, Australia, Namibia, Tanzania** and the **USA**, and by law and various codes such as the Malian Labour Code and Malian Collective Agreement (in **Mali**).

Among the agreements and policies in place at an operational level to ensure that human rights are protected are:

- recognition agreements
- disciplinary procedures
- appeal procedures
- grievance procedures, and
- collective bargaining agreements.

Unions and collective bargaining

Management/union relationships are governed by negotiated agreements in respect of most of the group's workforce, with 83.5% of the global workforce represented by recognised trade unions or catered for through collective bargaining processes.

In **South Africa**, 92.7% of all employees are either represented by unions or catered for by the agency shop agreement. (An agency shop agreement exists across the lower level bargaining unit within the company. This means that non-union members contribute 0.75% of their monthly basic pay to a human and industrial relations fund, whereas, union members contribute 1% of their monthly basic pay to this cause.) The four unions that are recognised are the National Union of Mineworkers

Group labour turnover (permanent employees)*	
Resignations	1,675
Retrenchment/redundancies	523
Dismissals	1,239
Leaving for other reasons	1,993
Number of new jobs created	565

* In the USA permanent employees are categorised as regular employees.

Human rights training of Asset Protection personnel

A key aspect of asset protection at AngloGold Ashanti is the role played by asset protection personnel. Security personnel are in the front line of many dealings with customers, suppliers, stakeholders and fellow employees. This is complicated by the fact that their role is to protect the company's assets and in so doing to be suspicious and alert to any wrongdoing by anyone. However, it is also important that asset protection personnel respect the rights of the people with whom they come into contact. Consequently an important part of their training is a focus on human rights, particularly as set out in the Constitution of South Africa 1996 (Chapter 2: Bill of Rights) and International Human Rights Standards and Practices for Police and Security.

The aim of the human rights training is that AngloGold Ashanti asset protection officials will be able to:

- understand the meaning of and be able to apply the principles of human rights in the context of asset protection;
- correctly identify the human rights principles applicable to different situations;
- explain when and how each human right may affect specific asset protection activities and if so, to explain how these activities should be altered to ensure they respect and comply with the Bill of Rights; and
- understand and apply legislation relevant to asset protection services at AngloGold Ashanti.

Other aspects covered by asset protection personnel training includes:

- basic asset protection (including a refresher course)
- use of firearms
- search and arrest
- the taking of statements
- investigations
- reaction
- CCTV operations
- control room duties
- analysis of statements
- interrogation procedures.

(NUM), the United Associations of South Africa (Uasa), Mineworkers Solidarity and the South African Equity Workers' Association (SAEWA), representing respectively 72.2%, 11%, 2.6% and 0.8% of employees in the region.

Two significant agreements were entered into with the National Union of Mineworkers during the year:

- on 30 January 2004, a Procedural Agreement relating to the Vaal River operations was concluded. The agreement, which will serve as a guide for the interaction between management and the union, was concluded after a process of negotiation, and replaces the Vaal River Record of Understanding (the previous Recognition Agreement) which was concluded on 3 July 1998. A recognition agreement is the highest form of agreement between the union and management at an operational level.
- also on 30 January 2004, agreement was reached on the Constitution of the Board of Governors of the Vaal River Operations' Residences, which allows residents to participate in the decision-making at the residences.

The 2003/2004 wage agreements, concluded in 2003 for a two-year period, remained in place during the year.

- The second year's increase of 7% in terms of the 2003/2004 Wage Agreement for Category 3 to 8 employees with the NUM, which became effective on 1 July 2004. Annual leave also increased from 29 to 30 days, and the company's contributions to the Mineworkers' Provident Fund increased from 13.5% to 13.9%.
- The second year's increase of 7% agreed with the NUM, Uasa and Solidarity as part of the 2003/2004 Wage Agreement for Miners and Artisans. This became effective from 20 June 2004.
- The 2003/2004 Wage Agreements for Officials entered into between management and the NUM and Uasa. The agreement required the parties to negotiate the percentage by which salaries would increase with effect from 1 January 2004. The increase was agreed at 9%, of which 8% was guaranteed to all employees and 1% distributed based on individual performance during 2003.

Other important agreements that are in place regulate any process of restructuring, namely:

- retrenchment agreement (NUM and Uasa); and
- restructuring/redeployment agreement (Solidarity, Uasa and SAEWA).

A Social Plan Framework Agreement is currently being negotiated with the NUM.

At the end of 2003, Navachab Mine in **Namibia** terminated its relationship with its mining contractor and transferred to owner mining. This entailed the employment of approximately 150 employees and the alignment of labour practices with local legislation. A recognition agreement is in place, signed with the Mineworkers Union of Namibia (MUN), and the union bargains with the company on behalf of all employees in the A2 to C1 Paterson bands. 75% of the workforce belongs to the MUN.

At the Morila, Sadiola and Yatela mines in **Mali**, all employees are represented by the Mining Industry Union (SECNAMI), although there are no specific recognition agreements.

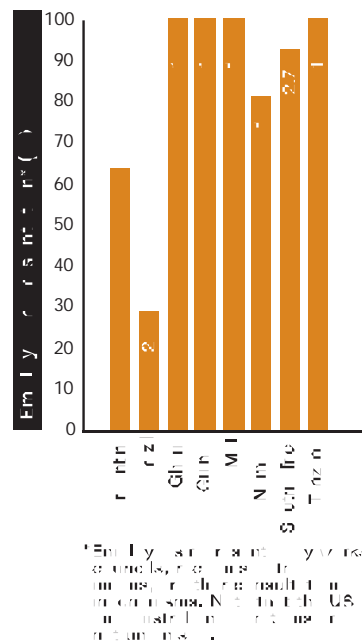
At Geita, in **Tanzania**, an access agreement and code of conduct has been entered into with the Tanzanian Mining and Construction Workers Union (TAMICO). To date, 22% of employees have joined the union; a formal recognition process will commence only once the union has sufficient representation.

The Ghana Mineworkers' union represents about 87% of the total labour force in **Ghana**, and all non-supervisory employees.

The **Australian and North American** operations are not unionised.

Employee representation and participation

AngloGold Ashanti has in place a variety of strategies and structures designed to promote participation at all levels within the company. These are developed and adapted regularly to meet operational requirements and changing circumstances.



Management and employee representatives meet both formally and informally at industry, company and operational level on a wide range of issues to share information and address matters of mutual interest.

- In **South Africa**, these include forums such as the skills development committees and health and safety committees. The diagram below illustrates the various structures in place that regulate the interaction with the NUM at the Vaal River area, as an example.

AngloGold Ashanti formal interaction with the NUM

Structure/Forum	Representation	Scheduled interaction	Objective
NUM stewards' council	1 NUM representative per business unit 5 representatives from Vaal River branch 5 AngloGold Ashanti representatives	Once a quarter	<ul style="list-style-type: none"> • To make decisions on strategic issues relating to the Vaal River operation • Deliberate on the outcome of work done by work groups/ forums • To oversee implementation
NUM steering committee (Sub-committees – Housing Forum, HIV/AIDS working group, Job grading working group)	3 NUM representatives 3 AngloGold Ashanti representatives	Once a month	<ul style="list-style-type: none"> • To address company related strategic and other issues affecting both parties relating to the Vaal River operations.
Vaal River NUM branch committee	16 NUM representatives 6 AngloGold Ashanti representatives	Every 6 weeks or ad hoc	<ul style="list-style-type: none"> • To address issues affecting both parties, relevant to VR area. • To increase capacity of shaft committees
NUM shaft committee	3 full time stewards per business unit committee and management	As decided at business unit	<ul style="list-style-type: none"> • Workplace issues • Operational issues

Note: Any level of interaction may be extended to include the participation of other unions and associations for matters of common or mutual interest.

- At AngloGold Ashanti Mineração in **Brazil**, programmes are in place to provide employees with the opportunity to raise issues with management on a regular basis. At Cerro Vanguardia in **Argentina** employees are organised into self-managed groups.
- In **Mali**, union committees exist at all three operations and regular participatory meetings take place. Safety representative committees and joint health and safety structures are in place to manage safety and health on the mines. Communication forums with local management level employees take place on a monthly basis.
- At Geita mine in **Tanzania**, senior and junior staff representative councils are in place and meet with the general manager on a monthly basis. Safety representative committees and joint health



and safety structures are in place and a monthly consultative meeting is held with all senior staff to discuss the mine's performance and other operational issues.

- The Mineworkers Union of Namibia committee meets regularly with management at the Navachab mine in **Namibia**. Safety representative committees and joint health and safety structures are also in place.
- The **Ghana** region has a Mine Standing Negotiation Committee which provides a consultative platform for management and branch unions to discuss issues of common interest. The union is also represented on the divisional board of the company.

At the **USA** and **Australian** operations, where the workforces are not unionised, communication with and participation by employees is encouraged.

Constructive industrial relations

The group aims to have constructive relations with representative and recognised unions and associations and industry forums representing employees. Some 14,200 man days were lost to industrial action during the year at Morila, Yatela and Geita. (These were a result of industrial action by largely contractor employees.)

In **South Africa**, the industrial relations climate can currently be described as constructive and stable. During the year disputes have been declared by NUM in the South Africa region regarding:

- grading issues pertaining to machine operators; and
- the introduction of additional screening tests for new recruits.

No days were lost due to strike action in South Africa. The disputes are being addressed through ongoing communication and facilitation.

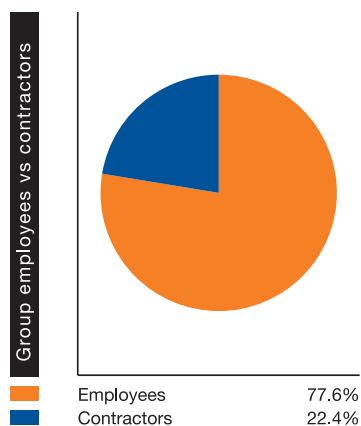
- A two-year dispute regarding the legal obligation of the company to pay a bonus scheme (prime de rendement) resulted in a three day strike at the Morila Mine in **Mali** in March 2004. This dispute was resolved in November 2004. (*See case study: Managing labour relations: 'Prime de Rendement' dispute at Morila on page L28.*)
- The mining contractor at Yatela mine in **Mali**, Moolman Brothers, experienced two strikes in 2004 which had an impact on operations. One lasted for three days (a sympathy strike with employees at Morila) and one lasted for seven days (as a result of a dispute relating to conditions of employment). Both were resolved through negotiation.
- The mining contractor, DTP, at Geita mine in **Tanzania** experienced a seven day strike relating to union recognition. The majority of employees returned to work; 207 employees were dismissed by the contractor.
- No industrial action was experienced at the Sadiola mine in **Mali**, the Navachab mine in **Namibia**, at any of the **Argentinian, Brazilian** or **USA** operations, or the **Australian** operations.
- No industrial action has been experienced in **Ghana** during the year. However, employee concerns relating to the AngloGold Ashanti business combination and, in particular, payouts to senior employees in terms of share option schemes at that time, have surfaced and are being dealt with.

The mining industry is still relatively new in **Mali** and the industrial relations movement is undergoing a natural growth process. The company is currently contributing towards a commission that is rewriting and modernising labour legislation, which is likely to assist in the management of labour relations and building relations with the unions in the future.

Employment equity and diversity management

Diversity management

By virtue of its size and the fact that the group currently has operations and interests in a host of different countries across five continents, AngloGold Ashanti is active in culturally diverse societies. This brings with it both opportunities and challenges. It is for this reason that a board committee, the employment equity and development committee, chaired by board deputy chairman Dr James Motlatsi, is charged with overseeing the development of opportunities in the company for all employees, and to encourage all employees to achieve their optimal levels of career development. In doing this, due cognisance is given both to the diversity of the societies in which the group operates and their historical context. Operations in **Mali, Namibia, and Tanzania**, for example, all run cultural diversity programmes aimed at creating cultural awareness, promoting diversity and developing



cross-cultural understanding. A revised diversity policy has been compiled in the **Australia** region and is currently being canvassed amongst employees and management.

Employment equity and localisation of jobs

Employment equity forms a part of AngloGold Ashanti's broader human resources strategy which seeks to promote an organisational culture that recognises the diversity of the societies within which the company conducts its business, and which affords all employees the development opportunities that will enable them to achieve their optimal levels of career development in the course of their employment with the company. Key elements of the group's employment equity programme include employee development and retention, the implementation of strategies to counteract losses, to develop careers and to promote mobility in an environment that is free of discrimination.

Employment equity and/or equal opportunity targets are set and their achievement is monitored by a board sub-committee – the employment equity and skills development committee. In South Africa the employment of Historically Disadvantaged South Africans (HDSAs) is a particular priority. Employment targets and achievements are reported to the South African Department of Labour on an annual basis. Within South Africa, 32% of management comprises HDSAs. (The latter term includes citizens of countries within the South African Customs Union – SACU – and Mozambique. Managerial employees are defined as those in supervisory and management roles in Paterson job grades C-upper and above).

Within South Africa, 28% of management comprises HDSAs if managerial employees are defined as those in supervisory or management roles, Paterson job grades DL and above, as required by the Mining Charter.

In most of the countries in which it operates, cultural, racial and gender equity is governed by legislation. In the absence of such legislation, the AngloGold Ashanti business principles are followed.

- In **South Africa**, for example, the Employment Equity Act and the Broad-based Socio-economic Empowerment Charter (the Mining Charter) both cater for the promotion of HDSAs. An employment equity and skills development committee was launched at the corporate office in 2004 with the aim of identifying and promoting issues of employment equity and diversity, and monitoring compliance with statutes and regulations. The South Africa region has developed policies regarding equal opportunity employment, a framework promoting opportunities for women in mining, sexual harassment (see below), and fair practices for appointments and promotions. A framework for diversity training which aims to create sensitivity to diversity has also been developed and is being implemented at various business units
- At Navachab in **Namibia**, equal employment and affirmative action are legislated for under the Employment Equity and Affirmative Action Act. The mine's recruitment policies are aligned with this legislation and the mine complies fully with the Act.
- In many African countries, such as **Mali, Namibia and Tanzania**, legislation governs the recruitment of expatriate employees and promotes the localisation of the workforce. Policies are in place giving preference to the employment of local citizens (rather than expatriates). Plans to increase employment of local citizens and consequently reduce the number of expatriates (particularly at a management level) are in place at these operations and entail the identification and training of local citizens to replace expatriate staff once they have the requisite skills. The

Dealing with discrimination

The USA's Equal Employment Opportunity Policy prohibits discrimination on the basis of age, race, sexual orientation, colour, religion, national origin, marital status, disability, or any other status protected by law. It also prohibits harassment on any of these bases. This policy is contained in the employee policy and benefit handbook that is given to all employees and posted on all bulletin boards in the company offices. Violation of this policy results in disciplinary action and could include termination of service. The policy also prohibits retaliation against an employee for filing a complaint under this policy or assisting in a complaint investigation.

Communicating the values in South America

AngloGold Ashanti's values were launched at the regional offices within the South America region initially by group CEO, Bobby Godsell, to senior management and representatives of the various offices and operations. This was followed up by launches on every site for each shift. A values calendar was distributed to all employees and contractors.



percentage of local people employed at these operations was 97% during the year. (See case study: *Malian bursary scheme develops managers of the future on page L27 of this report*).

- In the South America region (**Argentina** and **Brazil**), expatriate labour is used only when required to fill key positions that can not be otherwise filled by locals. Currently, this is less than 1% of total staff.
- In **Ghana**, the use of expatriate labour is overseen by government and the state annually approves the company's expatriate quota. Expatriates are employed on a two-year contract during which local staff should be trained to take over their roles.

Dealing with harassment and discrimination

AngloGold Ashanti is committed to creating workplaces which are free from harassment or unfair discrimination. Racial and sexual harassment and any form of discrimination are usually prescribed by law; nonetheless, specific policies are in place at all AngloGold Ashanti's operations to protect the interests of employees.

In the **Australia** region, for example, policies dealing with harassment and unfair discrimination were in place prior to the acquisition of these assets by what is now AngloGold Ashanti, and are designed to ensure compliance with stringent legislation. The policies are available on the company intranet, they form part of the induction process for new employees and regular training is provided for employees in this regard. An important part of this diversity policy relates to equal opportunities for women. The Australian operations have to report progress to government authorities an annual basis.

The **USA** has a comprehensive legal regime that addresses discrimination. In line with the Civil Rights Act, this region has developed an equal employment opportunity policy that prohibits discrimination on the basis of age, race, sexual orientation, colour, religion, national origin, marital status, disability, or any other status protected by law.

Issues relating to harassment and unfair discrimination are covered in the **Ghana** region's handbook on corporate governance. Each employee is given a copy and signs his/her acknowledgement of its contents on appointment.

In **South Africa**, a sexual harassment policy was put in place in 2002 so as to ensure that sexual harassment is dealt with as a serious form of misconduct, to expedite reporting, and to handle complaints. Half-day workshops on the policy were conducted among all staff at the corporate office and the policy is currently being rolled out to the business units. Equity and non-discrimination are also promoted through the AngloGold Ashanti values. Where no specific policies exist, the values are the reference point for employees and managers.

Training and development

Training and development is a primary focus area for the group. In line with AngloGold Ashanti's belief that that all employees should be provided with the opportunity for appropriate training which improves their workplace competencies, the company is also committed to ensuring that every employee has the opportunity to become numerate and functionally literate in the language of their workplace. During 2004, some \$28 million was spent on training and development programmes across the South Africa region.

Four broad areas of training are identified:

Vocational training

While many of the group's employees come to the company with skills, the group also plays an active role in providing for vocational training. (See case study: *Apprenticeship programme at Obuasi on page L25*).

In **South Africa**, where 69.4% of the group's employees are based, the company is registered with the Mining and Minerals Sector Education and Training Authority (SETA) known as the Mining Qualifications Authority (MQA), a tripartite body formed between labour, the state and employers. The South Africa region's centralised training venue provides accredited technical training in the following core disciplines: mining, mining services, engineering, metallurgy, and occupational environment safety and health. The centre is ISO 9002 certificated and accredited by the MQA. Skills programmes and learnerships presented at the centre are outcomes-based and provide employees with the necessary knowledge and skills to do their work safely and efficiently.

In **Brazil**, for example, vocational training is provided by a range of institutions – 40 Serra Grande employees started a two-year mining technicians course at the National Industries Services School (SENAI) in Crixas Brazil. Nine employees were admitted to SENAI from AngloGold Ashanti Mineração for mechanical and electrical engineering apprenticeships during the year, while five trainees were sponsored to study at the SEBRAE technical school of management.

Adult Basic Education and Training

It is the company's policy to provide Adult Basic Education and Training (ABET) to ensure that all employees are able to become literate and numerate. (All employees at the **Australian** and **USA** operations are literate.)

To be literate in a particular language, an individual should be able to use the language effectively to think and acquire knowledge, express their identity, feelings and ideas, and interact with others. To be numerate, an individual should be able to develop the ability and confidence to think numerically in order to interpret and critically analyse everyday situations and to solve problems.

Achieving 100% literacy and numeracy amongst employees has long been a target for AngloGold Ashanti. More recently, however, the **South African** Mining Charter requires that all employees are offered the opportunity to become functionally literate and numerate within five years of conversion to new order mining rights.

During the past 12 years some 32,000 employees have attended ABET in South Africa. 76% of all supervisory employees (some 10,060 employees) have an ABET qualification; 45% of all employees have an ABET level 3 and above qualification. ABET has three qualification levels, 1, 2 and 3. ABET 1 is equivalent to three years of formal education, ABET 2 to five years and ABET 3 to seven years. As from 2004, the equivalent of ABET 4 – NQF1 – is available to employees.

Through the Recognition of Prior Learning Programme (RPL), workers' current level of education can be established and acknowledged. RPL also assists the human resources departments in the career path planning of employees. (See case study: *Adult Basic Education and Training for all on page L29 of this report*).

Full-time and part-time courses are held at the ABET centres and at individual mines at Vaal River and West Wits. Full-time ABET courses, which are generally for candidates who have been identified for career advancement, are run over a period of 10 weeks, and part-time courses over six months.

Literacy levels at the **Malian** and **Tanzanian** operations have been improving mainly through employee self-development. Company-sponsored French and English literacy programmes for these operations are being investigated.

The literacy level at Obuasi in **Ghana** has been improving year on year mainly as the older generation of employees who could not read or write have retired and a younger, schooled generation is employed. Although literacy classes are offered to employees on a part-time basis by the company, participation to these has been poor. At Bibiani, literacy is a prerequisite for employment.

While the level of literacy at the South American operations in **Argentina** and **Brazil** is very high (99.95%), English training is provided on site for those who wish to learn the language, and more than 150 people attended classes at these operations during the year. Employees are also encouraged to

Estimated levels of literacy at the African operations	
Bibiani	100%
Geita	65%
Iduapriem	100%
Morila	85%
Navachab	100%
Obuasi	93%
Sadiola	68%
Siguirí	100%
Yatela	75%

Workplace languages:	
Argentina	Spanish
Australia	English
Brazil	Portuguese
Ghana	English
Mali	English and French
Namibia	Afrikaans and English
South Africa	Afrikaans, English, Shangaan, Xhosa, Zulu
Tanzania	English
USA	English



complete their initial schooling – at Cerro Vanguardia 14 employees participated in a basic education programme during the year, while at Serra Grande 45 employees attended classes and received junior high school certificates.

Management training

Four individuals participated in the group-wide Executive Development Programme (EDP) in 2004 (six in 2003), drawn from **South Africa** and **Australia**. This programme exposes candidates to high-level courses at a range of tertiary education institutions.

In the **South Africa** region, the development of senior employees in South Africa is catered for by the company's Management Development Programme (MDP); the region also offers an Intermediate Management Development Programme (IMDP), where younger employees with management potential are identified and given an opportunity to develop their careers. The **Malian, Tanzanian and Namibian** operations also participate in this programme, and – for the first time in 2004 – participants joined from the **USA, Argentina and Brazil**.

The group's Talent Management Programme identifies and develops the group's management for the future. The programme has three areas of intervention:

- development, through a range of management development programmes;
- retention, which is the mentorship of individuals as well as the allocation of special projects for identified talent; and
- monitoring of talent, which includes an annual talent review at executive level to monitor succession plans for talented employees.

The programme is aimed at:

- specific individuals, who have been identified through their career development plans; and
- groups of individuals with high potential attending a range of management development programmes.

Development plans form part of the greater performance management process within the group and is reviewed on a bi-annual basis.

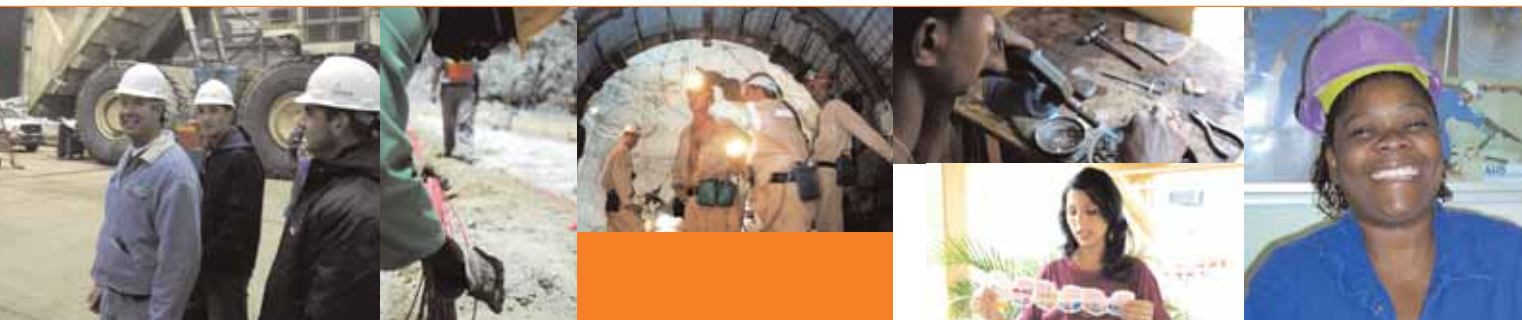
Developing talent in the African operations

Through a process of development panel interviews, performance reviews and succession planning, talented employees are identified for development. This pool of talent is reviewed on an annual basis.

Development plans are put in place for these individuals including formal training programmes, exposure visits (to other operations), special project assignments and developmental moves to other locations.

Both the MDP and IMDP programmes were developed in partnership with the Graduate School of Business at the University of Cape Town. They each carry academic accreditation; in the case of the MDP it is equivalent to a post-graduate qualification. This allows for the company's needs for better trained managers to be met, while also fulfilling employees' requirements to obtain publicly recognised qualifications.

Programme	Number of candidates:		Country of origin
	2004	(2003)	
Executive Development Programme	4	(6)	South Africa, Australia
Management Development Programme	43	(39)	Australia, Brazil, Mali, South Africa, Tanzania, USA
Intermediate Management Development Programme	33	(34)	Mali, Tanzania, South Africa



Graduate training

Study assistance programmes for employees and non-employees are provided across the group to increase the skills pool available to AngloGold Ashanti.

The **South Africa** region spent \$1.79 million (R11.5 million) on bursaries for 112 students in a wide variety of disciplines and at a number of tertiary education institutions. The bursary scheme is open to employees (in-service bursary scheme), and school leavers. Currently, the students are pursuing tertiary studies in:

- mining: 34 (22 at technikon, 12 at university);
- engineering (mechanical, heavy current electrical, as well as process and instrumentation control): 36 (14 at technikon, 22 at university);
- metallurgy: 17 (4 at technikon, 13 at university); and
- mineral resource management (geology and survey): 25 (3 at technikon, 22 at university).

In respect of the 112 students, 34 are employees, and 78 are school leavers. Successful completion of the tertiary qualification by non-employees may result in an offer of employment for in-service training. If accepted, the recruit will undergo an approved training programme for his or her selected discipline to equip him or her with the skills and knowledge necessary to progress on a defined career path.

A bursary scheme was implemented in **Mali** in 2004. Ten top school leavers entered into graduate studies at the University of the Witwatersrand in Johannesburg, South Africa, in the disciplines of mining, engineering, metallurgy, environment and geology, following a language bridging programme at the Wits Technikon at the end of 2003.

Three bursaries were awarded by the Navachab mine in **Namibia** in 2004 for study in the disciplines of mining, metallurgy and geology.

In the **USA**, the company offers scholarships to eligible employee dependents to assist them with their college education. Some \$47,000 was spent on this programme in 2004. The company also provided tuition reimbursement to employees wishing to pursue a college degree in a discipline related to their position in the company at a cost to the company of some \$40,000 during the year.

In **Ghana**, company bursaries are granted to the dependents of employees who have gained admission to government-approved secondary and tertiary educational institutions, with 1,380 bursaries having been granted during 2004 at a cost of some c1.2 million per person.

Staff at the **corporate office** may participate in the company's part time study assistance in respect of studies undertaken for the purposes of career development.

In **South America**, efforts to increase the skills and educational levels of employees reaping rewards, with a 35% increase in the number of employees holding university degrees as at the end of 2004.

At **Navachab** in Namibia, a study policy was implemented during the year which allows for employees to embark on part or full time studies for career and self-development.

Training for life

Training for life is a relatively new concept in the mining industry and one that is increasingly being associated with the end of mine lives. Training for life equips employees or ex-employees with skills to ensure their continued employability or ability to be self-employed after employment by the company and in preparation of career endings, both as a result of ill health or as a result of mine closure.

The group's aim is to deliver excellent and valued training and development opportunities to all employees which would be broadly applicable and transferable; this is evident in the broad spectrum of programmes made available to employees, ranging from basic literacy and numeracy learning, through to superior technical training as well as executive development at top business schools of international repute.

Generally all employees who leave the company's employ through retrenchment are offered re-training in a skill that will assist them to remain economically active within their community. The type of skills include photography, engineering skills, candle-making, leather work etc.

Developing talent for the future

Over the past five years AngloGold Ashanti's **South American** operations have been relying on a novel training and development programme to prepare newcomers and to develop talent for the future.

The course, known as the Trainee Development Programme, has been conceptualised and designed specifically for future incumbents of technical and managerial positions. With a duration of 12 to 15 months, the training includes exposure to a broad range of the company's activities, its values and policies, with a particular focus on safety, environment, human resources and external affairs including developing and maintaining stakeholder relationships. Opportunities exist for trainees to become familiar with finance and personnel management, while visits to other South American operations are included to broaden experience and to encourage interaction among operations.

Graduates between 23 and 28 years of age with a sound knowledge of geology, mining, metallurgy and other related disciplines, and a knowledge of both computer science and English at an intermediate level, would stand to benefit from the programme, which provides an opportunity for up to five newcomers annually. Aspirant trainees are selected by external recruitment offices, and are subject to many interviews, technical and psychological testing and an assessment by departmental managers.

Progress assessments are conducted periodically by managers and counsellors. The candidates are responsible for producing reports on the work they do and the operations and departments visited, with recommendations for improvements. On concluding the programme, the trainee is expected to present an 'applicable project' which he may consider of interest to the company.

At the end of the training period, trainees are assigned to suitable positions at the operations. Outstanding candidates are rewarded with a period of training abroad in order to broaden their exposure to the organisation and its culture.

Most mining operations in **Australia** have fly-in, fly-out arrangements owing to their remote location which leads to high staff turnover. The company has a policy of maintaining a full development plan for all employees, not only in relation to their current roles but also for potential roles and their general employability, skills and competencies.

Fair remuneration and benefits

The company seeks to remunerate employees fairly at both an individual and team level. Remuneration levels are set taking into account the market as well as economic and inflation indicators. There is generally an annual review or annual negotiations with the representative unions in respect of those employees covered by collective bargaining agreements.

In **South Africa**, in particular, by far the majority of remuneration elements, although focused on the individual, are the result of collective bargaining between management and the representative unions. This has given rise to standard rates of pay for the majority of employees (non-supervisory employees and miners and artisans) rather than pay scales in which employees are remunerated for contributions, as in the case of management and officials. A process is currently underway between management and the representative unions to restructure the conditions of employment for miners and artisans in order to move away from standard rates to pay scales.

In addition to basic pay, various productivity and safety bonus schemes exist at most operations to both motivate and reward employees. As well as employee benefits that are legally mandated the various regions offer health care benefits, pension and provident funds, company vehicles, housing, housing allowances or home ownership schemes, life assurance, tuition assistance, maternity benefits, and subsidised canteens, amongst others.

Provision of health care

AngloGold Ashanti provides a comprehensive health care service to employees, especially in South Africa, where the majority of the company's employees are located.

- In **South Africa**, AngloGold Health Service (AHS) runs two occupational health centres, which are staffed by two doctors and some 30 support health care practitioners each. In addition, comprehensive health care is provided to employees and some dependents.
- Health care is provided by an external service provider in South America (**Argentina** and **Brazil**) to employees and their families.
- The **Malian** operations have on-site mine clinics that are registered with the National Health authorities and provide health care for all employees and registered dependents.
- Health care in **Tanzania** is provided for employees and their dependents at an on-site mine clinic and local health care structures. The mine supports the upgrading of the facilities at the local Geita hospital and offers technical support to its staff. The on-mine occupational health clinic has also recently upgraded its facilities.
- Employees at the Navachab mine in **Namibia** are members of a medical scheme to which the company contributes and employees are entitled to private health care as part of this scheme. An on mine clinic provides primary health care and occupational health services.
- Health care services are provided to the employee, his or her spouse and six dependents at the Edwin Cade Memorial Hospital at Obuasi in **Ghana**, while the Iduapriem mine has a 24 hour clinic on site catering for employees and dependents.
- In **Australia**, health care is provided by the national government run health system as well as employee funded additional health insurance. On-site nurses are employed and other health care professionals are contracted to provide a level of care.
- In the **USA**, access to health care for employees is provided through a self-insured medical plan administered by a third party administrator.

Broadening horizons - secondment as a form of people development

Being part of a global company has the advantage of broadening career opportunities and offering new experiences. *(See case study: Being part of a global group – the opportunity of secondment on page L26)*

"The company's secondment policy is an important element of the overall picture of developing people," says Leanne Gordon, human resources manager, AngloGold Ashanti Australia.

The Australia region is well represented in other parts of the AngloGold Ashanti group with 13 of its permanent employees currently seconded for periods of six months to three years on overseas assignments. This ranges from geologists working in Mali, Tanzania, China and Mongolia to a mine manager in Mali, and metallurgists in South Africa.

Matt Painter, a structural geologist recently returned from 12 months at Geita Gold mine in Tanzania, says of his experience: "Professionally, it was a great opportunity to work on what is shaping up as one of the world's great gold orebodies. I felt that I was also able to contribute my knowledge and experience in tangible ways that have benefited, and will benefit, mining at Geita."

Recently, the company also sponsored four young professional employees in the areas of mining engineering, training and development, metallurgy and geology on a two-week management training visit to the South African region. Suze Loughnan, training coordinator for geology at Sunrise Dam Gold Mine was one of the four participants. "What an eye opener into a global company... it was unbelievable to see the presence of AngloGold Ashanti in South Africa in terms of how the company cares for its people and ultimately walks the talk."

Providing health care to employees and dependents in South Africa

AngloGold Ashanti strives to provide equitable health care funding for employees and their dependents. Health care provision and acceptable levels of care are determined by, among other factors, the infrastructure within the areas in which the employees are located. For the distant communities with which AngloGold Ashanti is associated, the focus is on facilitating access to, and enabling the state to fulfil its responsibilities in the provision of basic care.

AngloGold Health Service (AHS), a subsidiary of AngloGold Ashanti, operates in the core operating areas. Each operating area has a central hospital providing secondary, and to some extent tertiary level care, surrounded by a network of peripheral primary health care and occupational health clinics.

Health care activities which focus on care to employees in these areas and care to immediate dependents where appropriate, include:

- preventative health care
- occupational health care
- primary health care
- hospital care
- management of trauma, and injury on duty, and
- management of HIV/AIDS and tuberculosis.

The occupational health discipline performs the functions of screening prior to employment, evaluation of baseline health status, and surveillance during employment for purposes of early detection of disease (particularly high risk diseases commonly associated with the mining industry) and directing the management of diseases detected, including workplace and compensation initiatives required.

The primary health care discipline aims to provide care at an appropriate level at peripheral sites, facilitating patient access and enhancing cost-effective utilisation of resources. The service caters for both work-related and non work-related illness and injury. All patients who cannot be appropriately managed at this level are referred to the central hospital. The central hospital in each area has some 300 beds with, in addition to admission facilities, emergency rooms, operating theatres and multi-disciplinary intensive care units. Speciality disciplines include:

- internal medicine
- general surgery
- orthopaedic surgery
- ear, nose and throat surgery
- radiology
- paediatrics
- obstetrics, and
- gynaecology.

These clinical disciplines are supported by the allied clinical disciplines of physiotherapy, occupational therapy and clinical psychology, which together ensure comprehensive patient care and rehabilitation.



Responding to regional health threats

The primary regional health threats faced by employees and their families and communities are HIV/AIDS and malaria. (TB is dealt with under the Occupational Safety and Health section of the Report to Society 2004.)

Provision of accommodation and nutrition

Accommodation

For the most part, mining operations are located in remote areas, drawing employees to the operations who would normally not be accommodated locally. The provision of company accommodation varies from region to region and is dependent on the availability of accommodation, the make-up of the workforce and the remoteness of the region. In the major cities, like Johannesburg, Denver, Perth, etc, housing is readily available. The same applies to a number of the operations, such as at CC&V.

At Sunrise Dam, **Australia**, many employees operate on a fly-in, fly-out basis and accommodation is therefore provided during the period that employees are at work.

At Cerro Vanguardia, in **South America**, many employees come from outside the immediate area of operation and houses have either been constructed by the company in nearby Puerto San Julian, or facilities erected at the mine site. The current facility comprises 335 rooms and will be extended during 2005 to further accommodate a growing workforce.

At the Morila and Yatela mines in **Mali**, senior staff are housed in company accommodation, while other staff are paid housing allowances. 80% of employees are housed in company accommodation at the Sadiola mine, and the balance receive housing allowances.

A housing loan scheme (for home ownership) is available for senior employees at Geita mine in **Tanzania**; the balance of employees receive a housing allowance. 90% of employees at Navachab in **Namibia** are housed in company housing; the remainder of employees receive a housing allowance (for rental accommodation).

In **South Africa**, programmes are in place to encourage home ownership. Many employees are housed in company accommodation. Nutritional professionals oversee meals provided at staff accommodation, and regular health audits are conducted. (See box on page L18.)

Amohelang – a new centre for tetraplegics

Amohelang, which means ‘we accept’ in SeSotho, is the new centre for tetraplegics which was opened in March 2004 by AngloGold Ashanti CEO Bobby Godsell. The centre was previously located at Ithuseng on the premises of the Ernest Oppenheimer Hospital in the Free State. Currently it houses 34 tetraplegics.

It is AngloGold Ashanti’s philosophy to care for employees who, as a result of some tragic event and/or injury at work, become disabled due to spinal injuries. The majority of those who are housed here have suffered work-related injuries, or injuries resulting from non-mine incidents, such as car accidents.

Tetraplegic is a term given to somebody who is paralysed from the neck down but has use of his hands. This type of injury is an infrequent occurrence - the last person to be admitted to the centre was in 2002. Amohelang becomes a home for the individual who for one or another reason cannot - or decides not to - return to his own home. There are often many reasons for this including the fact that the centre provides the extra care that many would not find in their own homes, particularly in rural areas.

Amohelang has a budget of about R6.7 million (\$1.05 million) per year. The new unit can accommodate up to 48 persons and is equipped with kitchen and dining room, gymnasium for physiotherapy, TV Room, office facilities for the medical staff, six family units for visitors, wheelchair-friendly ablution facilities, and a wheelchair workshop for wheelchair repairs, amongst other things.

The facility is run professionally with suitable staff including the unit manager, three professional nurses, five enrolled nurses, five enrolled nursing auxiliary personnel, 24 caregivers, as well as the cleaning staff. The centre has purchased a multi-purpose van for transporting individuals to and from the local town for additional care and for outings.



Addressing issues of accommodation in the South African mining industry

Historically, the South African mining industry has drawn a large percentage of its non-supervisory workforce from countries around South Africa - Lesotho, Mozambique, Swaziland and Botswana - as well as from rural areas within South Africa - such as the Eastern Cape, KwaZulu-Natal and Mpumalanga. These employees are accommodated on-mine in company hostels which comprise high-density rooms (housing between four and eight people per room), catering facilities and entertainment and recreational facilities. Their families, though, were not offered accommodation on-mine and remained in their countries or regions of origin.

Over the years, much effort has been focused at lowering room density, improving facilities (adding classrooms and gyms, for example), and transferring management of these hostels to combined union/management committees. More family units have been constructed and facilities to accommodate visiting families for periods of time have also been constructed. At the same time, employees have been given an option of receiving allowances if they choose not to use the hostel facilities.

Hostel living is not ideal and not conducive to family life. However, even where employees have an option large numbers remain on-mine without their families, choosing to reside either in company accommodation or elsewhere (and, if the latter is chosen, receiving an allowance). Many employees canvassed by the company choose to maintain their homes and families in their country or region of origin, and return to their homes at the end of their employment.

The numbers of employees accommodated in hostels has declined to 65% in 2005. Currently, 23,400 employees are accommodated in the nine company hostels.

Plans are in place to renovate many of these, with the emphasis on the longer-life operations, to decrease room density and provide residents with improved facilities and a greater degree of privacy.



L20 | 5 Reporting in line with GRI 

Social performance indicators:	
Labour practices and decent work	
Core indicators	Additional indicators
Employment	
<p>LA1. Breakdown of workforce, where possible, by region/country, status (employee non-employee), employment type (full/part-time), and by employment contract (indefinite or permanent/fixed term or temporary). Also identify workforce retained in conjunction with other employees (temporary, agency workers or workers in co-employment relationships), segmented by region/country</p>	<p>LA12. Employee benefits beyond those legally mandated. (eg. contributions to health care, maternity, education and retirement)</p>
<p>65,400 people (monthly average) worked at AngloGold Ashanti during 2004, comprising 50,737 employees and 14,663 contractors</p>	<p>Employee benefits vary from region to region. <i>(See discussion on page L16)</i></p>
<p>LA2. Net employment creation and average turnover segmented by region/country.</p> <p>AngloGold Ashanti employed a monthly average of 65,400 people during 2004. For a breakdown per country, see page L3. For a breakdown of turnover per operation, see the section on economic performance</p>	
Labour/management relations	
<p>LA3. Percentage of employees represented by independent trade union organisations and other bona fide employee representatives broken down geographically or percentage of employees covered by collective bargaining agreements broken down by region/country</p>	<p>LA13. Provision of formal worker representation in decision-making, including corporate governance</p>
<p>83.5% of all employees are represented by trade unions or an industry collective bargaining agreement</p>	<p>Provision is made for both formal and informal employee participation at all operations</p>
<p>LA4. Policy and procedures involving information, consultation and negotiation with employees over changes in the reporting organisation's operations (eg. restructuring)</p> <p>Various policies and procedures are in place: These include:</p> <ul style="list-style-type: none"> ● Chamber of Mines 1997 Wage Agreement and Job Grading Agreements in South Africa and various Recognition Agreements ● Workplace Relations Policy, Equal Opportunity Policy and Fair Employment Guideline in Australia ● Malian Labour Code and Malian Collective Agreement ● Tanzanian Employment Act ● Recognition Agreement at Navachab Mine 	

Social performance indicators:	
Social performance indicators: Labour practices and decent work	
Core indicators	Additional indicators
Training and education	
LA9. Average hours of training per year per employee by category of employee	LA16. Description of programmes to support the continued employment of employees and to manage career endings
Not available	It is the group's philosophy that training and development programmes should support the continued employability of individuals after employment by the company and in preparation for career endings, both as a result of ill health or as a result of mine closure. <i>(See discussion on page L12)</i>
	LA17. Specific policies and programmes for skills management or for lifelong learning
	Performance management and talent management programmes are in place across the group, as well as training and development programmes to refresh, upgrade and learn new skills. Study assistance is also available to employees and, in some regions, to their dependents
Diversity and opportunity	
LA10. Description of equal opportunity policy or programmes as well as monitoring systems to ensure compliance and results of monitoring	
Equal opportunity policy is regulated by law in many of the countries in which the group operates. Additionally, policies and programmes are in place at all operations.	
LA11. Composition of senior management and corporate governance bodies (including the board of directors), including female/male ratio and other indicators of diversity as culturally appropriate	
Efforts to align the composition of management and the board to reflect appropriate representation of women, and other culturally diverse groups are in place.	

Human rights	
Core indicators	Additional indicators
Strategy and management	
HR1. Description of policies, guidelines, corporate structure, and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results. State how policies relate to existing international standards such as the Universal Declaration and the Fundamental Human Rights Conventions of the ILO	HR8. Employee training on policies and practices concerning all aspects of human rights relevant to operations. Include type of training, number of employees trained, and average training duration
Human rights are entrenched within the company's values and business principles, and regulated by legislation in most of the countries in which AngloGold Ashanti operates	The company's values and business principles have been communicated to employees and various forms of training have been provided to employees, particularly security personnel
HR2. Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors	
There is a vendor approval process in place to ensure that vendors meet the minimum requirements of doing business with AngloGold Ashanti. All vendors are required to comply with labour legislation to ensure that there are no human rights abuses. A further example would be the 'guidelines for contractors' which stipulates minimum compliance requirements for contractor employees	
HR3. Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring	
There is a supplier monitoring committee in place that discusses non-compliance or unethical behaviour by suppliers. If there is evidence to suggest wrong doing, the supplier/contractor is removed from the approved vendor list	
HR4. Description of global policy and procedures/programmes preventing all forms of discrimination in operations, including monitoring systems and results of monitoring	
Policies relating to discrimination and harassment are in place at all operations and are guided by both the company's business principles, as well as local legislation	
HR5. Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures/programmes to address this issue	
Freedom of association is entrenched within the company's values and business principles, in legislation in many of the countries in which the group operates and within regional recognition agreements and policies. In addition, AngloGold Ashanti is party to a <i>bilateral international agreement with the International Federation of Chemical, Energy, Mine and General Workers' Unions (the ICEM)</i> on the promotion and implementation of good human and industrial relations in AngloGold Ashanti's operations worldwide	

Human rights	
Core indicators	Additional indicators
Child labour	
HR6. Description of policy excluding child labour as defined by the ILO Convention 138 and extent to which this policy is visibly stated and applied, as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring	
In addition to the business principles in which this is entrenched, the prohibition of child labour is also contained within and monitored in terms of the legislation of the various countries in which the group operates. See discussion on adherence to ILO principles on page L7	
Forced and compulsory labour	
HR7. Description of policy to prevent forced and compulsory labour and extent to which this policy is visibly stated and applied as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring. See ILO Convention No. 29, Article 2	
In addition to the business principles in which this is entrenched, the prohibition of forced or compulsory labour is also contained within and monitored in terms of the legislation of the various countries in which the group operates. See discussion on adherence to ILO principles on page L7	
Disciplinary practices	
	HR9. Description of appeal practices, including, not limited to, human rights issues. Describe the representation and appeals process
	Disciplinary processes in place at all operations include appeal procedures. Details available on request
	HR10. Description of non-retaliation policy and effective, confidential employee grievance system (including, but not limited to, its impact on human rights)
	Grievance procedures in place at all operations. Details available on request

L24 | 6 Scorecard

Objectives for 2004	Review of 2004	Objectives for 2005
Alignment of human resource development initiatives with the Mining Charter in SA	Largely complete. Submissions were made for conversion of old order to new order mining rights (in line with the Charter) for all of AngloGold Ashanti's South African operations during the year	Adherence to and achievement of the guidelines and targets set in the submissions made
Further implementation of employment equity strategy in South Africa to meet targets	Progress reported to the Department of Labour. <i>(See discussion on page L12)</i>	
Full scale implementation of talent management programme	Largely implemented	
Roll out of mission, values and business principles	Largely concluded	
Roll-out of whistle-blowing initiative	Largely concluded. <i>(See discussion in Ethics and Governance section of the Report to Society 2004)</i>	

7.1 Apprenticeship programme at Obuasi

Over the years, the Engineering Training Centre at the Obuasi mine has grown from being a very basic facility to a significant skills development centre in Ghana. The development programmes offered by the centre prepare students for the competitive and technological challenges of an industry that is becoming increasingly mechanised.

The centre, established in 1988, was open only to Obuasi mine employees prior to 1997. With the expansion of the Ashanti group, however, trainees were accepted at the engineering training centre from the Ayanfuri, Bibiani and Iduapriem mines in Ghana, as well as the Siguiri mine in Guinea. Since 1997, this has been expanded to include the training of personnel from various other mining-related companies.

The 20 personnel at the centre, who represent various engineering disciplines, are all permanent employees of Obuasi, and have been drawn primarily from the engineering maintenance department at Obuasi. They therefore bring practical experience to bear on the training programmes conducted. The facilities provided include 16 lecture rooms and workshops which are fully equipped with the appropriate training and audio-visual aids.

In 2001 the centre's apprenticeship training programme was redesigned to focus on the training of polytechnic graduates so as to equip them with the requisite practical experience required for employment in the mining sector. This programme is different in that it takes into account that polytechnic graduates already have some technical knowledge.

The programme is advertised annually. Polytechnic graduates who are interested apply and undergo a selection process that includes an entry examination and interviews.

Successful applicants are admitted as trainees and, on completion of the training programme, those who are needed are employed. The remainder are released into the labour market, but their particulars are retained on file as first choice contacts in future recruitment exercises.

To date, two groups of apprentice trainees – totalling 59 individuals – have successfully completed the programme in six disciplines, namely electrical engineering, instrumentation, welding and fabrication, auto mechanics, diesel mechanics and plant mechanics. About 80% of these have been absorbed as core junior staff employees at AngloGold Ashanti's operations. Of the 260 applicants in 2004, 45 were successful (35 from Obuasi and 10 from Siguiri). About 40 entrants are anticipated for the 2005 year.

The cost to the company is currently, on average, \$6,900 for each trainee over the two-year training period. This amount includes personal protective equipment, monthly allowances and the provision of medical care.



Thomas Brentum from Enchi in Ghana, and his colleagues, rebuilt a heavy-duty engine at the Obuasi Mine engine rebuilding workshop, after completing the Apprenticeship Training Programme in July 2004. According to Brentum, the training received at the Engineering Training Centre has given him the right practical exposure and increased his knowledge as well as his appreciation of the motor mechanic trade. Today he is able to support himself and he sponsors his nephew who is pursuing a six-month computer literacy programme at NIIT in Accra, Ghana's leading information, technology, education and training institute.



L26 | **7.2 Being part of a global group
– the opportunity of secondment**

AngloGold Ashanti currently has 269 employees assigned to posts away from their home countries around the world. This group includes both secondees (permanent employees sent on assignment into other countries); and contractors (individuals recruited to work in another country for a specific period).

Says Mark Stoffberg, international senior human resources manager, “Employees are seconded to countries where their skills are most needed. Cross-border deployment assists in the cross-pollination of skills. South Africa, for example, is home to some of the deepest mines in the world, but the Australian and USA operations have extensive open pit mining experience; these skills can most obviously be deployed at some of the newer operations in Africa.

“Not only does the assigning of employees facilitate the training of the local people, it also stretches the capacity of the assignee. For example, planning in the more remote locations is of the utmost importance as supplies can take up to three months to get to site. Some locations are so remote that they can only be reached within reasonable time frames by air. Many mine sites have had to establish their own infrastructure including power plants, roads, water supply, sewerage and communications. Shops are often non-existent and schooling for dependents can present real challenges. Overcoming challenges such as these can equip the assignee with the skills to take on more responsibility. Assignments can provide invaluable career and management experience as well as exposure to new and different mining and business methods.”

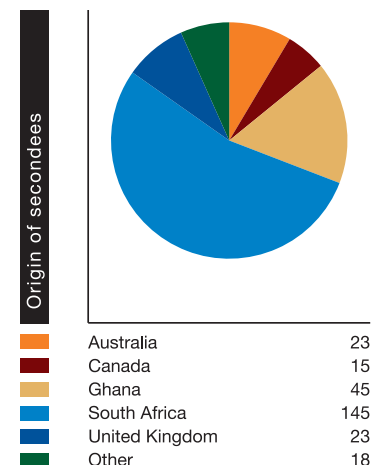
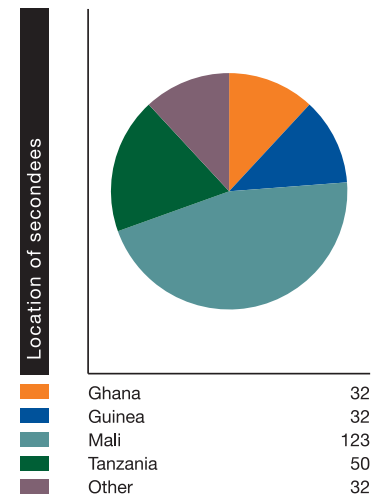
In the more developed countries like Australia, Brazil, South Africa and the USA, pay is in local currency and closer to local salary levels. AngloGold Ashanti makes use of the latest methodologies to calculate competitive assignee packages. Regular surveys are conducted to ensure that expatriates are paid competitively and receive market-related benefits. The company's philosophy is to ensure that the assignee is no worse off than in his/her home country.

Health risks may also abound in remote locations, with malaria and numerous stomach viruses being the chief culprits. To ensure the suitability of the AngloGold Ashanti assignees they are required to pass a medical examination and are psychologically assessed for adaptability and psychological toughness. (See case study: *Setting up tropical travel protocols as global travelling increases on page SH28 of the Occupational Safety and Health section.*)

Another of AngloGold Ashanti's philosophies is that the family should be kept together wherever possible. Schooling in remote locations is either provided or paid for by the company. In countries ranked high in 'hardship', employees are provided with benefits such as free furnished accommodation, nine weeks leave and three flights home, per accompanying family member, per year. Medical cover is provided through BUPA and emergency evacuation cover is provided.

While locations like Johannesburg, Perth and Denver may have less 'hardship' attached, adjustment for a relocated family may be just as difficult. In these locations the company tries to make the transition to the new location as easy as possible by providing the assignees with specialist relocation agents who show the family around and provide assistance with finding suitable shopping centres and schools, opening bank accounts, purchasing vehicles, finding permanent accommodation (temporary accommodation is provided) and getting advice on the local tax legislation.

There are disadvantages to the programme. There are occasionally retention issues if employees do not want to return to their home base, particularly those who have been paid in US dollars and have gained valuable experience, which is then lost to the company. Overall, however, the programme is seen as a very positive experience.



7.3 Malian bursary scheme develops managers of the future

"There are smart people in Mali who don't get the opportunity to extend their knowledge," says Malian student Cheick Ahmadou Tidiane Ba, one of 10 student bursars from Mali, expressing his delight at the opportunity for further study. Although the bursary scheme is not new to AngloGold Ashanti, it is the first intake of bursars from the West African country of Mali, where three of the company's mines are situated.

Every year in Mali scholarships are awarded to the top 30 maths and science students. These scholarships are funded either by the Malian, French or Belgian governments – or tertiary institutions – for university studies in either France or Belgium. In 2002, AngloGold Ashanti proposed to its Malian mine business partners that they assist 10 students in gaining a mining-related qualification from a South African tertiary education institution. The main aim is to groom talent for localisation of its Mali operations; there are currently 19 expatriates, 10 in metallurgical positions and nine in mining positions. In order to build up a localised pool, selected students were given the opportunity to study one of these professions, with a view to taking over completely from expatriates in the future.

The bursars, aged between 18 and 21, attended eight different high schools in the Bamako, Hippodrome and Mopti areas of Mali. All have attained their Baccalaureat Malian, the French equivalent of the A-level exam, studying as main subjects mathematics, physical science, biology and philosophy.

All 10 students have been accepted by the University of Pretoria to study disciplines such as mining engineering, environmental engineering, geology and metallurgy. Their four-year degree courses start at the end of January 2005. In order to encourage the students to remain in the mining industry at the end of their studies, as well as to groom future managers at AngloGold Ashanti's operations as part of its localisation programme, the company has developed incentives in the form of training resources; development through inter-mine exposure; development panel interviews to map out development plans; and regular performance reviews.

Since Mali is French-speaking, a three-month orientation period was provided to improve the students' English skills in preparation for English-instruction lectures at Pretoria University. Even though they had completed a six-month English course before their arrival in South Africa, AngloGold Ashanti felt they would benefit from further coaching in listening, writing, reading, thinking, oral, vocabulary building and research skills. This was provided by the University of the Witwatersrand as part of a bridging course, which also covered aspects of physics, chemistry, mathematics and life skills. In a subsequent Training of English for a Foreign Language (TOEFL) exam, all students exceeded expectations by achieving well above average marks.

The students' first year will be a combination of academic study and practical training. During term time, they'll stay on the university campus, while holiday breaks will be spent gaining underground experience at some of South Africa's deep level mines. The cost per student for one academic year is about R100,000.

The opportunity to pursue a career in the mining industry is limited in Mali and the students know they are some of the privileged few. They are also aware that, since this is a pilot project, the continuation of the programme rests on their success and, as such, they are committed to not only realising the expectations of AngloGold Ashanti, but those of their country. "Our country needs us," says Boubacar Traore, echoing the sentiments of his fellow students, who claim that the Malian gold mining industry bursary programme is an opportunity to empower both them and their people.

AngloGold Ashanti's operations in Tanzania and Namibia already have bursary schemes in place. Two employees from Geita Gold Mine in Tanzania studied at the University of the Witwatersrand and Rhodes University in 2004. Three Namibians, two males and one female, were awarded bursaries in 2004 to study mining engineering, geology and chemical engineering respectively. Namibia's Navachab Mine is to sponsor a further four students to study at Cape Town University and the University of Pretoria in 2005.



L28 | **7.4 Managing labour relations:
'Prime de Rendement' dispute at Morila**

A strike at Morila in Mali was triggered in June 2004 by a dispute over a productivity bonus payment arising from a period of unusually high gold production during the second half of 2002. Members of the Malian mineworkers union, Section Nationale Des Mines Industries (SECNAMI) staged three days of industrial action. The union provided the legally required strike notification and employees were not paid for the period of the strike. The dispute was eventually settled on 5 November 2004.

The dispute arose following the exceptional increase in the grade recovered per ton of ore mined during the third quarter of the 2002 as Morila mined through a geological anomaly colloquially called the 'gold pot'. These high grades were not foreseen, nor were they part of the long-term plan of the mine owing to the high variability in the Morila orebody and the smoothing nature of long-term forecasts.

As a result of this exceptional performance, and to ensure that employees also benefited from this grade windfall, the board of Morila paid all employees an additional one month's gross salary. A further once-off contribution of \$500,000 was made to establish a community development fund. The mine also sponsored the building of mosques in the communities of Sanso and Domba in response to requests from community members.

However, the union demanded the payment of a 'prime de rendement' (productivity bonus) claiming that, in terms of the Industry Collective Agreement, it was obligatory that the mine paid employees a share of the additional gold produced.

The Morila management board views the 'prime de rendement' as a bonus for improvements in efficiencies. Management is also of the view that it has the right, in consultation with the union, to set appropriate criteria for the payment of such a bonus. In consultation with the union, a bonus scheme was introduced using plant throughput, costs, safety performance and gold produced as criteria, encouraging improvements in productivity and rewarding people's efforts primarily in areas over which they have influence. This also encompasses a degree of profit sharing.

As per article 84 of the Industry Collective Agreement, in November 2003 the union and management agreed to refer the dispute to the Interpretation Committee to establish clarity on the legal obligations and method of calculation of a bonus scheme. Unfortunately the Malian labour authorities were unable at that time to convene an interpretation committee. This committee had never been convened before. (According to the agreement the committee should consist of the original authors of the document – only one of the original authors is still living in Mali.) The dispute was therefore referred to arbitration.

On February 10, 2004, the Arbitration Counsel requested Morila to pay a productivity bonus. The dispute on the interpretation was never addressed and no value was attached to the decision. The lack of a definition of productivity and absence of any clarification of the procedure for agreeing criteria and the method of calculation of the productivity bonus led the union committee to resort to its own calculation based on gold production. This calculation resulted in an amount of CFA17.5 billion (\$32.5 million) for three years of mine activity equivalent to approximately 10 to 20 times the annual gross salary of a Morila employee.

After months of negotiations a settlement was finally reached when the parties agreed to the implementation of a productivity-based bonus scheme for the future, and the settlement of payment to employees for past performance amounting to between two and five months salary.



Union membership at Morila

All local employees at all levels at the mine are members of the union although in terms of Malian labour legislation no formal recognition is required and no deduction of union membership fees takes place. Employees are represented by a mine committee of elected union representatives or shop stewards. Collective bargaining is undertaken within the context of the relevant texts of the Mali Labour Code, the National Collective agreement as well as a site-specific agreement.



7.5 Adult Basic Education and Training for all

AngloGold Ashanti's Adult Basic Education and Training (ABET) programme started 12 years ago, as a result of the company's objective of ensuring that all employees are given the opportunity to become functionally literate. Since then, the group has trained more than 32,000 people at its facilities and this number continues to grow.

AngloGold Ashanti made available R10.4 million (\$1.62 million) for the programme in the 2004 financial year. Although 96 classrooms have been built and equipped as part of the project, there are currently only 56 classrooms in use as a result of both the lack of demand from students themselves and the downscaling of operations. There are currently 60 teachers and facilitators, and 1,392 students (173 full time and 1,219 part-time). Pass rates have been good: among employees studying full-time the pass rate was 92.5% and among employees who are doing ABET part-time, this was 74.7% during 2004.

By the time an employee reaches ABET level 3, he or she is able to engage in a range of English speaking and listening interactions; use reading and writing skills effectively; solve realistic and abstract problems involving changing quantities by addition, subtraction, multiplication and division; construct and use tables and graphs to organise and interpret information; work with a variety of numbers and their relationships; and solve problems involving measurement, perimeter, area, volume and time.

Part-time ABET students are incentivised by the company, and are paid an amount of money that is linked to the level of ABET training that they successfully complete. Full-time ABET courses, which are generally for candidates who have been identified for career advancement, are run over a period of 10 weeks, and part-time courses over six months. Facilitators are recruited from the local community, either on a full-time or part-time basis. Unemployed facilitators with a grade 12, plus an education certificate (those who do not have a formal qualification are offered opportunities to embark on the Mining Qualification Authority (MQA) learnership) are eligible to teach and in-house training is also available for these facilitators.

The South African Mining Charter (developed in terms of the MPRDA in pursuit of the transformation of the South African mining industry) requires that all employees are offered the opportunity to become functionally literate by 2005. 72% of all employees have obtained an ABET qualification, and 45% of these employees having an ABET level 3 and above qualification. ABET level 4 (or NQF1) was introduced in January 2004 after a pilot project was conducted in 2003. It is an Introductory Certificate for the Mining and Minerals Sector qualification.

Marketing initiatives such as literacy days and certificate ceremonies are arranged by various business units to promote ABET, and the company is also currently embarking on a strategy to supply and market ABET classes to the communities in which it operates, to ensure optimum utilisation of the resources and to increase literacy levels amongst potential employees as well.

AngloGold Ashanti's ABET programme, developed in-house, bases its curriculum on the South African Qualifications Authority (SAQA) unit standards and aligns itself with relevant Sector Education Training Authorities (SETAs). AngloGold Ashanti ABET centres are ISO 9001 certified, a requirement for accreditation by the MQA, as a training provider.



Making a difference in people's lives

Elphas Gumbi, originally from Swaziland, is a stoper at Great Nologwa Mine. He joined the mine in 1994 at the age of 31 and completed the ABET 3 course in 1995 and did the Intermediate Mining Certificate (IMC) in 1996. He then enrolled for his Blasting Certificate at the Learner Miner Training Centre and completed his training in 1997.

He says that being a stoper is very challenging with a lot of competition. According to him, anybody can strive to be a miner, but one must have certain abilities like problem-solving and decision-making skills.

Above ABET 4	24%
ABET 3 and above	45%
ABET 2 and above	60%
ABET 1 and above	72%

Current literacy levels – SA Region: all employees

L30 | 7.6 The AngloGold Ashanti bursary scheme: developing engineers for the future

Against a background of a growing number of graduate school leavers in South Africa who cannot afford a tertiary education, the AngloGold Ashanti bursary scheme focuses primarily on identifying and supporting promising students with aptitudes particularly, engineering sciences.

In 2004 a total of 112 students benefited from the scheme at a cost of R11.5 million (\$1.79 million).

Bursaries are offered for full-time studies at either universities or universities of technology (formerly technikons) in the fields of mining engineering, geology, survey, electrical/mechanical engineering, metallurgy and other mining-related fields of study. Bursaries are advertised to prospective students via targeted recruitment and career publications, postings on faculty notice boards and visits to high schools and tertiary institutions.

The bursary attends to the most crucial needs for qualifying applicants. It offers 100% tuition and residence fees. An out-of-residence allowance is also offered should the bursar prefer to make use of private accommodation. Also, a generous cash allowance to cover the cost of books and incidental personal expenses is made available. Other facilities that come with the bursary are:

- a laptop computer provided in the third academic year;
- guaranteed vacation work at the end of every academic year; and
- personal attention by dedicated AngloGold Ashanti staff.

Successful completion of the required degree may result in an offer of employment for training. Bursars commit to a year's service for each year of bursary support and a new contract is negotiated if the bursar wishes to continue and if there is a vacancy. However, AngloGold Ashanti – along with the mining industry generally – is faced with a challenge of retaining bursars as many of them leave for 'greener pastures' after serving their contracts. This is exacerbated by the fact that the industry itself is employing fewer people.

Ian Heyns, head of human resources in the South Africa region says, "It is a core value of AngloGold Ashanti that we provide our employees with opportunities to develop their skills. In keeping with this value, opportunities are given to selected employees to pursue full-time studies at a tertiary institution with company support. A total of 34 employees benefited from these opportunities in 2004.

Analysis of AngloGold Ashanti South Africa region bursar population (2004), detailed by discipline of study, type of tertiary institutions and includes the split between historically disadvantaged South Africans (HDSA) and white males

Discipline	University			University of Technology			Pre-tertiary (Mining)			Total		
	HDSA*	WM*	Tot	HDSA*	WM*	Tot	HDSA*	WM*	Tot	HDSA*	WM*	Tot*
Mining	9	3	12	8	9	17	2	3	5	19	15	34
Engineering	16	6	22	11	3	14				27	9	36
MRM**	18	4	22	2	1	3				20	5	25
Metallurgy	9	4	13	2	2	4				11	6	17
TOTAL	52	17	69	23	15	38	2	3	5	77	35	112
% EE	75%	25%	61%	39%		40%	60%		69%	31%		



Support for promising scholars

Via the vehicle of the AngloGold Ashanti bursary scheme, tutorial assistance in mathematics and physical science is provided for deserving scholars at extra classes during Winter and Spring Schools. This initiative aims at improving competence and uplifting marks in these core subjects by means of expert tuition. During 2004 five deserving learners attended these lessons.

HDSA* = Historically Disadvantaged South Africans
WM* = White males
MRM** = Mineral Resources Management



7.7 Orderly closure at Ergo – social plan for employees

Although Ergo was an extremely profitable operation for many years, it has run at a loss since 2003, and final closure is planned for March 2005. The loss-making operation of the plant since 2003 has been justified on the grounds that reclamation activities still produce substantial amounts of gold at the same time as contributing to environmental clean-up, as well as to longer employment and a well-planned closure process.

Ergo's labour complement at year-end numbered 770 employees and 1,100 contractors.

A Social Plan was implemented four years ago, in consultation with trade unions. Through interviews and questionnaires, the company assessed the training needs and preferences of employees so as to facilitate employment post closure. Of the 900 employees included in the original survey, 729 indicated their specific training preferences, which ranged from arts and crafts to building, construction and engineering. Carpentry, plumbing, refrigeration and chicken-rearing classes were run in conjunction with the Department of Labour.

To date, some 500 employees have completed their training. Senior human resources manager Chris Wiseman comments, "Ergo's approach was to a certain degree unusual. Most companies implementing skills development programmes only do so after closure. We embarked on the training as soon as the needs analysis was complete. Although the intention behind this was good, costs increased significantly due to catering for labour replacement while employees were attending in-service training. The initial budget was some R2.5 million (\$390,00), which has probably doubled if labour replacement costs are taken into account. There is also the risk that people forget the skills they have acquired if there is no immediate opportunity to put these into practice."

Some 220 employees remain to be trained until closure. "Progress has slowed recently, because it was possible in the earlier stages to put together large groups of trainees for the most popular subjects. We are now faced with groups of two or three employees with individual preferences, and it becomes difficult to source providers," says Ephraim Ralesekele, National Union of Mineworkers (NUM) branch chairman.

The process of obtaining new jobs for those affected can obviously only begin once operations have ceased. "Ergo is a unique operation, so this will not be an easy process," says Ralesekele. "Impala Platinum Refinery, situated in Springs, has similar requirements and a number of employees have applied there."

Regular communication with employees has continued, and the final 20 workplace road shows were held in September and October 2004.

A number of employees also expressed interest in life-skills and small business development training. AngloGold Ashanti's Small and Medium Enterprise Development Initiative (SMEDI) facilitated workshops and advice sessions on starting a business. 60 people have attended training supplied by the Springs Business Linkage Centre, developed jointly by the centre and Impala Platinum.

"Most employees have now come to terms with the reality that Ergo must close," says Ralesekele. "From the counselling sessions, financial problems emerged as the most pressing issue." To counter this, Ergo retained the services of Edutouch, a company offering finance guidelines and business advice. Two workstations, offering an audio-visual interactive programme in English, Zulu and Sepedi, have been installed.

"Take-up has been rather disappointing," says Wiseman, "but we are planning to move the machines from the training centre and administrative block into the workplace, and will also try and improve the level of facilitation." It is planned to extend the financial training intervention to the families of affected employees. Approximately 100 people have expressed interest in such training, which will be handled by Joe Mosehle, social plan/employment equity officer, in the period leading up to the operation's closure.



L32 | 7.8 Reducing the trauma of retrenchment at Savuka

AngloGold Ashanti's Savuka operation in South Africa (formerly West Deep Levels West mine) has been a source of employment and income for thousands of employees and their families since the 1960s, with much of this spent in the local community and rural areas. Savuka has also subscribed to the practice of providing job opportunities for employees' children, giving them the chance to take up where their fathers left off.

For some time Savuka's costs have consistently exceeded its revenues. In 2003 it became apparent that right-sizing was inevitable, and as part of this, it was planned to reduce the labour complement by 40% – 1,800 people out of a total of some 4,500. Current life-of-mine plans will see Savuka continuing at this reduced level until 2007.

Given this scenario, management and labour had to develop a strategy that would be beneficial for both the company and employees, ensuring the financial feasibility of Savuka for as long as possible on the one hand, and minimising the resulting trauma on employees on the other.

The planning process was guided by the Retrenchment Agreement in place at the mine. There were two roleplayers in the downscaling process, following the guidelines of the Labour Relations Act – National Union of Mineworkers (NUM) and the United Associations of South Africa (Uasa). This pre-downscaling consultation phase commenced in 2003, and focused on mapping a route going forward. Given the mature relationship between labour and management, no major hiccups were experienced.

Agreement was reached in 2003 on a number of key elements, including extended unpaid leave, voluntary separation packages, transfers, early retirement, the replacement of contractors, the application of the last-in first-out principle, and skills training, provided by an external agency in consultation with the Department of Labour.

The process has been overseen by an advisory committee – known as the Future Forum – which comprises four individuals from the unions and a community representative who is also an employee of the mine. When the next phase of labour reductions starts in the latter part of 2005, regular meetings of the Future Forum will be re-instituted. The mine found that the Future Forum was crucial in this process, ensuring its fairness, interviewing employees for possible transfers, and in providing advice on skills training and ensuring that the skills training actually took place. Skills training will assist the retrenched employee to re-enter the labour market.

Agreement was reached on a Social Plan, providing for skills training and broadly covers ways of avoiding retrenchments, preventing displacement and providing for compensation. The Social Plan Agreement was signed by both NUM and Uasa, and was subsequently scrutinised by both the Department of Labour and the Department of Minerals and Energy.

Amongst the challenges currently being faced is the maintenance of production output over the next three years, without which the closure could potentially be brought forward. At the same time, it has sometimes proved difficult for employees to maintain a positive morale.



7.9 Implementing fall of ground regulations

Falls of ground have remained one of the most significant causes of fatal accidents in the South African underground mining industry. In an effort to combat this, the Department of Minerals and Energy (DME) formulated new Fall of Ground Regulations, in accordance with the provisions of Chapter 14 of the Mine Health and Safety Act, in July 2002. These came into effect in January 2003.

Two groups are affected by these regulations: people who are required to declare a working place safe ('Competent Person A'), and those who are required to install, maintain or remove any support unit ('Competent Person B'). These groups need to be assessed and found competent in accordance with education and training standards and qualifications as generated by the Mining Qualifications Authority (MQA). The MQA determined the specific competencies required to perform these activities and grouped the associated unit standards into clusters. These clusters of unit standards were registered as skills programmes.

As this was one of the first sets of regulations that placed the responsibility on employers to determine the competence of employees, the MQA decided to select four lead sites to pilot the implementation process. AngloGold Ashanti was selected as a gold mining lead site. The assessment and implementation process was carried out at AngloGold Ashanti's South Africa region's business units simultaneously, so that any problems encountered could be timeously communicated to the MQA.

Implementation schedule

Some 16,000 production employees, who performed the tasks referred to in the regulations, needed to be found competent in the West Wits and Vaal River areas. As it would not have been possible to complete the requirements of the regulations for so many people in the six month window period allowed, it was necessary for an application for exemption to be lodged with the DME. Before this could be done, an implementation schedule had to be developed.

The following factors were considered in the development of this schedule:

- development of learning materials and assessment checklists for the required unit standards;
- ISO 9001 certification (ISO 9001 is an internationally recognised quality management system developed by the International Standards Organization, and is a pre-requisite for MQA accreditation);
- MQA accreditation as an accredited training provider;
- development of an Assessment and Moderation Policy;
- training and registration of assessors and moderators;
- registration of learners on the MQA database (Praxis);
- the training and assessment process; and
- site specific competency matrices, setting out the specific requirements of the relevant occupations at each mine.

Once the schedule had been developed it became apparent that a period of 18 months would be necessary for the completion of the implementation plan. An application for exemption for compliance with the relevant regulations was submitted to the DME in December 2002. The application was approved and the necessary exemption granted.



Recognition of prior learning

As noted previously, a population of some 16,000 employees was covered by the project. The scale of the project necessitated a change from the normal training and assessment methodology in practice in the training centres. Various models were considered, but with the new outcomes-based unit standards, an opportunity arose to apply Recognition of Prior Learning (RPL) principles. (The principle of RPL is to recognise competence achieved through past practices whilst ensuring alignment with the specific outcomes of the required unit standards to eliminate any gaps.)

All of the employees had been trained and assessed previously against the best practice training material, which had been used prior to the development of unit standards. It was accordingly decided that re-testing was only necessary in terms of the 'knowledge' components of the new unit standards, as this had not been covered by the previous training.

Employees found competent in the 'knowledge' component of the unit standards would be deemed competent to perform the tasks outlined in the Fall of Ground Regulations. Those found not yet competent would be retrained and assessed. The RPL and retraining of most employees was completed within one day.

Although the principle of 'once competent always competent' applies to unit standard outcomes-based training and development, all employees are still reviewed on their knowledge on returning from annual leave and refresher training is given where necessary.

Training and assessment process

The current training resources were not able to cope with the magnitude of training and assessment required for this project, so a training and assessment model was developed and presented to the AngloGold Ashanti South Africa region executive. This model was accepted and a budget of R4.2 million (\$660,000) for 2003 approved for the project. 35 assistant training and development officers were employed and trained as subject matter experts and as workplace assessors. Assessment and training commenced in September 2002. Initially, employees were assessed on their return from leave but this did not provide a constant number of employees to be assessed and trained each day so it was decided to schedule employees on a call-up system. A reporting system was put in place on the intranet to enable progress to be monitored daily.

Conclusion

The project was successfully implemented. The West Wits mines completed the process during the last quarter of 2004, within the exemption period allowed by the DME. In the Vaal River area two mines had to apply for a further extension to the initial exemption period granted, owing to various logistical problems, and are expecting to complete the project in the course of 2005.

The capacity of the MQA to receive the data submitted by the training centres via the internet was found to be insufficient and they had to upgrade both the connection portals and server.

The lessons learnt in the planning and execution of the implementation of the new Fall of Ground Regulations were communicated monthly to the MQA at various steering and co-ordinating committee meetings by the four lead sites. Other mining houses have used this information to assist them during their implementation projects.



7.10 Towards the transformation of proto teams

In any mine accident in South Africa, important behind-the-scenes players are the personnel of the Mines Rescue Services (MRS), commonly known in the industry as proto teams. Started 80 years ago to provide resources and expertise for an effective emergency service in the mining sector, MRS is a private sector, non-profit organisation that trains volunteer brigadesmen who work within the industry to find and recover fellow employees in the event of an underground accident or incident.

Through the years until the new democratically elected government of South Africa in 1994, the proto teams consisted of whites only. Although there was no legislation excluding people of colour, brigadesmen are usually drawn from within the supervisory ranks from which – historically – men of colour and women were excluded.

The transformation of the mine's proto teams, in line with the management structure of the company, has become an important priority for AngloGold Ashanti.

In this, AngloGold Ashanti is not unique. Presently there are 817 brigadesmen in service, of whom 724 are white and only 93 are men of colour. Christo de Klerk, MRS general manager says, "The integration is slow but it is taking place. This is a voluntary programme with a long legacy of affiliations. Although we have had many more men of colour joining us in the past few years, many of these have progressed into the management ranks which makes it difficult for them to continue with their work in the rescue services."

One of the elements that needs to be overcome is the historical legacy of who and what makes up a brigadesman – many of the people who are currently in the service are following in the footsteps of their fathers and grandfathers. There is also a natural inclination among those who have grown up together, studied and worked together, and socialised together, to join the service. Although integration of employees is taking place at a mine level, this is sometimes a slow process.

Mponeng's Rocky Tsoeute was one of the mine's first persons of colour to join the mine's rescue team. Nearby Savuka and TauTona also have men of colour in their rescue teams.

Tsoeute, Mponeng's brigadesman says, "What attracted me was the discipline and the dedication the rescue teams showed – I wanted to be part of that. Also, as a mineworker, there are a lot of accidents in the industry so I wanted to be part of the solution rather than stand back and criticise the management."

When asked about the barriers in the rescue services, he said that there is not enough information readily available on the proto teams. Some people still regard it as reserved for the elite group.

MRS itself is making efforts to transform its teams – when selecting new candidates, HDSA candidates will receive first preference.



Training to be a brigadesman

Training to be a brigadesman is a demanding, arduous and time-consuming process. Initial brigadesman training is a five-day comprehensive course on the use of closed-circuit, long-duration breathing apparatus, fire-fighting and associated techniques. The workload test – which is a realistic controlled simulation of the physical tasks a person can expect to encounter during emergencies – is also a gruelling process. The mines rescue medics course, also known as the Basic Ambulance Assistance (BAA) course is optional and is a three week medical course on advanced life-support designed specifically for mine disasters. Candidates must also undergo annual refresher courses to keep abreast of new techniques.

To be considered for a place in a team, applicants must be 21 years or older and have a clean bill of health, be physically fit, employed by the mine and have underground knowledge. Applicants are then put through intensive training for a week, which is preceded by an hour long heat tolerance test. Brigadesmen can stay a maximum of 25 years in the team.

Presently there are three training centres located in the mining districts of Carletonville, Welkom and Evander.

