



CC&V, USA

# Employment

## 1. Key issues at a glance

- Skills development.
- Compliance with ILO conventions and labour-related legislation in all the regions in which we operate.
- Succession planning and attraction and retention of skilled and talented employees.
- Constructive labour relations and the avoidance of industrial action.
- Development and promotion of women in mining disciplines across the group.
- Promotion of cultural diversity and ensuring compliance with legislation regulations set by country, such as the Mineral and Petroleum Resources Development Act (MPRDA), the Mining Charter and the Employment Equity Act in South Africa, and legislation relating to the location of employees in other regions.

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# Employment

## 2. Living our values

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

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

### AngloGold Ashanti as an employer – labour practice

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

### 3. Our scorecard

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

Objectives for 2007	Performance in 2007	Achieved or not achieved	The next steps
Alignment of employment practices and, in particular, enhancing the company's localisation and employment practices, and implementing performance contracts at all levels.	Little progress made.	Not achieved	New global human resources strategy being developed and implemented in 2008, to include specific emphasis on the promotion of diversity.
Adoption and implementation of an Employee Share Option programme (ESOP) in Ghana; progress discussions on an ESOP in Namibia and Tanzania.	Consultation on the ESOP with the Ghana Mineworkers' Union is ongoing. Schemes still being considered for Namibia and Tanzania, although no material progress has yet been made.	Not achieved	Discussions in Ghana are taking longer than anticipated, but it is hoped the matter will be resolved in 2008. It is planned that the Ghana ESOP model will be the precursor to possible ESOPs in Namibia and Tanzania.
Roll-out of the Executive Development Programme. (Collaboration between the Fundação Dom Cabral (FDC) in Brazil, the University of Cape Town Graduate School of Business and AngloGold Ashanti).	Good progress made, with first participants enrolled for 2008 programme.	Achieved	Aim to broaden the participation in the programme to other corporate entities in South Africa and South America.
Roll-out of the Global Human Resources Systems Project to all operations.	Good progress made, with a pilot of the system currently being tested.	Partially achieved	System should be fully implemented by mid-2008.
Development of opportunities to enhance diversity within the company.	A number of ad hoc programmes introduced during the year.	Not achieved	New global human resources strategy being developed and implemented in 2008, to include specific emphasis on the promotion of diversity.
Enhance internal capability to decrease the use of external consultants across disciplines, through short- and medium-term global work assignments.	Some progress made in decreasing dependence on contractors.	Partially achieved	The new global human resources strategy includes the provision of opportunities for both short- and long-term projects to group employees in preference to using contractors.

# Employment continued

Employees by country (including contractors) (2007)



South Africa	60.1%
Ghana	12.3%
Brazil	7.1%
Tanzania	5.2%
Guinea	4.6%
Other	2.9%
Mali	2.6%
Argentina	1.7%
Australia	1.3%
Corporate	0.8%
Namibia	0.7%
USA	0.7%

## 4. Review of 2007

### Introduction

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

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

- re-evaluation of the business targets and strategy;
- review of the company's values and business principles, first at an executive level and second, through consultation within the group; and
- the fundamental review of the group's human resources strategy.

### Management of the group

Restructuring was undertaken first to improve operating performance, which led to the establishment of decentralised regional operating structures; and secondly, to flatten and simplify reporting lines and hierarchies, at least at senior levels. Thus the former Chief Operating Officer roles were made redundant. Three Executive Vice Presidents were appointed in the three different time zones in which the group operates. The three – Robbie Lazare (Africa), Ron Largent (Americas) and Graham Ehm (Australia) – report directly to the CEO.

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



Obuasi, Ghana

At an operating level, two decentralised teams have been created in Africa, reporting to Robbie Lazare:

- Johan Viljoen has been appointed Regional Head for Southern Africa and is establishing a lean technical and services team based in Potchefstroom.
- Christian Rampa Luhembwe has been appointed Regional Head for West Africa and will establish a similar technical and services team based in Accra.

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

## Performance in 2007

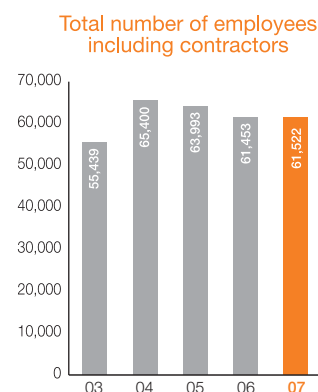
### Employees and contractors

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

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

Employees and contractors					
Country	2007			Total 2006	Variance (%)
	Employees	Contractors	Total		
Corporate	475	11	486	471	3
Argentina	708	309	1,017	906	12
Australia	140	641	781	479	63
Brazil	2,467	1,885	4,352	4,428	(2)
Ghana	5,394	2,155	7,549	9,443	(20)
Guinea	1,537	1,380	2,917	2,708	8
Mali	540	1,075	1,615	1,473	10
Namibia	409	0	409	313	31
South Africa	31,335	5,641	36,976	35,968	3
Tanzania	2,304	922	3,226	3,220	0
USA	338	67	405	369	10
Other*	1,736	53	1,789	1,675	7
<b>Total</b>	<b>47,383</b>	<b>14,139</b>	<b>61,522</b>	<b>61,453</b>	<b>0</b>

\* Includes AngloGold Ashanti Health and other non-producing subsidiaries



### Union representation agreements under collective bargaining – 2007

	%
Argentina	68
Brazil	100
Ghana	98
Guinea	96
Mali	90
Namibia	100
South Africa	97
Tanzania	3
<b>Group</b>	<b>93</b>

## Employment continued

Separations – 2007 (%)	
<b>Corporate Office</b>	18.0
<b>Argentina</b>	
Cerro Vanguardia	16.0
<b>Australia</b>	
Sunrise Dam	21.5
<b>Brazil</b>	
Brasil Mineração Serra Grande	8.0
<b>Ghana</b>	
Iduapriem	3.4
Obuasi	10.0
<b>Guinea</b>	
Siguiri	2.5
<b>Mali</b>	
Morila	6.0
Sadiola/Yatela	3.4
<b>Namibia</b>	
Navachab	4.4
<b>South Africa</b>	11.7
<b>Tanzania</b>	
Geita	15.0
<b>USA</b>	
CC&V	15.0
<b>Group</b>	10.5

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

- **Australia:** staffing up at the Boddington Joint Venture and the full impact of changing the shift arrangements at Sunrise Dam;
- **Ghana** continued restructuring of operations at Obuasi;
- **Namibia:** continued increase in employee numbers as a result of the transition to owner mining.

### Separations

In total, 5,051 people left the group during the year (represents 10.5% of total number of permanent employees) for reasons relating to dismissal, resignation, death, retirement and incapacitation. Restructuring at Obuasi in Ghana resulted in the separation of 500 employees as a result of restructuring. Separation by gender and age group is not specifically recorded by the company for management purposes and therefore cannot be reported. In South Africa and Brazil, where women in mining programmes are run, separation levels among women are lower than in the general population. See case study at [www.aga-reports.com/07/women-Brazil.htm](http://www.aga-reports.com/07/women-Brazil.htm).

### Fundamental human rights conventions

Certain human rights conventions, including those relating to freedom of association and collective bargaining, are entrenched within South African legislation and the constitution, as well as in law and regulations within Argentina, Brazil, Australia, Namibia, Tanzania, Mali, Namibia and the United States. In addition, we are committed to upholding the Fundamental Rights Convention of the International Labour Organization (ILO). Specifically we seek to ensure the implementation of fair employment practices by prohibiting forced, compulsory or child labour and implementing these practices through country, operation and shaft level recognition and collective bargaining agreements, and through disciplinary, grievance and non-discrimination agreements and codes. No breaches of fundamental rights conventions of the ILO were alleged, nor were any charges brought against the company in connection with these during the year. No operations are deemed to be at risk in this regard, although in new project areas such as the DRC and Colombia, special vigilance is due.

### Human rights training

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

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

### Freedom of association and collective bargaining

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

Union representation in South Africa in 2007



Although only 87% of all South African employees are members of unions, 97.5% fall under collective bargaining agreements, including the agency-shop agreement. (The agency shop agreement exists across the lower bargaining unit at the South African operations. This agreement provides for the contribution by non-union members of 0.75% of basic monthly pay to a fund which is used to address work and social needs of that bargaining group. This has been negotiated because union members pay 1% of their basic pay as union dues.) The outcome of wage negotiations with the unions applies to all employees within that bargaining unit, whether they are union members or not.

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

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

Generally, conditions of service, including minimum notice periods and negotiation practices with employees and employee representatives, are guided by country legislation, collective bargaining agreements and individual contracts of employment and therefore vary from region to region.

#### Discrimination and harassment

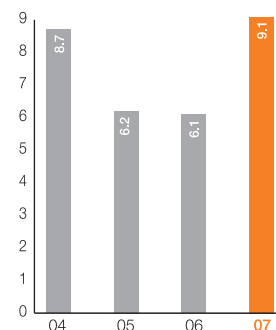
All forms of discrimination, including racial and sexual harassment and discrimination against the disabled, are prohibited by the company's business principles as well as by legislation in most of the countries where our operations are situated. Policies are in place at all operations to protect employees from prejudice and, in some countries, to promote the advancement of certain groups of employees. Specifically in countries in Africa and in Australia the rights and promotion of indigenous peoples, the historically disadvantaged and women are provided for within legislation and adopted and followed by the company. No significant cases of discrimination were reported during the year.

#### Women in mining

For a number of reasons, including legislation (which has excluded women from participating in mining operations in many countries) and custom, mining has historically not been a career easily accessible to women. AngloGold Ashanti recognises that women have an equal right to participate in mining as a career and has put plans in place in those countries where it has been necessary to ensure the attraction, retention, training, development and promotion of women. (See case study on *Women in mining* on page 108 of this report.) Key statistics related to women in the group as at the end of 2007 are as follows:

- There was one woman member of the board (Mrs Elizabeth Bradley) (8% women in 2007; 6% in 2006);
- In South Africa, senior and middle management: 16% women;
- Women make up 8.6% of all permanent employees (2006: 6.2%);
- In South Africa, 9.1% of permanent employees are women (2006: 8.1%).

Women in South Africa (%) 2007



## Employment continued

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

### Gender ratios – South Africa

	2005	2006	2007	2008	2009
% of all employees who are women	6.9%	8.2%	9.1%	12.3%	14.4%
% of top management who are women	10%	16.7%	13.3%	6.2%	6.7%
% of senior management who are women	7.9%	8.1%	8.9%	12.8%	13.0%
% of professionally qualified staff who are women	14.4%	16.1%	17.4%	21.0%	23.4%

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

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

### Diversity and equal opportunity

AngloGold Ashanti endeavours to promote an organisation that recognises and is sensitive to the diversity of the people within its host countries and is cognisant of past inequities which need to be addressed, while at the same time affording all employees the opportunity to develop further in their chosen careers. Specifically at a time when the global resources industry is experiencing a shortage of skilled personnel, it has become even more of a group imperative to attract, train, develop and promote skilled employees.

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

As at the end of 2007:

- HDSAs (including women) made up 33% of the board (2006: 18%).
- HDSAs made up 30% of management (2006: 26%). (Managerial employees are defined as those in supervisory and management roles in Paterson job grades D-Lower and above).

Again, in South Africa, historical recruitment practices have created a reliance on the employment of people from outside the country, primarily in the South African Development Community (SADC). In turn, these practices have resulted in a dependence of these countries on the South African mining industry both indirectly, to provide jobs and support for large proportions of their economically active populations and

### Countries from which South African employees are drawn



South Africa	65.5%
Mozambique	8.7%
Botswana	1.2%
Lesotho	19.4%
Swaziland	5.2%



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

Elsewhere in Africa, an issue that has become increasingly important and regulated is the need to encourage the employment of local employees and replacement of expatriate employees, through skills transfer programmes and the career development of local citizens. We have localisation plans and programmes in place at all our operations to manage the placement of expatriate employees and the training and development of the indigenous population. This process is not without its challenges – specifically skills shortages created by the surge in exploration and mining in Africa and elsewhere in the world, the lack of technical skills and competence in regions and countries where the company operates, the remoteness of mining operations, and the finite time horizon of mining and exploration activities.

A major company and country initiative, which includes working with other mining companies and the state, was undertaken in Tanzania in 2007 where skills shortages have reached acute levels. These initiatives are reported in a case study on developing artisans at Geita at [www.aga-reports.com/07/artisans-Geita.htm](http://www.aga-reports.com/07/artisans-Geita.htm). The current level of expatriate employees at the African operations outside South Africa is reported opposite.

### Training and development

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

As part of the initiative at the South African operations to upgrade employee skills, and to create development opportunities for HDSAs in particular, the company has identified a pool of high-potential employees for whom development plans have been put in place and mentors appointed. Over and above this, all employees in the relevant disciplines are eligible to participate in learnership programmes in engineering and mining, learner miner programmes, trainee shift boss programmes, and mine overseer

Expatriate employees	
	%
<b>Ghana</b>	
Iduapriem	0.1
Obuasi	0.1
<b>Guinea</b>	
Siguiri	4.0
<b>Mali</b>	
Morila	7.0
Sadiola	4.7
Yatela	5.7
<b>Namibia</b>	
Navachab	1.7
<b>Tanzania</b>	
Geita	5.1
<b>Corporate</b>	1.7

## Employment continued

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

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

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

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

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



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

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

Training for life (also called portable skills training in South Africa) is another element of our suite of training and development products. The aim of training for life programmes (developed and applied for specific circumstances around the group) is to deliver training and development in skills that are widely applicable and transferable, providing employees and ex-employees with the skills to remain economically active, whether through formal employment or self-employment, when they are no longer employed by the company. This training is also given in preparation for career endings, whether as a result of ill-health, retrenchment, downscaling or mine closure. Portable skills training was provided to 750 people in South Africa during the year, drawing from both employees and community members. (See case study on the Lamego Project library in Brazil at [www.aga-reports.com/07/lamego-library.htm](http://www.aga-reports.com/07/lamego-library.htm))

### Minimum wages

At all of its operations, AngloGold Ashanti at least meets the minimum wage requirements legislated by the state for the mining sector where it has been legislated. In South Africa, for example, minimum wages have been set for domestic workers and farmworkers, but in most other sectors like the mining sector, wages and conditions of service have been negotiated through a collective bargaining process, of which AngloGold Ashanti is a firm supporter. Minimum wages in the mining sector are well above minimum wages in the agricultural sector. In Ghana, minimum wages are set by the state for government employees. AngloGold Ashanti's operations exceed these requirements and, in addition, provide benefits such as a provident fund, which is not provided for in legislation but was negotiated through the collective bargaining process. In Tanzania, for example, a minimum wage has been legislated for the mining industry. This is well above other legislated minimum wages in the country as part of that government's intention that mineworkers should benefit from the mineral wealth of the country.

### Performance reviews

Formal performance and career development review processes are in place at all operations, for either individuals or teams. In South Africa where most of the group's employees are based, a formal skills development plan is in place for all disciplines and all operations in line with the company's Social and Labour Plan (SLP), which is a submission by the company that has been accepted by government. Skills development plans are reviewed and updated on an annual basis. See the SLP reports for the West Wits and Vaal River regions on our reports website at [www.aga-reports.com/WestWits.pdf](http://www.aga-reports.com/WestWits.pdf) and [www.aga-reports.com/07/SLP-VaalRiver.pdf](http://www.aga-reports.com/07/SLP-VaalRiver.pdf).

### Reporting in line with the Mining Charter

For the purpose of reporting in line with the Mining Charter, the company produces a separate report for the DME, a copy of which is available at [www.aga-reports.com/07/Social-labour-plan.htm](http://www.aga-reports.com/07/Social-labour-plan.htm).

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

	US\$ (000)
<b>Corporate office</b>	<b>681</b>
<b>Argentina</b>	<b>394</b>
Cerro Vanguardia	394
<b>Australia</b>	<b>400</b>
Sunrise Dam	400
<b>Brazil</b>	<b>1,299</b>
Brasil Mineração	981
Serra Grande	318
<b>Ghana</b>	<b>1,250</b>
Iduapriem	250
Obuasi	1,000
<b>Guinea</b>	<b>358</b>
Siguiri	358
<b>Mali</b>	<b>610</b>
Morila	319
Sadiola	38
Yatela	252
<b>Namibia</b>	<b>111</b>
Navachab	111
<b>South Africa</b>	<b>24,807</b>
<b>Tanzania</b>	<b>2,058</b>
Geita	2,058
<b>USA</b>	<b>242</b>
CC&V	242
<b>Group</b>	<b>31,418</b>

## Employment continued

### *Additional benefits*

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

For some employees the provision of housing or accommodation is a benefit, for others it is a necessity. This is so for employees located at mining operations in remote areas (such as Argentina and Australia) or for employees who are drawn from other areas, as is the case for a significant number of employees in South Africa.

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

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



Vaal River, South Africa

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

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

## 5. Case studies

### In this report:

The following case studies are presented in this report.

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

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

### On the website:

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

#### Group

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



#### Argentina

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



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



#### Brazil

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



## Employment continued



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

### Namibia



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

### Tanzania



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



TauTona, South Africa

## 6. Objectives for 2008

- Implementation of recently introduced structural changes and obtaining employee support for the vision of the company.
- Redevelopment and implementation of a new, global organisational development strategy that:
  - recognises employees for their contribution to the company and to their community and is a partner in their growth and development to mutual benefit;
  - develops a skilled and motivated workforce by presenting developmental opportunities and scope for personal growth; and
  - promotes diversity and localisation at all levels and all operations, enabling employees to take advantage of the extensive opportunities that the group can offer.
- Developing and implementing appropriate systems that support the organisational development goals of the company.
- Engaging in constructive labour relations and functional collective bargaining agreements and practices.



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

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

### **Industrial relations and collective bargaining in South Africa**

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

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

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

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

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

### **AngloGold Ashanti and collective bargaining**

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

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

### **Wage negotiations in Ghana**

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

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

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

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

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

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



Obuasi, Ghana

### **Operating around the world**

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

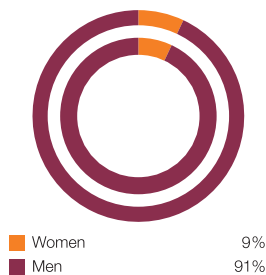
Additionally, as the group enters new areas of operation, it faces further challenges and opportunities of operating in new jurisdictions. AngloGold Ashanti believes that its tradition of developing robust and constructive relationships and structures for collective bargaining with trade unions internationally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



Savuka, South Africa

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

% women (South Africa)



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

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

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

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

“Both studies highlighted similar issues, largely focusing around infrastructural aspects such as the provision of facilities, or workplace issues such as perceived isolation and lack of support,” says Norval.

The infrastructural issues most commonly raised in the 2007 audit were shortages of:

- underground toilets in sufficient proximity to the workplace; and
- convenient access to family planning facilities.

Work-related issues included:

- dissatisfaction with career progression; and
- negative perceptions of reasonable representation in all occupational categories and levels.

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

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

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

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

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

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



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

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

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

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

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

### Two success stories

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

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

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

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

Elizabeth (43) joined the company in 1989 as a clerk. She cites “personal ambition, and my aspiration to take my rightful place in life” as her reasons for choosing a career in the mining industry.

Elizabeth is married with two children. “As parents, we both look after the family, so I am blessed with a good support system,” she says.

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

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



*Mponeng, South Africa*

### **Women in mining – Mponeng's approach**

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

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

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

- Development plans for group 3-8 women – A development plan document for group 3-8 employees was drawn up by the Employment Equity sub-committee. The process of completing these plans has begun, and development plans have been completed for 55% of the mine's female employees. Career paths are discussed with them and they are given the opportunity to nominate their career path preference. Advice is then provided on the development initiatives required in order to pursue this career path. This is a combined effort between the NUM and management.
- Administration of 'Women in Mining' questionnaire – A one page questionnaire has been drawn up by the Employment Equity sub-committee and has been completed by 124 women to date, with the initial focus on employees in category 3-8. The purpose of the questionnaire is to gauge the present experiences and perceptions of women working at Mponeng. It addresses

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

- Single accommodation for women – A survey was carried out to gauge the interest among female employees in residing in single accommodation. 15 female employees indicated an interest and further discussions will be held with them early in 2008 to investigate a way forward.
- Women in Mining as a regular agenda item – Women in Mining is a standard agenda item at employment equity committee meetings. Matters such as discrimination, sexual harassment and cultural diversity are discussed, as is the mine's progress towards meeting employment equity targets.
- Sexual harassment presentation – A presentation on sexual harassment forms part of the mine's induction programme, both for new employees and those returning from annual leave. A copy of the AngloGold Ashanti Sexual Harassment Policy is also made available during the presentation, and questions and discussions are encouraged.
- Cultural diversity training – A cultural diversity course is in place at Mponeng, with gender issues forming an integral part of the content. Gender representation is an important element when nominating delegates for the course: some 338 employees have attended the course to date, and feedback received has been positive.
- Social activities for women – A number of social activities have been established, including a female soccer team and a choir, and have proved popular with female employees.
- Facilities for women – An appropriately furnished change house facility has been established for women in the residence. Toilet facilities for women are also being established underground, with 24 toilets having been built to date.
- Recruitment initiative for women – A focused recruitment plan is in place to meet the 10% target by December 2009. Women are recruited for underground positions which were traditionally occupied by men. 403 women (6% of total complement) are currently employed at Mponeng and Savuka and their services departments, compared with 133 (2.5%) in November 2005.
- Positions for women – Initially, after engaging with organised labour, certain underground positions, largely in engineering and in development rather than stoping, were identified as suitable for women. However with the introduction of physical capability testing as part of the selection process, it has been agreed that all occupations, without exception, are open to women provided they meet the necessary criteria.
- Meetings with management – Women are well represented on mine forums, such as the employment equity, wellness, skills development, and health and safety committees. Management has also taken the initiative to have ad hoc meetings and workshops with women to ascertain their views, concerns and recommendations.
- Risk assessment for women – A comprehensive risk assessment exercise has been carried out at Mponeng mine to determine the risks for women on the mine. The document has been distributed and communicated to all stakeholders. It is standard practice for women in underground occupations who become pregnant to be redeployed to surface occupations during this period.