



EMPLOYEE SAFETY

The safety of people continues to be front of mind for leadership at all organisational levels, setting the tone and reinforcing the importance of safety through consistent leadership behaviours.



IN FOCUS

Fatality-free fourth quarter – only the fifth time in the history of the company

Safety risks remains high due to challenging operating conditions

KEY FEATURES

Employee safety continues to be a priority and our goal remains the elimination of fatalities and injuries in the workplace. During the year we made progress in the three [strategic imperatives outlined in 2015](#), namely:

- leadership commitment, engagement behaviour and strengthening organisational capability;
- understanding and managing major hazards; and
- ensuring compliance to our standards, processes and work methods.

All operating areas have aligned safety strategies in place and have made progress in their implementation. Throughout the year safety continued to be front of mind for leadership at all organisational levels, setting the tone and reinforcing the importance of safety through consistent leadership behaviours. Notwithstanding the progress made, employee safety remains a challenge. Activity in each

strategic imperative, as well as across the different operating areas has been varied and further work is required to create workplaces free of occupational injury.

Furthermore, work stoppages by regulators for safety reasons had an impact on our business activities in South Africa, in that they resulted in lost production of about 73,208oz of gold during the year. This level of production loss has an especially significant negative impact in a high, fixed-cost business such as ours. In some instances we believed these regulatory stoppages of entire mines to be disproportional to the perceived threat of the safety infraction in question, a view endorsed by the Labour Court in an October 2016 ruling in favour of the company with respect to a stoppage of the entire Kopanang Mine. The court provided a helpful guideline for the implementation of safety regulations, holding that the action by regulators in a response to an infraction, should be proportional to the level of the threat. This is to say that an entire mine should only be closed if a safety infraction presents a credible threat to every employee working on the mine, otherwise more localised stoppages should be implemented.

OUR ACTIONS IN 2016

Work to improve employee safety was organised along the three strategic imperatives outlined in 2015. Activities were cascaded to all operating areas and a scorecard evaluating implementation progress was developed for

executive review. Along with activities focusing on improving safety performance, compliance to standards and the organisation's safety cultural maturity was assessed using a safety standard assessment tool.

LEADERSHIP COMMITMENT, ENGAGEMENT BEHAVIOUR AND STRENGTHENING ORGANISATIONAL CAPABILITY

During 2016, various operational sites determined the leadership behaviours required to strengthen the safety culture. Work routines were reviewed and reinforced to support consistent safety performance. In addition, mechanisms to review and report on safety leadership behaviours are currently being developed. As part of setting the organisational tone to strengthen the safety culture and demonstrating leadership commitment to safety, all fatal and significant high-potential incidents were formally reviewed by the Chief Executive and Chief Operating Officers. Reviews included analysis of individual, workplace and organisational underlying contributing factors for each actual or potential significant incident. The system to share learnings across the organisation, developed in prior years, continued to mature with increasing openness and transparency in reporting. In South Africa, a culture of commemoration exists for the first year anniversary of employees lost to occupational injuries, providing an opportunity for reflection on learnings from past incidents and reaffirming that corrective actions are still in place and effective.





EMPLOYEE SAFETY (CONTINUED)

Annual safety training targets for different organisational tiers and work categories were established at the beginning of the year and delivery of training units was tracked against the Key Performance Indicators (KPIs). To further improve the quality and relevance of safety training, design of the training programmes included integration of safety aspects and requirements into work routines. The adequacy of the safety discipline to support operators in performing work safely was reviewed against the Health of Discipline Framework. This included appropriateness of safety organisational structures, required skills within the structure, capability of staff, assessment of the talent pool and review of succession plans. The process is ongoing and as gaps are identified they are addressed.

In the coming year, we will review the key leadership behaviours against the performance requirements and assess their impact on compliance to critical controls. Leadership practices will also be evaluated. Review of the health of the group safety discipline will be ongoing and safety capability training across the organisation will continue according to a three-year plan.

UNDERSTANDING AND MANAGING MAJOR HAZARDS

Active management and review of operational safety profiles continued to serve as a basis for prioritising major hazard management activities.

During the year a set of Major Hazard Standards were developed. These were signed off by the Executive Committee in July 2016. All operating areas subsequently completed gap analyses in relation to the standards and implemented processes to address gaps identified.

As part of implementing the Major Hazard Standards, [the process of developing BowTie risks for major hazards](#) described in 2015 continued at an operational level. Monitoring of the adequacy and effectiveness of critical controls took place, with an increasing focus on the introduction of engineering controls. Strengthening engineering controls is being incorporated into the business planning and budgeting process. While various critical control monitoring systems are in place across the company, a system for common application is being piloted at sites in Brazil, Colombia and Australia (Sunrise Dam Gold Mine). Fatal risks related to ground control and horizontal transport (rail-bound, trackless and vehicle related) remain priorities for the company, as reflected in operational safety profiles, and high-potential incidents. For 2017, we will focus on embedding major hazard management into work processes. Work will continue to strengthen technical and engineering controls, along with assessing compliance and their continued effectiveness. This will include enhancing the monitoring process and identifying opportunities for improvement.

The group exceeded
2016 SAFETY TRAINING TARGETS BY

124%





EMPLOYEE SAFETY (CONTINUED)

ENSURING COMPLIANCE TO OUR STANDARDS, PROCESSES AND WORK METHODS

During 2016, the company tool for self-assessment and evaluating compliance to standards was revised and simplified. The tool focuses on the 20 company safety standards, and is also used to establish the level of safety cultural maturity at an operating level. While the tool is initially used for self-assessment, the results are reviewed and validated by the group safety team as part of the combined assurance process.

Consistent with our intent to drive continuous improvement, further leading performance indicators were introduced and embedded in company reporting. These include high-potential incidents, compliance to critical control monitoring and closeout rates of any control weaknesses identified. During the year reporting on high-potential incidents focused on building an open reporting culture; enhancing organisational learning; and institutionalising change.

Review of legal compliance and supporting processes continued throughout the year, with the evaluation of any non-compliance and the implementation of any required

remedial action. In general the focus on compliance has been used to establish a platform for continuous improvement. Progress in this strategic focus area is also interlinked with the first two strategic imperatives. The tools and processes applied for strengthening leadership, organisational capability and hazard and risk management support both meeting compliance requirements and driving continuous improvement. In 2017, the focus will be on strengthening learning processes across the company and further standardisation.

OUR PERFORMANCE

In reflecting on our safety performance for the year we consider the following four areas:

- progress of activities and embedding the safety strategy across the business;
- compliance to standards and safety cultural maturity;
- leading indicators; and
- safety outcomes.

This approach provides a comprehensive overview of the state of safety across the company.

IN MEMORIAM

Tragically, seven employees lost their lives as a result of work-related incidents during 2016. In remembrance of our colleagues, the names of these individuals are:

Mr. Joseph R Khalla (11/01/2016) Fall of ground incident – Tau Tona Mine, South Africa

Mr. Nkosefikile Melitafa (29/04/2016) Seismic event – Savuka Mine, South Africa

Mr. Tumelo J Qamele (29/04/2016) Seismic event – Savuka Mine, South Africa

Mr. Leronti N Mahlakeng (06/07/2016) Fall of ground incident – Mponeng Mine, South Africa

Mr. Ramphoko Dominika Chere (25/07/2016) Fall of ground incident – Kopanang Mine, South Africa

Mr. Tlelaka Bernard Ntisa (26/07/2016) Railbound Transport incident – Tau Tona Mine, South Africa

Mr. Norbeto Rezende da Silva Filho (20/09/2016) Heavy Mobile Equipment Incident – Cuiabá Mine, Brazil

We offer our sincerest condolences to the families and recognise that one life lost is one life too many. Our support to the families of our late colleagues is unwavering and includes assistance with funeral expenses and providing financial support for dependants. Furthermore, we remain committed to achieving workplaces free from occupational injury and striving towards our goal of zero harm.





EMPLOYEE SAFETY (CONTINUED)

PROGRESS OF ACTIVITIES AND EMBEDDING THE SAFETY STRATEGY ACROSS THE BUSINESS

During the year a dashboard was developed, highlighting progress in implementing planned activities at operational levels in embedding the safety strategy.

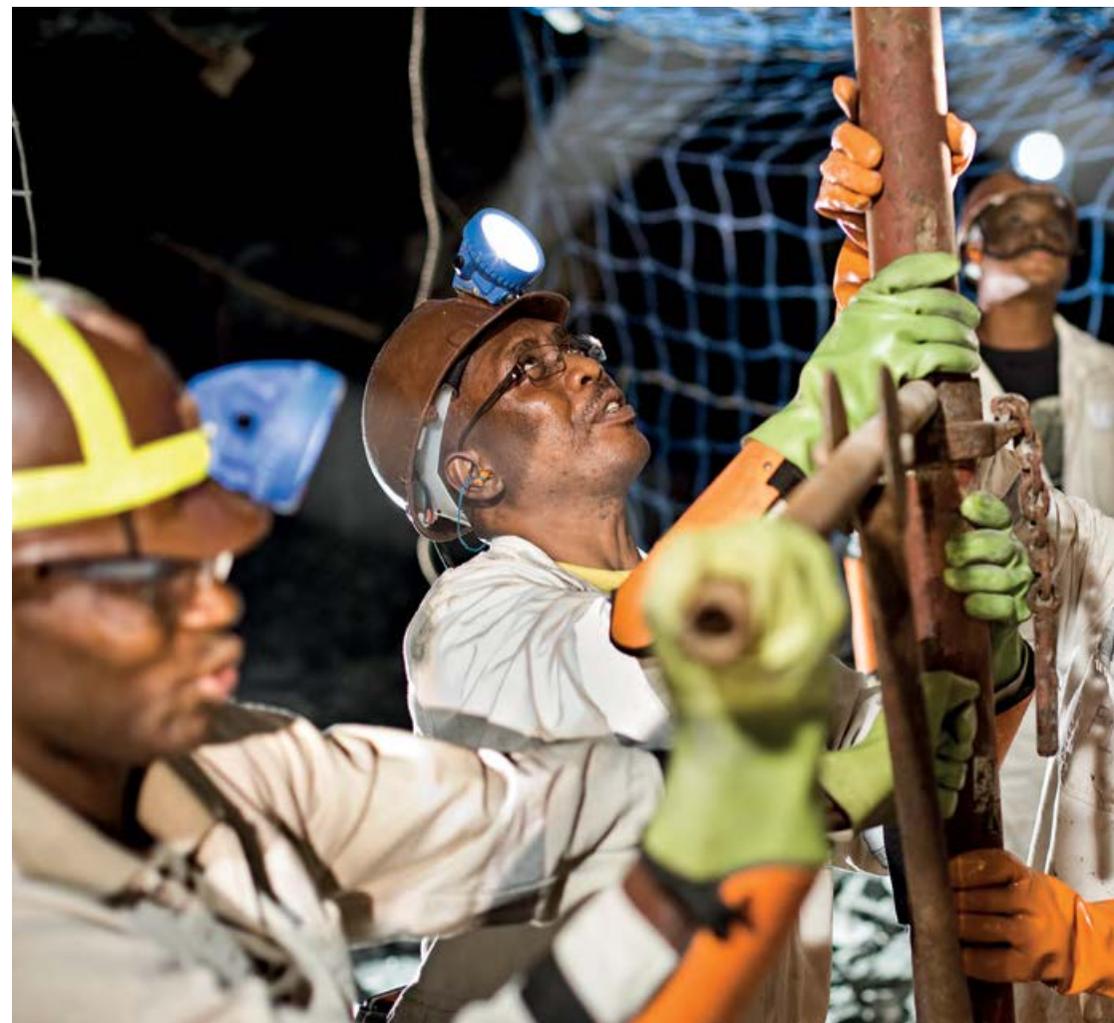
Three broad-based safety-training programmes have been developed to build organisational capability and capacity across

the portfolio namely: safety leadership, hazard and risk management, and incident investigation. A long-term training plan commenced in January 2014. During 2014 (year 1), approximately 5,000 individuals were trained, followed by more than 9,000 individuals in 2015 (year 2) and 9,974 people were trained in 2016 (year 3) – a 124% above the target of training 4,444 individuals.

2016 Safety strategic plan implementation progress

Review legal compliance process	●
High potential incidents and reporting culture	●
Introduce leading key performance indicators business wide	●
Annual assessment processes of all safety standards	●
Complete baseline risk assessments to identify site specific risks	●
Include identified engineering control opportunities in business	●
Return on investment on prioritised engineering controls	●
Fully implement systemised critical control monitoring	●
Outstanding Bowtie risk models and critical control monitoring	●
Major hazard standard gap assessments completed	●
Review and simplify major hazard control guidelines and re-issue as standards	●
Review succession plans and safety talent pool	●
Safety training	●
Formal CEO and COO's significant incident reviews	●
Introduce suite of leadership behaviours, critical controls and work routines	●

● Completed ● In progress ● Delayed





EMPLOYEE SAFETY (CONTINUED)

COMPLIANCE TO STANDARDS AND SAFETY CULTURAL MATURITY

Management systems and compliance to the Safety Standards are validated using the Safety Systems and Practices Protocol that measures the level of safety cultural maturity at an operating site level.

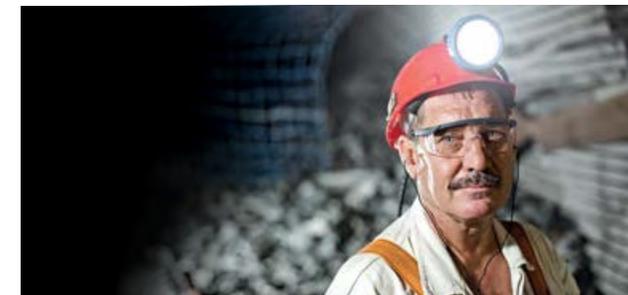
HIGH-POTENTIAL INCIDENTS

AngloGold Ashanti instituted a number of additional key performance measurements for safety performance. One of the performance measures includes high-potential incidents (a leading indicator for low frequency, high consequence events). Reporting of high-potential incidents is encouraged as they are used to heighten awareness, facilitate organisational learning, and affect more robust controls. At our surface operations the majority of incidents reported are related to light vehicles and heavy mobile equipment, whilst at the underground operations falls of ground and rail-bound transport incidents are the main contributors.

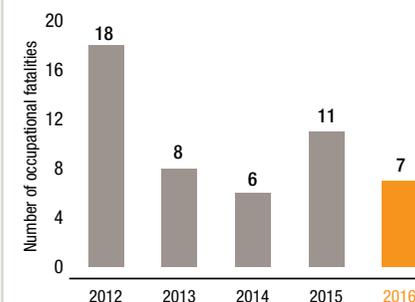
Safety framework maturity

Strategic planning, goals and targets	●	Safe work practices	●
Corporate governance, legal and other requirements	●	Change management	●
Safety leadership and accountabilities	●	Contractors, suppliers and partner selection and management	●
Co-design and conversation	●	Hazard and risk management	●
Awareness, training and competence	●	Incident management	●
Occupational environment, health, wellbeing and fitness for work	●	Emergency response, crisis management and business continuity	●
Design, construction, commissioning, decommissioning and closure	●	Technology, research and development	●
Procurement and disposal	●	Knowledge management	●
Operational and asset integrity	●	Performance management	●
Work planning	●	Learning and experience	●

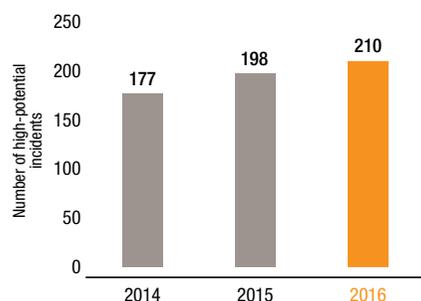
● Compliant ● Proactive ● Reactive



Occupational fatalities



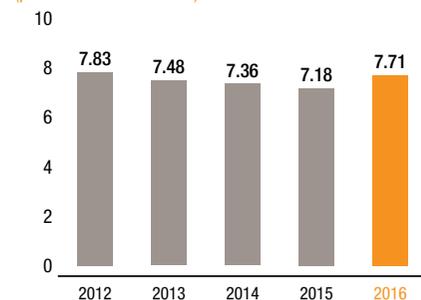
High-potential incidents*



* Only reported from 2014

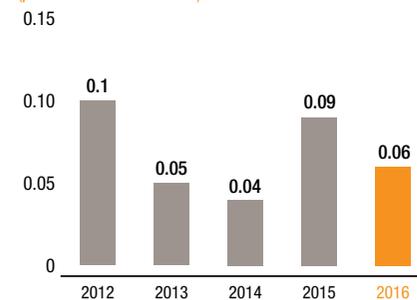
All injury frequency rate

(per million hours worked)



Fatal injury frequency rate

(per million hours worked)



Injury severity rate

(per million hours worked)

