



Legacy of silicosis

The prevention of occupational lung disease and, in particular, silicosis (*see box: About silicosis on page 120*), is a key focus within AngloGold Ashanti's occupational health strategy. Silicosis has long been associated with underground mining and is an issue that industry, governments, unions and health care professionals have been grappling with for many decades. For AngloGold Ashanti, silicosis is largely of concern at operations in South Africa and Brazil where silica dust is present in the working environment and intensive efforts continue to be made to prevent the disease. Effort is also directed at identifying early silicosis and offering alternative, lower-risk placement to employees at risk. Employees with silicosis are treated and compensated in terms of prevailing statutory provisions. The significant efforts made in understanding, monitoring and managing dust control have yielded a great deal of success in recent years.

In Brazil, no new cases of silicosis have been reported in the past five years. In South Africa, silicosis rates declined in the early 2000s, but have been rising again in the past three years. In 2006, the Occupational Lung Disease rate in the South African mines of the company was 10 per 1,000 employees.

While the current focus on silicosis has highlighted the dangers associated with the disease and long-term exposure to the underground mining environment, it is the legacy of former employees who contracted silicosis during their employment that is also a major focus of attention for the company.

In Brazil, there are currently a number of former employees who were associated with AngloGold Ashanti's operations at some time and who contracted silicosis during their employment. Most of these former mineworkers reside in close proximity to Nova Lima, the centre of the Brazilian



mining operations for close on 170 years. In addition to compensation paid to affected employees and their families, AngloGold Ashanti has set up and sponsors the Pneumology Reference Centre for treatment and research into lung diseases. (See box on *Pneumology Reference Centre – focusing on the health of former employees in Nova Lima in Report to Society 2004*).

The centre is particularly aimed at ensuring a better quality of life for former employees afflicted by silicosis and was set up at the time of the closure of the Morro Velho Mina Grande mine in 1995. The centre currently has 1,801 registered users of the facility and, in addition to the rehabilitation and care of patients, provides assistance to employees and their families in dealing with the illness, and with the financial and social issues related to it.

In South Africa, the issue is not as clear cut and contained as it is in Brazil for a number of reasons. Among these are the fact that there are many thousands of former mineworkers associated with current, closed and sold mining operations – not only those owned and operated by AngloGold Ashanti but also other mining companies – and who very rarely reside in close proximity to these operations. It is estimated that some 1 million people have left the mining industry over the past 20 years, whether because of the downscaling and closure of operations or retirement and ill health. Many of these former employees may not have been diagnosed as suffering from the disease at the time that they left the industry or later, in retirement, and they may not have received due compensation from the Compensation Commissioner. It is widely recognised that the compensation system is unwieldy and inefficient and this is currently under review by government, industry and organised labour. (See case study: *Worker compensation in South Africa under review at www.aga-reports.com/06/worker-compensation.htm*).

Compensation for occupational diseases and injuries is currently provided for in South Africa by two different statutes – the Compensation for Occupational Injuries and Diseases Act (COIDA) and the Occupational Diseases in Mines and Works Act (ODMWA). ODMWA covers Occupational Lung Disease (OLD) in miners only. COIDA provides compensation for occupational injury in all industries (including mining) and for occupational disease in all industries (excluding OLD in

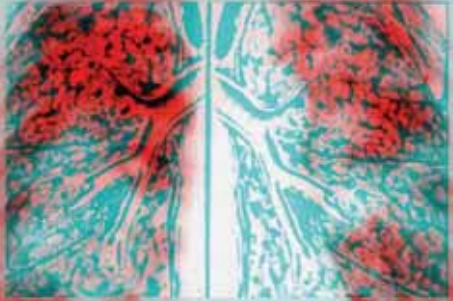
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mining). There are differences in both the application of and benefits paid in terms of COIDA and ODMWA. The South African cabinet has recognised this anomaly and in 1999 made a decision to pursue uniformity between the two acts. This process, in which AngloGold Ashanti is an active participant, is under way. It seeks to develop legislation that provides for compensation that is fair and consistent with the company's view of the need for the sustainable viability of the South African mining industry.

The mining industry, unions and the departments of labour and health have further committed to improving the delivery of compensation where this is due and have formed a working party to direct a major initiative to detect, treat and assist former mineworkers with silicosis to lodge claims for compensation. (See case study on *Making ODMWA work – Nongoma project to be launched – www.aga-reports.com/06/nongoma.htm*). Specific issues being addressed are the identification of the primary areas where these mineworkers reside, the strengthening of the government's occupational health services so that former mineworkers are better able to access medical facilities for diagnostic examinations, and improvement of the ODMWA certification and compensation claims processes. A key part of the agreed strategy is the establishment of occupational health centres at identified government hospitals in largely rural areas where these former mineworkers reside, to provide for benefit medical examinations and to promote economically sustainable development projects in these areas.

While the Department of Health is, of necessity, the lead agent in the process, as it will identify and establish the occupational health centres and sustain them in the long term, the mining industry through the Chamber of Mines has agreed to fund capital equipment and pre-defined recurrent expenses for a period of two years for each site. This cost is currently estimated at about R50 million. The parties agreed to a 'pilot' project at the outset which would establish the basis for further centres. Of key concern to all parties is that the system that is set up is sustainable in the longer term and, to a large extent, this depends on the provision of appropriate infrastructure and equipment, the establishment of systems, adequate staffing and training of health care workers, and the adequate funding of the project.

About silicosis



Silicosis is an occupational lung disease (OLD) which is caused by the inhalation of free silica dust. Silica dust is present in mines and quarries where quartz concentrations are high, as is the case in many deep-level gold mines (such as in South Africa and Brazil). If inhaled, silica dust may cause a fibrotic reaction (or scarring) in the lung, which results in a reduction of lung functioning. Often there are no symptoms of the disease, but in severe cases, breathlessness and coughing are the principal complaints. Of additional concern is that the presence of silicosis may predispose an individual to the development of TB, and this is especially so when an employee is immuno-suppressed – for example, if he or she is HIV-positive. Silicosis and TB in silica-exposed employees are considered to be Occupational Lung Diseases in South African legislation.

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Extensive consultation on where the project should be initiated resulted in the selection of St Benedictine Hospital in the Nongoma district of KwaZulu-Natal being chosen as the 'pilot' site. The project is expected to begin early in 2007.

The issue of silicosis is complicated by the fact that both exposure to silica dust and the development of silicosis leads to an increased risk of contracting tuberculosis (TB), which is further compounded by the presence of HIV. The chances of getting TB each year are about 10% to 15% for an HIV positive person, compared with less than 10% in a lifetime, if HIV-negative. An associated research programme in which four of AngloGold Ashanti's South Africa operations are participating is the Thibela TB programme, two as experimental sites and two as control sites. (See the case study *Thibela TB research programme under way at TauTona and Great Noligwa* on our website at www.aga-reports.com/06/thibela.htm).

The Thibela TB programme is part of a global research programme to find a solution, in the face of an escalating rate of infection, to reducing the incidence of TB, particularly as TB control in the South African gold mining industry appears to be faltering, despite the implementation of control programmes which exceed World Health Organization standards. This is largely attributable to silicosis and the escalating HIV/AIDS epidemic, which compounds the incidence of TB.

AngloGold Ashanti is acutely aware of its responsibility towards current and former employees in respect of preventing silicosis and assisting employees in accessing compensation for which specific statutory provision has been made. AngloGold Ashanti will defend any civil legal action for non-statutory compensation brought against the company (see box below). Although measures which were adopted in the past for the prevention and detection of silicosis complied with industry standards at that time and were based on the available knowledge of the disease, the company recognises that much needs to be done to identify and assist former mineworkers in accessing compensation. In addition, the company recognises that those communities within which these afflicted former mineworkers reside have also been affected, and that sustainable economic development projects should be put in place to recompense these communities in some way.

Legal action

In October 2006, AngloGold Ashanti received a claim for compensation of damages allegedly suffered by Mr Thembekile Mankayi, who was employed by the company at Vaal Reefs mine from 1979 to 1995, in respect of Mr Mankayi's having allegedly contracted silicosis. AngloGold Ashanti is defending this action on the basis that avenues for compensation exist in terms of South African legislation, and that Mr Mankayi is precluded in terms of this legislation from recovering damages from the company. AngloGold Ashanti recognises the plight of former employees, however, and proposes that a longer term and co-operative solution (such as that proposed in the case study on the Nongoma project) will be of significant benefit to former mineworkers and their communities.

