

ANGLOGOLD ASHANTI LTD

Form 6-K

March 29, 2007

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

Report on Form 6-K dated March 29, 2007

Commission File Number 1-14846

AngloGold Ashanti Limited

(Translation of registrant's name into English)

11 Diagonal Street

Johannesburg, 2001

(P.O. Box 62117, Marshalltown, 2107)

South Africa

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

Enclosure: Press release – **AngloGold Ashanti** report to society

Report to
Society
06

This Report to Society 2006 has been prepared in conjunction with the company's Annual Financial Statements on the company's operating and financial performance for the same period. Combined, the Report to Society and the Annual Financial Statements make up the Annual Report. Through the Report to Society, AngloGold Ashanti seeks to report on these issues to a wide range of stakeholders, who include shareholders, employees, employee representatives and the communities in which it operates, as well as regional and national governments and other interested parties.

The group's 2006 Report to Society has been prepared in the form of three complementary publications comprising:

- a comprehensive web-based document (www.aga-reports.com) which provides a broad overview of the group's sustainable development initiatives across 10 countries and 21 operations – with a particular focus on the economic, social and environmental impact and obligations for the period 1 January 2006 to 31 December 2006. This review is illustrated by a number of case studies for each of AngloGold Ashanti's business principles;

- a condensed printed document which entails a review of the company's economic, social and environmental impact and obligations for the period 1 January to 31 December 2006 and a selection of the case studies published in the web-based document. This condensed report illustrates the most significant challenges and issues facing the group in terms of sustainable development and indicates, where appropriate, where further information – particularly case studies – may be found in the web-based report. This entire report has been assured by independent auditors, PricewaterhouseCoopers; and

- country and operational reports, which provide an overview of each country or operation (as appropriate) and the issues and challenges relating to sustainable development in each.

AngloGold Ashanti believes that the report presents a fair and balanced reflection of the group's operations and performance, its objectives, values and business principles, and the major issues and challenges that it faces.

AngloGold Ashanti has sought to follow good practice, GRI guidelines and various other instruments (such as the Sarbanes-Oxley Act of 2002, and the guidelines of the King Report on Corporate Governance (2002), among others) in compiling this report. A detailed review of our reporting in accordance with GRI may be found on our website at www.aga-reports.com/GRI.htm.

The company's annual financial statements are available in a printed form or may be accessed at www.aga-reports.com.

For further information on the Report to Society 2006 and on the company's sustainable development practices, contact Alan Fine on (Tel) +27 11 637 6383 or afine@anglogoldashanti.com

Scope of the report

AngloGold Ashanti

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were taken by Edward Ruiz. See inside back cover for
more information.

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_Report to Society 2006

Letter from the CEO

AngloGold Ashanti

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At the heart of the character of this company is the idea of being a good steward: that is, to take the resources we command and use them to create value – for our owners, our employees and the communities in which we operate. The aspiration to create value characterises all aspects of our business. That means enhanced profitability and earnings, and growing the investment of our owners; the development of the skills, talents and experience of our employees; leaving communities better off for our presence; and working responsibly with the environment.

We hope that this report, together with our Annual Financial Statements, will assist people in coming to a conclusion about how well we are living up to our promises and how we plan to meet the challenges which we still face.

AngloGold Ashanti's Report to Society 2006 is the company's fifth such report, and the fourth which seeks to report, methodically and in an open and balanced manner, against both the company's own values and business principles, and against the guidelines of the Global Reporting Initiative (GRI), which remains the most broadly used standard of corporate triple bottom line reporting.

A new format

The report takes on a different format this year, in response to issues raised in a survey of stakeholder perspectives of the 2005 report. Essentially, we have introduced features designed to show the reader what we believe to be the most material 'sustainability' issues faced and dealt with by the company in 2006. This will be found in the section on pages 8 to 11. Also, the hard copy version of this report is half the size of previous versions: the major difference is that the hard copy version contains only a limited number of case studies – those we see as dealing with the most critical issues faced by the company in 2006. Some 50 more case studies (each briefly summarised at the end of the appropriate section) can be found in the web-based version. Country- or operation-specific reports may also be found on our website.

The issues we face

Perhaps the biggest socio-economic issue faced by AngloGold Ashanti, and by other mining companies conducting open-pit mining or exploration operations for precious minerals in developing countries, is the phenomenon of small-scale, informal and illegal mining occurring both around and in our mining lease areas. On the one hand, such mining often involves unsafe and environmentally dangerous mining practices, and operates outside of laws that seek both to regulate mining and to ensure benefits from mining for the broader community. On the other hand, such activities do provide a form of economic activity for individuals who have not found a place in the formal economy. It is the commitment of AngloGold Ashanti to work with host governments, at all levels, to find formalised, legal and safe ways for small scale-mining to take place, while at the same time supporting the enforcement of the rule of law. In South Africa, many years of progress in the sphere of mine safety, with constant declines in fatality and injury rates, were reversed in 2006 due to an increased number of underground accidents. We have embarked on urgent reviews of safety measures, knowing that the improving trend has to be reinstated. We convey our condolences to the victims' loved ones. More pleasing in our South African operations is a significant improvement in the numbers of employees undergoing voluntary counselling and testing in our HIV/AIDS programme. Self awareness is the prerequisite for a successful prevention and treatment programme, both in the company and in society as a whole, so we are very pleased with this breakthrough.

Another major and successful initiative on the public health front is the trend-setting malaria programme implemented in the town of Obuasi,

Ghana, where we aim to halve the incidence of this debilitating and deadly disease.

AngloGold Ashanti has always approached its business on the basis that relationships with employees are critical to a successful business

operation. In an attempt more closely to align employees' interests with those of the company, 2006 saw the introduction of an Employee Share

Ownership Plan in South Africa following intensive consultations with organised labour. Similar schemes will be rolled out elsewhere where

appropriate to the local conditions.

This company views its responsibilities towards its various stakeholders as interconnected. We cannot sustain good financial performance without

achieving our objectives in human resource development, health and safety, community investment and environmental stewardship. To this end

we are looking to strengthen the links between financial and sustainable development reporting.

Bobby Godsell

28 February 2007

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AngloGold Ashanti is one of the world's leading gold producers, with a varied portfolio of assets and orebody types in key gold-producing regions around the world. At the end of 2006, the company had 21 operations located in 10 countries (South Africa, Argentina, Australia, Brazil, Ghana, the Republic of Guinea, Mali, Namibia, Tanzania and the United States) on four continents, together with a substantial project pipeline and a focused, global exploration programme. The sale of the Bibiani mine in Ghana was concluded at the end of 2006 and the Boddington operation was given the go-ahead during the year.

AngloGold Ashanti produced 5.6 million ounces of gold in 2006, of which 2.6 million ounces (46%) came from deep-level hard-rock operations in South Africa and the balance of 3 million ounces (54%) from the shallower and surface operations around the world. Greenfields exploration is under way in Western Australia, Colombia and the Democratic Republic of Congo (DRC), and through exploration partnerships and joint ventures in Alaska, Russia, China, the Philippines and Laos.

AngloGold Ashanti is a values-driven organisation and our values and business principles underpin all that we do. This applies equally to our approach to sustainable development. Thus, our values guide our relations with all those that have an interest in the business – our stakeholders – and inform our business principles that govern those relationships. We measure our performance against our stated values and business principles and report our progress against these in this document.

ur profile

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AngloGold Ashanti

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ENGAGING WITH OUR STAKEHOLDERS

AngloGold Ashanti recognises that, as the company conducts its business, so it has an impact – real or potential – on a wide range of stakeholders. We have identified the following broad groups of stakeholders at corporate, operational and community level.

A detailed list including many of the stakeholders with whom the various operations engage may be found on our website www.aga-reports.com/06/stakeholders.htm. Our engagement with our stakeholders varies in frequency and may depend on specific matters on hand. The nature of this engagement may also be formal, informal or both.

While our operations interact with our stakeholders on a range of different issues, we specifically asked all operations to provide stakeholders with the Report to Society 2005, the Country/Operational Reports or the url for these reports on our website. We also asked readers both of the printed report and the web-based version for feedback. As in previous years, very little formal feedback was received.

In an effort to obtain better feedback and to initiate constructive debate with stakeholders on the report, we engaged an independent consultant to undertake focused interviews with a range of stakeholders. The commentary and feedback obtained in this manner were instrumental in many of the changes we implemented in the report this year. For further information on the research that was undertaken see www.aga-reports.com/06/research.htm.

WHAT WE REPORT

In this year's report we have tried to:

• Provide a clear picture of our vision, values and business principles, and how we perform when measured against these. In every section of the report, we have reported our performance against our stated business principles.

• Provide the reader with an overview of the company and the sustainability issues and challenges that we face in relation to the exploration, mining and closure pipeline and in the areas in which we operate. We have tried to present a clear picture at the beginning of the report and in each section, of what those main issues are.*

• Illustrate the way in which we do business, what some of the challenges are that we face and – through case studies – how these are dealt with at an operational level. In this document we deal with eight case studies which we have prioritised as some of the most significant issues facing the company. Further case studies may be found on our dedicated report website www.aga-reports/06/case-studies.htm.

• Provide a comprehensive resource so that readers may find information on specific issues and operations on our website.

• Respond to the GRI, the ICMM business principles and the UN Global Compact, in keeping with our responsibility to these institutions. A detailed discussion and checklist may be found on our website at www.aga-reports.com/GRI.htm.

** These primary issues were identified through a combination of the research that was undertaken by the independent consultant with stakeholders on what they were interested in, and a process of engagement with the subject champions at an operational and corporate level of what they felt were the most significant issues in their areas of responsibility. Consideration of these primary issues has been enriched through wider engagement with stakeholders.*

• employees

.
unions
. employees' families and dependants
. communities surrounding operations or
from which the company draws its labour
. shareholders
. business partners
. peer companies
. suppliers
. local, regional and national governments
. customers
. non-governmental and community-based
organisations
. academic institutions
. regulatory authorities
. professional organisations
See the online report
www.aga-reports.com
on how to use
our report.

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O

ur mission

& values

AngloGold Ashanti's mission, values and business principles were developed in consultation with employees and are reviewed as part of an ongoing process to ensure that they more accurately reflect the group's purpose and the way in which it does business.

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_Report to Society 2006

AngloGold Ashanti's mission:

Our business is gold. We consistently strive to create value for everyone with a stake in our company, by finding and mining gold and by developing the market for our product.

AnglogoldAshanti

_Report to Society 2006_Page 7

AngloGold Ashanti consistently strives to generate competitive shareholder returns. We do this by replacing profitable gold reserves and by continuously improving the performance of our key resources – our people, our assets and our product. We conduct ourselves with honesty and integrity.

We strive to form partnerships with host communities, sharing their environments, traditions and values. We want communities to be better off for AngloGold Ashanti having been there. We are committed to working in an environmentally responsible way.

Every manager and employee takes responsibility for health and safety; and together strive to create workplaces that are free of occupational injury and illness.

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

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Our values

Our business principles

We live our values through our business principles. These principles are applicable across AngloGold Ashanti and in all the countries in which we do business.

They inform the way in which we go about achieving our mission, balancing key economic, social, environmental and ethical values.

These business principles which will evolve over time as we interact with our stakeholders, both internal and external, are:

AngloGold Ashanti – a responsible and ethical corporate citizen

AngloGold Ashanti as an employer – safety and health

AngloGold Ashanti as an employer – labour practice

AngloGold Ashanti and the environment

AngloGold Ashanti in the community

On the pages that follow we report how we have performed in terms of our

values and business
principles.

Interaction with artisanal
and small-scale miners
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_Report to Society 2006

THE BUSINESS
OF GOLD

T
Fair employment practices and appropriate skills
Safety and elimination of accidents
Efficient use of resources – water, energy
Prevention of pollution
Occupational health (noise-induced hearing loss,
occupational lung disease)
Environmental footprint
(land use/biodiversity)
Minimising emissions (air quality)
Land disturbance
Impact on restricted areas – biodiversity
Consultation with communities

1. Finding the orebody

Identifying targets and
undertaking exploration.

2. Creating access to the orebody

Two types of mining take place:
underground mining – a vertical or
decline shaft is sunk deep into the
ground; and open-pit mining – where the
top layers of topsoil or rock are removed
to uncover the reef.

3. Removing the ore

In underground mining, holes are drilled,
filled with explosives and then blasted;
stopes are cleaned and ore is then
transported. In open-pit mining, drilling
and blasting may be necessary to
release the gold-bearing rock while
excavators load the material onto the
ore transport system.

**4. Transporting broken material to
plants for treatment**

Underground ore is transported by
means of vertical and/or horizontal
transport systems, while open-pit mines
transport ore in vehicles capable of
hauling large, heavy loads.

and the challenges it poses

Fair employment practices

Human rights issues

Interaction with communities

HIV/AIDS

Rehabilitation and achieving closure

Post-closure monitoring

Engagement with communities

This section illustrates our key sustainability issues during the life cycle of mining and processing gold (1 to 7 on the diagram below).

AngloGold Ashanti

Report to Society 2006*Page 9*

S e r v i c e s

Mining activities require extensive services, both on the surface and underground, including:

- mining engineering services;

- mine planning;

- ventilation;

- provision of consumable resources;

- engineering services;

- financial, administration and human resource services; and

- environmental/sustainable development services.

Minimising emissions (air and water quality)

Management of cyanide

Minimising emissions (air quality)

5. Processing

Comminution (the process of breaking up ore) occurs in multi-stage crushing and milling circuits, or large mills fed directly with run-of-mine material. For refractory ores (gold locked within sulphide mineral and not readily available for recovery by the cyanidation process) sulphide material is separated using flotation. Sulphide concentrate is oxidised by roasting or bacterial oxidation, to liberate gold. Ore is agitated in an alkaline cyanide leach solution, followed by adsorption of the gold cyanide complex onto activated

carbon-in-pulp (CIP). In the heap-leach process, run-of-mine ore is crushed and heaped on a leach pad; low strength alkaline cyanide solution is applied to the top for up to three months, and the dissolved gold-bearing solution is collected from the base of the heap and transferred to carbon-in-solution (CIS) columns where the gold cyanide complex is adsorbed onto activated carbon. Gold is recovered by re-dissolving gold, followed by precipitation in electro-winning cells and smelting of precipitate into doré bars.

6. Refining

Doré bars are transported to a refinery for further refining, to as close to pure gold as possible.

7. Mine-site rehabilitation

Once mining has been completed, operations are 'closed' and rehabilitation activities begin to return the land to a productive state.

(Rehabilitation is the process of reclaiming mined land to the condition that existed prior to mining or to a pre-determined post-mining use.) Planning for this process is undertaken during the life of mine.

Services

Engaging with communities
Local economic development
Water management

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Artisanal and small-
scale mining

Biodiversity

Legacy of environmental
issues

Artisanal and small-scale mining

Engaging with communities

Safety, security and human rights

Water quality

legislation

Management

of cyanide

Environmental issues (biodiversity)

Our world

of gold

This section illustrates key sustainability issues and indicates
particular areas of concern at AngloGold Ashanti's global operations

Occupational injuries and fatalities – emphasis on seismicity

HIV/AIDS

Environmental legacy issues

Compliance with the Mining Charter

Management of silicosis

Maintaining ISO14001 and certification

AngloGold Ashanti

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Environmental legislation

(especially permitting of

Tropicana project)

Artisanal and small-scale mining

Interaction with community

Regional health threats – malaria/cholera

Artisanal and small-scale mining

Environmental legacy issues

Safety, security and human rights

Malaria

Group issues

Skills development and succession planning

Malaria

Environmental

issues (cyanide

and water)

Safety, security and human rights

Environmental issues

Artisanal and small-scale mining

Environmental

rehabilitation

Local economic

development

HIV/AIDS

Safety, security and

human rights

Environmental issues

(biodiversity)

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REPORT OF THE INDEPENDENT ASSURERS

To the Board of Directors and Management of AngloGold Ashanti Limited

Introduction

We have been asked to perform assurance procedures on the printed publication of AngloGold Ashanti's Report to Society for the year ended 31 December 2006 for the purposes of expressing a reasonable assurance opinion on the performance information disclosed in the publication. AngloGold Ashanti's management was responsible for both the preparation and content of the Report to Society 2006.

Methodology

This engagement was conducted in accordance with the International Standards for Assurance Engagements 3000, "Assurance Engagements other than audits or reviews of historical financial information" (ISAE 3000). We planned and carried out our work in order to obtain reasonable assurance on the reliability of the performance information disclosed in the Report to Society. We applied suitable criteria as relevant to the information reported, and also where applicable, embodied in AngloGold Ashanti's internal corporate policies, procedures and controls. These criteria are available from AngloGold Ashanti on request.

Where quantitative performance indicators were derived from AngloGold Ashanti's audited financial statements for the year ended 31 December 2006, we did not audit the statements, but reviewed the derived figures for validity and accuracy.

Considerations and limitations

Non-financial data are subject to more inherent limitations than financial data, given both their nature and the methods used for determining, calculating, sampling or estimating such data. Due to the geographic spread of AngloGold Ashanti's operations, not all country operations were included in the sample. We have not carried out any work on data reported for prior reporting periods, nor in respect of future projections and targets.

Information that is reported on AngloGold Ashanti's web-site, but not published in the printed Report to Society 2006, was excluded from the assurance scope.

Conclusion

Based on our work performed, the printed Report to Society 2006 fairly reflects AngloGold Ashanti's performance in all material respects.

PricewaterhouseCoopers Inc.

Johannesburg

1 March 2007

AngloGold Ashanti

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Assurance of information produced by an organisation's management, generally means enhancing the degree of confidence of the intended users. Enhanced confidence is obtained from the outcome of an evaluation of the quality of such subject matter against criteria, by an independent third party practitioner. The outcome of an assurance exercise is an 'assurance statement' containing a conclusion on the quality of the subject matter.

AngloGold Ashanti appointed a team of non-financial assurance practitioners, whose qualifications and practical experience cover the breadth of corporate sustainability issues in the environmental, social and economic spheres, to undertake this independent third party assurance role.

The assurance conclusion was based on a test of the reliability of the performance information by way of:

- conducting interviews and holding discussions with management, key personnel and/or stakeholders of AngloGold Ashanti and assessing data trends;

- obtaining an understanding of the systems used to generate, aggregate and report the performance information;

- conducting site visits on a sample basis to test systems and data where necessary;

- assessing the completeness, accuracy, existence and validity of the performance information on a sample basis;

- reviewing and analysing collected information and effecting re-calculations where considered appropriate; and

- applying suitable audit criteria as relevant to the subject matter reported.

What users of the Report to Society see, in the form of the Assurance Statement issued by the third party, is the proverbial tip of the iceberg in the assurance process. What AngloGold Ashanti further benefits from, is a resulting internal management report with detailed observations made during the engagement, related to management and control issues, highlighting areas of particular concern or potential improvement. During the assurance exercise there has been ongoing dialogue between AngloGold Ashanti and the assurers at various levels, related to best practice and efficiency of controls, further contributing to staff awareness of material sustainability issues for the company.

The added value experienced by AngloGold Ashanti in the assurance of the Report to Society can be summarised as follows:

- Management comfort

 - Comfort that existing management systems and controls are functioning

 - Comfort that decisions and disclosures are based on reliable information

- Learning and improvement

 - Observations allowing for management to improve reporting processes and systems

 - Encouraging current best practice to drive continuous improvement

- .
Risk management
 - .
A reduction in the risk of material mis-statements
 - .
An improvement in overall risk management with particular focus on non-financial issues
 - .
Trust and credibility
 - .
Increased transparency and accountability helping to build trust and a positive reputation with all our stakeholders
- WHAT IS ASSURANCE?

AngloGold Ashanti

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Our business is gold

– economic performance

1 Living our values

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ECONOMIC PERFORMANCE

1. Living our values

At AngloGold Ashanti, our business is gold and our activities range from exploring for gold to the mining, processing and marketing of our product. We also produce uranium as a by-product. (*See case study Report to Society 2005: Uranium mined as a by-product contributes to the bottom line on page E12*).

We recognise that as a mining company our business entails the recovery, processing and sale of a non-renewable resource. Thus, our direct economic impact in terms of any orebody will always be finite. It is therefore imperative that the economic benefits which are derived from the resources that we exploit are not limited to one particular set of stakeholders, but accrue to a broader stakeholder group in advance of, during and after mining. The economic benefit must also be balanced against the impacts that we have on the broader socio-economic and natural landscapes.

We also recognise that our operations – and indeed our product – are about people: employees and their families, our neighbours, our customers and suppliers, our shareholders and other interested parties.

The Economic Performance section of this report is based on information drawn from our Annual Financial Statements 2006 (*www.aga-reports.com*) which is published concurrently with the Report to Society. In addition, on a regular basis through the year, a comprehensive review of the operational activities of the group and its individual operations is published in the company's quarterly reports to shareholders. These documents are available at www.anglogoldashanti.com.

2. Our scorecard

The following are features of our performance during 2006:

- . Gold production down 9% to 5.6 million ounces
- . Total cash costs increased by 10% to \$308 per ounce
- . Adjusted gross profit up by 125% to \$1,058 million
- . Adjusted headline earnings 105% higher at \$413 million
- . Capital expenditure increased by 13% to \$817 million
- . Total dividend declared per ordinary share \$0.62 (2005: \$0.36)
- . Ore reserves of 66.9 million ounces of gold, an increase of 6% on 2005

02

03

06

04

05

Key drivers of our business

AngloGold Ashanti

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ECONOMIC PERFORMANCE

3. Review 2006**Financial performance**

In 2006, AngloGold Ashanti produced 5.6 million ounces of gold from 22 operations in 10 countries, a decline of 9% on the total for 2005 (6.2 million ounces). (The sale of the Bibiani mine became effective on 1 December 2006 and statistics for Bibiani are included in the financial and operating results for 11 months of the year.)

The group's South African operations continue to contribute the greatest proportion of attributable ounces (45% in 2006, as against 43% in 2005). Attributable contributions to production from Guinea (5% versus 4% in 2005), Mali (10% versus 8% in 2005) and Namibia (2% versus 1% in 2005) rose in 2006.

Attri

Attributable gold production (000oz)	2006	2005
--------------------------------------	------	------

Argentina

215

211

Australia

465

455

Brazil

339

346

Ghana

592

680

Guinea

256

246

Mali

537

528

Namibia

86

81

South Africa

2,554

2,676

Tanzania

308

613

USA

283

330

Total

5,635

6,166

The average gold price received for the year increased by 31% to \$577 per ounce from \$439 per ounce in 2005. Total gold income during 2006 amounted to \$2,964 million (2005: \$2,629 million), an increase of 13%.

The gold market was characterised by robust investor and speculator interest during 2006. This, combined with exceptional price volatility in the first half of the year, resulted in the price peaking at \$725 per ounce, and averaging \$604 per ounce, up by 36% on 2005. Given this price volatility, The economic success of AngloGold Ashanti is determined by a number of key drivers:

.

The amount of gold that is produced.

.

The price that is achieved in the marketplace for our gold.

.

The costs we incur through the purchase of goods and services, as well as through the payment of taxes and royalties, in producing gold and in managing the company.

.

The expenses we incur in terms of capital development and exploration to identify and develop new ounces of gold for mining in the future.

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ECONOMIC PERFORMANCE

global demand for gold, and gold jewellery in particular, was affected for the year. Total demand was 5% lower at 3,866 tonnes.

Total cost of sales declined by 1% to \$2,282 million in 2006 (2005: \$2,309 million), with average total cash costs increasing by 10% to \$308 per ounce (2005: \$281 per ounce).

Adjusted headline earnings increased by 105% to \$413 million in 2006 (2005:\$201 million).

Group value-added statement

2006

2005

Dollar million

%

R million

%

R million

Value added

Gold income

2,964

2,629

Less: Purchases of goods and services in order to operate mines and produce refined metal, including market development costs net of other income

(1,041)

(1,087)

Value-added by operations

85

1,923

80

1,542

Fair value gain/(loss) on interest rate swops

1

16

(2)

(33)

and option component of convertible bond

Profit on disposal of assets

2

54

–

5

Income from investments and interest received

1

31

1

22

Government

Deferred taxation

1

30	
6	
117	
Utilised in the group	
Retained income	
10	
218	
15	
277	
Total value added	
100	
2,272	
100	
1,930	
Value distributed	
Employees	
Salaries, wages and other benefits	
39	
887	
46	
877	
Government	
– Current taxation	
9	
210	
4	
82	
Providers of capital	
– Finance costs and unwinding of	
6	
123	
6	
108	
decommissioning and restoration obligations	
– Dividends declared	
8	
173	
5	
95	
– Minorities	
1	
31	
1	
23	
Other	
– Impairment of tangible and intangible assets	
–	6
3	
64	
– Loss from discontinued operations	
–	

2
2
36
– Exchange loss
–
2
–
5
– Loss on non-hedge derivatives and other
commodity contracts
11
239
7
135
Total value distributed
74
1,673
74
1,425
Re-invested in the group
– Amortisation and depreciation
26
599
26
505
100
2,272
100
1,930

Further details and notes may be found in the Annual Financial Statements at www.aga-reports.com.

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ECONOMIC PERFORMANCE

Distributing value – to employees

During 2006, AngloGold Ashanti employed (on an average monthly basis) 61,453 people (employees and contractors) (2005: 63,993). Total distributions of \$887 million were made to employees (including executive directors), an increase of 1% on the distributions made in 2005. This represents 39% of the value distributed by the group in 2006.

Employee benefits (\$m)

2006

2005

Salaries, wages and other benefits

723

82%

752

86%

Health care and medical schemes, including defined post-retirement medical expenses

70

8%

61

7%

Contribution to pension and provident plans

41

5%

36

4%

Retrenchments costs

22

2%

26

3%

Share-based payment/expense

31

5%

2

–

Total included in cost of sales, other operating expenses and operating special items

887

100%

877

100%

For further information on AngloGold Ashanti's performance as an employer, see the section on Human Resources on page 64 of this report. In 2006, AngloGold Ashanti initiated an Employee Share Ownership Programme (ESOP) in South Africa. (*See case study on page 138, Harvesting for the future – Bokamoso ESOP.*)

Distributing value – to governments

Taxation of \$210 million was provided for during 2006. This represents an increase of 156%

on the \$82 million provided for in 2005. Other payments made to governments include value added tax, royalties and dividends. Further detail may be found in the Country and Operational Reports which are available on the company's website at www.aga-reports.com.

Taxation by country (\$m)

2006

2005

Argentina

13

–

Australia

25

6

Brazil

38

23

Ghana

5

–

Guinea

–

–

Mali

47

12

Namibia

4

–

South Africa

77

42

Tanzania

1

–

USA

–

-1

Total

210

82

Distributing value – shareholders and providers of capital

AngloGold Ashanti has a vast range of shareholders around the world, ranging from private individuals to institutions and governments. These shareholders may benefit from their investment in two ways: by the appreciation in the share price of the company during the year and with the payment of dividends.

The share price appreciated by 5% to end the year, to R330 on 31 December 2006 (31 December 2005: R314). Dividend payments for 2006 totalled \$132 million compared with total dividends paid of \$169 million in 2005. Payments to providers of capital increased by 45% to \$326 million. These payments included those made to banks and other financial institutions as well as dividends declared.

Distributing value – our customers

AngloGold Ashanti's customers are located around the world. A geographical analysis of gold income by destination is provided in the chart alongside.

The gold market

AngloGold Ashanti's commitment to gold extends beyond the refinery gates and supports a number of global marketing initiatives. We believe that our marketing programme, comprising projects designed to increase the demand for and enhance the desirability of gold, will assure a future market for our product. As more than 60% of gold mined each year is consumed by the gold jewellery sector, we actively support the development of a vibrant gold jewellery industry. In addition to supporting the efforts of the World Gold Council (WGC), AngloGold Ashanti's independent strategic marketing initiatives include a focus on taking the lead in the gold jewellery market in the areas of design innovation, branding, marketing and retail. These marketing initiatives are undertaken in the major markets for gold jewellery, namely, India, the Middle East, the United States and China, usually in conjunction with local partners or the WGC. (*See the case study, AuDITIONS goes global at www.aga-reports.com/06/AuDITIONS.htm*).

Sustaining operations

As a mining company exploiting a set of finite resources, it is incumbent on AngloGold Ashanti to:

- incur capital expenditure, both to prolong the viability and sustainability of existing operations, and to develop access to new reserves;
- undertake exploration, both greenfields and brownfields, to identify and possibly develop new operations; and
- acquire projects and operations that might extend the production profile of the group in years to come.

Given its inherent value, gold has been recycled ever since it was first discovered before the Bronze Age. It can be melted down, re-refined and re-used. It is therefore quite possible that modern jewellery and dental crowns may contain gold that was mined in prehistoric times. In modern times, roughly 15% of annual gold consumption is recycled each year. Gold can be melted down, re-refined and re-used. But it is never lost.

Gold is the most malleable and ductile of all metals and is usually alloyed to increase its strength. Gold is a good conductor of electricity and heat. It is not affected by exposure to air or to most reagents. It is inert and a good reflector of infrared radiation.

Pure gold is measured in troy weight, but when gold is alloyed with other metals the term carat is used to express the amount of gold present.

Gold – a rare, safe and recyclable product

AngloGold Ashanti

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ECONOMIC PERFORMANCE

A part of the process of sustaining operations is the protection of the company's assets to ensure their profitable and sustainable use and to encourage local economic development. *See the case studies on our website at www.aga-reports.com/06/case-studies.htm*

4. Case studies

To illustrate the link between sustainable development and economic performance in practice, the following case studies (summaries of which appear below) are presented on our website.

SMEDI continues to grow small businesses – the Stone and Allied example

AngloGold Ashanti's Small and Medium Enterprises Development Initiative (SMEDI) began in 1999 with the aim of identifying and helping small businesses in the communities around the South African mines as a way of stimulating economic growth in these areas. To illustrate how SMEDI operates, this case study focuses on Stone and Allied, an AngloGold Ashanti subsidiary which was sold in 2002 to a black empowerment group (45%) and Stone and Allied management (45%). The 10% was sold to Basil Read in July 2006. *See www.aga-reports.com/06/SMEDI.htm*

Re-developing company-owned land in Brazil

AngloGold Ashanti in Brazil is contributing to sustainable development in the city of Nova Lima – where its operations are headquartered – and the surrounding area in partnership with local real estate developers to sell and develop company-owned land for residential development. The project, in which local labour is given preference and to which strict environmental criteria are applied, forms part of a master plan covering the next two decades which is intended to form the cornerstone of economic development as the area moves from a mining- to a services-oriented economy. *See www.aga-reports.com/06/real-estate.htm*

AuDITIONS goes global

This case study discusses the establishment of a global identity for AngloGold Ashanti's gold jewellery design competitions now held under the banner of AuDITIONS. While existing contests (in South Africa and Brazil) have been given fresh impetus, new competitions have been started in India and China. To provide some insight into these marketing initiatives – their aims, how they are adapted to the countries in which they are held, their outcomes – the study examines in some detail the events held in Brazil in 2006. *See www.aga-reports.com/06/AuDITIONS.htm*

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Honesty and integrity

– ethics and governance

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Policy, Market Abuse Policy,
Conflict of Interests Policy
Implementing and maintaining
appropriate risk management
processes and procedures
Operating an effective whistle-
blowing policy and procedure

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Complying with all laws, standards,
regulations and international conventions
applicable to the company

Avoiding and dealing with legal
action against the company

2006/2007

2. Living our values

A key feature of our values statement is our intention to conduct ourselves with honesty and integrity in all that we do. Our values inform our business principles, which are applicable across AngloGold Ashanti and in all of the countries in which we do business.

1. Key issues

AngloGold Ashanti

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Business principle: AngloGold Ashanti – a responsible and ethical corporate citizen

1.

We will comply with all laws, regulations, standards and international conventions which apply to our businesses and to our relationships with our stakeholders. Specifically, AngloGold Ashanti supports the Universal Declaration of Human Rights, the Fundamental Rights Conventions of the International Labour Organization (ILO) and those principles and values referred to in the United Nations Global Compact.

2.

Should laws and regulations be non-existent or inadequate, we will comply with appropriate, proportionate and reasonable international standards.

3.

We will fully, accurately and in a timely and verifiable manner, consistently disclose material information about the company and its performance. This will be done in readily understandable language to appropriate regulators, our stakeholders and the public.

4.

We will not offer, pay or accept bribes, nor will we condone anti-competitive market practices and we will not tolerate any such activity by our employees.

5.

We prohibit our employees from trading shares when they have unpublished, material information concerning the company or its operations.

6.

We require our employees to comply with all money handling requirements under applicable law, and we further prohibit them from conducting any illegal money transfers or any form of 'money laundering' in the conduct of the company's business.

7.

We will require our employees to perform their duties conscientiously, honestly and in ways that avoid conflict between their personal financial or commercial interests and their responsibilities to the company.

8.

We will take all reasonable steps to identify and monitor significant risks to the company and its stakeholders. We will endeavour to safeguard our assets and to detect and prevent fraud. We will do this in a manner consistent with the international human rights agreements and conventions to which we subscribe.

9.

We will promote the application of our principles by those with whom we do business. Their willingness to accept these principles will be an important factor in our decision to enter into and remain in such relationships.

10.

We are committed to seeking out mutually beneficial, ethical long-term relations with those with whom we do business.

11.

We encourage employees to take personal responsibility for ensuring that our conduct complies with our principles. No employee will suffer for raising with management violations of these principles or any other legal or ethical concern. Although employees are encouraged to discuss concerns with their direct managers, they must, in any event, inform the group internal audit manager of these concerns. Mechanisms are in place to anonymously report breaches of this statement of principles.

12.

The company will take the necessary steps to ensure that all employees and other stakeholders are informed of these principles.

13. If an employee acts in contravention of these principles, the company will take the appropriate disciplinary action concerning such contravention. This action may, in cases of severe breaches, include termination of employment. In addition, certain contraventions may also result in the commencement of civil proceedings against the employee and the referral of the matter to the appropriate enforcement bodies if criminal proceedings appear warranted.

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3. Our scorecard

In the Report to Society 2005 we set certain objectives for 2006. The table below reflects the progress we made in achieving these objectives:

Objectives 2006

Performance 2006

Complete review of the first year of
Review completed. Second roll-out of Conflicts of
Conflicts of Interests Policy
Interest declarations under way.
roll-out

All regions to adopt schedules
Completed.

of laws dealing with document
retention, as required by the
Document Retention Policy

Adoption of Gifts and Anti-bribery
Policy was adopted by the AngloGold Ashanti Exco on
Policy

18 April 2006.

4. Review 2006

AngloGold Ashanti is committed to upholding the highest levels of corporate governance. Corporate governance is addressed at the Audit and Corporate Governance Committee of the board, which is chaired by a non-executive, independent director.

The company is led by a Board of Directors, comprising 17 members. Of these:

.
nine (52%) are independent directors;

.
four (24%) are non-independent, non-executive directors; and

.
four (4%) are executive directors.

Both the chairman and the deputy chairman are independent. The board's Audit and Corporate Governance Committee is fully independent and the Remuneration and Nominations committees are majority independent. There are nine board committees that meet on a regular basis. These are the:

.
Audit and Corporate Governance Committee;

.
Employment Equity and Development Committee;

AngloGold Ashanti is committed to upholding human rights at our operations and to promoting human rights in the communities and countries where we do business in line with the company's business values and business principles, which state that the company supports the Universal Declaration of Human Rights, the Fundamental Rights Conventions of the ILO and the principles and values referred to in the UN Global Compact. In 2006, AngloGold Ashanti developed a draft Policy on Human Rights which, following internal consultation, was put to a number of interested external parties. Once we have received and considered their comments, the policy will be formally reviewed by AngloGold Ashanti's Executive

Committee and Board of Directors and it is anticipated that it will be adopted and implemented during 2007.

AngloGold Ashanti's Policy on Human Rights

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Executive Committee;

.
Investment Committee;

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Market Development Committee;

.
Nominations Committee;

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Political Donations Committee;

.
Remuneration Committee; and the

.
Safety, Health and Sustainable Development Committee.

A detailed discussion of the functioning of the board and its committees may be found in the Corporate Governance section of the Annual Financial Statements 2006 at www.aga-reports.com.

The Safety, Health and Sustainable Development Committee has, among other issues, responsibility for sustainable development within the company and, in particular, this report.

Current members of the committee are: Bill Nairn (chairman), Bobby Godsell (CEO), James Motlatsi, Neville Nicolau and Simon Thompson. In attendance at each meeting

are representatives of the various disciplines: Don Ewigleben (sustainable development),

Dr Brian Chicksen and Dr Dave Barnes (health), John McEndoo (safety), Andrew Mackenzie

(environment) and Paul Hollesen (community). Each meeting has as its focus one of the specific disciplines. Safety is a standard agenda item.

The company's ethical performance is guided by AngloGold Ashanti's values and practised in line with the company's business principles and our performance against these is reported below.

Business principle 1: We will comply with all laws, regulations, standards and international conventions which apply to our businesses and to our relationships with our stakeholders.

Specifically, AngloGold Ashanti supports the Universal Declaration of Human Rights, the Fundamental Rights Conventions of the ILO and those principles and values referred to in the United Nations Global Compact.

and

Business principle 2: Should laws and regulations be non-existent or inadequate, we will comply with appropriate, proportionate and reasonable international standards.

The policy builds on the commitments made in the values and business principles and is in line with the company's commitment to adhere to the Voluntary Principles on Security and Human Rights of which it has applied to become a signatory.

The Voluntary Principles (<http://www.voluntaryprinciples.org/>) were developed out of a multi-stakeholder process involving governments, extractive companies and NGOs in late 2000 as a means of helping companies in the extractive sector to improve performance in relation to security-risk assessment and the control of security operatives, and to improve relations with communities over security issues. Accordingly, they focus on three main areas: risk assessment, interactions between companies and public security, and interactions between companies and private security. The secretariat to the Voluntary

Principles is provided jointly by the International Business Leaders Forum (IBLF) in London (<http://www.iblf.org/>) and Business for Social Responsibility (BSR) in San Francisco (<http://www.bsr.org/>).

In addition, work is being done to develop group-wide security and human rights training to be rolled out across the company and we will continue this during 2007.

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Legal issues

AngloGold Ashanti employs in-house legal counsel in the various jurisdictions in which it operates, in North America, South America, Ghana, South Africa, Guinea and Australasia, making up the Global Legal Team. Team members report to the General Counsel (Executive: Law, Safety, Health and Environment) and/or to the operating head of the region in which they are located. They monitor the laws, regulations and standards within their jurisdiction and will report changes in legislation and significant legal issues to the acting General Counsel as well as the head of operations, and provide advice on how best the company can comply with the law.

The following is a summary of all significant legal issues during the year under review. (A significant legal issue is any issue that could result in a liability to the company of US\$1.5 million or higher and/or which could have a negative effect on the company's reputation. The latter is naturally a subjective judgment.)

USA

Two civil cases brought against the company and others in 2000 and 2001 by the Sierra Club and the Mineral Policy Center for allegedly exceeding certain permit water quality standards or lack of permits for certain identified flows (in terms of the federal Clean Water Act) at the CC&V mine were resolved. A trial was held in February 2006. In April 2006 judgment was entered in favour of AngloGold Ashanti and the other named defendants against Sierra Club and the Minerals Policy Center. In December 2006, the district court issued an award ordering Sierra Club and the Minerals Policy Center to pay a portion of the attorney fees and costs requested by AngloGold Ashanti and the other named defendants. Sierra Club and the Minerals Policy Center have indicated they plan to appeal the decisions to the Tenth Circuit Court of Appeals.

South Africa

In April 2005, AngloGold Ashanti instituted an action against various mining companies and government ministers claiming that the mines upstream from its Vaal River operations are responsible and liable for pumping underground water that arises at their mines. We are in the process of finalising a settlement agreement with the mining companies which will result in the mining companies setting up a Section 21 water company to manage and operate the Margaret Shaft's water pumping activities. The settlement agreement, as currently drafted, requires AngloGold Ashanti to contribute R18 million over three years to the upgrading of the Margaret Shaft infrastructure. (*See case study on Progress made in settlement of KOSH water issue on our website at www.aga-reports.com/06/KOSH-water.htm*).

Mr Thembekile Mankayi instituted action against AngloGold Ashanti in October 2006 out of the High Court, Witwatersrand Local Division. Mr Mankayi is claiming approximately R2.6 million for damages allegedly suffered by him as a result of silicosis allegedly contracted whilst working on mines now owned by AngloGold Ashanti. An exception has been filed by AngloGold Ashanti against the claim. (*See case study on page 118, Legacy of silicosis*).

Ghana

An arbitration case is pending between AngloGold Ashanti, and Westchester Resources Ltd and Africore Ltd. The point at issue is an action initiated by the latter two companies – which held prospecting licences in some concessions in the Ashanti region of Ghana – against the then Ashanti Goldfields. The prospecting licences, valid for one year, were issued in terms of an agreement dated 31 October 2000. In a letter dated 19 September 2001, Ashanti Goldfields advised both companies that it did not wish to extend the exploration and option agreements. This meant that the agreements with the two companies terminated on 30 September 2001, having run their full course.

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Westchester and Africore disputed the cancellation of the agreements, and initiated action against Ashanti, alleging that Ashanti had failed to submit the necessary technical documentation to enable the terms of the agreements to be fulfilled. In February 2002, the court directed the plaintiffs to seek arbitration as stipulated in the agreements. The plaintiffs requested arbitration under the International Chamber of Commerce (ICC). Ashanti raised jurisdictional objections, which ICC supported. The plaintiffs have subsequently applied to pursue the matter through arbitration in Ghana. AngloGold Ashanti nominated an arbitrator in August 2006 and notified the plaintiffs accordingly. Their response is awaited.

South America

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Mineraça

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o Morro Velho LTDA and AngloGold Ashanti Brazil: Various cases relating to taxation, pension contribution payments and other amounting to \$11.9 million in claims. The company will defend this action.

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Mineraça

~

o Serra Grande SA: Various cases relating to taxation – approximate value of \$113 million. The company will defend this action.

Voluntary issues

Recognising that society cannot rely on legislation alone to regulate and guide corporate social behaviour, the company participates in a number of institutions whose focus is voluntary self-regulation through the setting of robust standards and the monitoring of performance against these. AngloGold Ashanti supports the Universal Declaration of Human Rights and the Fundamental Rights Conventions of the ILO. We became a signatory to the United Nations Global Compact following the business combination with Ashanti in 2004. (Ashanti had been a member since August 2001.) AngloGold Ashanti is an active supporter of the Global Compact and, in preparing the Report to Society 2006, has taken the principles promoted by the Global Compact into account. AngloGold Ashanti is a founding member of the International Council of Mining and Metals (ICMM) and actively participates in international debate as part of this organisation. We are also a member of the Council for Responsible Jewellery Practices, established to promote responsible social, ethical, human rights and environmental practice throughout the gold and diamond jewellery chain. Furthermore, AngloGold Ashanti became an organisational stakeholder of the Global Reporting Initiative (GRI) in 2004. The GRI is a multi-stakeholder process and independent institution whose mission is to develop and disseminate globally applicable Sustainability Reporting Guidelines. These guidelines are for voluntary use by organisations in their reporting on the economic, environmental, and social dimensions of their activities, products, and services. Established in 1997, GRI became independent in 2002, is an official collaborating centre of the United Nations Environment Programme (UNEP) and works in co-operation with the UN Global Compact. In line with its membership and commitment to the ICMM, AngloGold Ashanti is committed to:

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the active promotion of GRI's principles and its broader stakeholder constituency;

.

participation in the GRI process; and

.

in so far as is practicable, preparing sustainability reports informed by the GRI guidelines and principles and which are available to the public.

In line with ICMM requirements, AngloGold Ashanti is committed to good business practices in sustainable development. We have committed to implement the ICMM Sustainable Development Framework and comply with all policy statements of the ICMM. A table referring to the ICMM

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principles, their corresponding GRI indicators and where they may be found in this report appears on our website at www.aga-reports.com/06/GRI.htm

While this year's report has been prepared in accordance with the GRI 2002 Guidelines, cognisance has been taken of the G3 guidelines which were released in October 2006 and, where this has been possible, G3 indicators have been considered throughout this report.

Business principle 3: We will fully, accurately and in a timely and verifiable manner, consistently disclose material information about the company and its performance. This will be done in readily understandable language to appropriate regulators, our stakeholders and the public.

AngloGold Ashanti subscribes to a policy of full, accurate and consistent communication in respect of both our operating and financial affairs. A formal Disclosures Policy has been adopted by the company to guide and ensure compliance with the rules of the various exchanges on which AngloGold Ashanti is listed and provide timely, accurate and reliable information to stakeholders, including investors and potential investors, regulators and analysts. This policy is available on the website. Adherence to this policy is guided by the company's Disclosure Committee.

In the 2006 financial year, the Brazilian operations reported that AngloGold Ashanti donated \$334,517 to nine political parties and politicians in the states of Minas Gerais (\$252,594) and Goiás (\$81,922). In Brazil, political donations are limited by law to 2% of total gross sales revenue. The donations made by AngloGold Ashanti complied with the relevant regulations and amounted to 0.15% of total gross sales revenue in 2005. The politicians to whom the donations were made included one governor, five federal deputies and five state deputies. The donations were made in the interests of maintaining working relationships with local politicians and their co-operation on policy and legal reform so as to ensure best practice regarding social development and governance.

Business principle 4: We will not offer, pay or accept bribes, nor will we condone anti-competitive market practices and we will not tolerate any such activity by our employees.

A policy on gifts and hospitality was approved by the company's Executive Committee on 18 April 2006 and, a document, Guidelines on the Giving and Receiving of Gifts, was issued to employees through a formal brief from the company's CEO, Bobby Godsell, and will form part of the induction of all new company employees.

Business principle 5: We prohibit our employees from trading shares when they have unpublished, material information concerning the company or its operations.

AngloGold Ashanti has a Market Abuse (Insider trading) policy which was approved by the board in October 2002. This policy has been communicated to relevant employees and effectively prohibits employees from trading shares when they have unpublished, material information concerning the company or its operations. Timeous notice is given by the company secretary to relevant employees of closed periods as decreed by the various authorities.

Business principle 6: We require our employees to comply with all money handling requirements under applicable law, and we further prohibit them from conducting any illegal money transfers or any form of 'money laundering' in the conduct of the company's business.

In a joint process being undertaken between the Compliance Department, Asset Protection and Internal Audit, a policy and guidelines in respect of fraud and economic crimes are being compiled. It is the intention that this will be adopted by the Executive Committee and implemented during the course of 2007.

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Business principle 7: We will require our employees to perform their duties conscientiously, honestly and in ways that avoid conflict between their personal financial or commercial interests and their responsibilities to the company.

A Conflicts of Interest Policy was reviewed and adopted by the Executive Committee in September 2005. The aim of this policy is to ensure that the commercial transactions of the company take place in a manner that ensures the integrity and fairness of the company's contract and tender processes. The policy applies to temporary, part-time and full-time employees, who may have actual, potential or perceived conflicts of interest between their personal interest and the interests of the company. The human resources department of each region is responsible for identifying which employees are required to complete declaration of conflicts of interest forms. This policy has been communicated to all employees.

Business principle 8: We will take all reasonable steps to identify and monitor significant risks to the company and its stakeholders. We will endeavour to safeguard our assets and to detect and prevent fraud. We will do this in a manner consistent with the international human rights agreements and conventions to which we subscribe.

The company undertakes an extensive risk management process to identify significant risk to the company and its stakeholders. The board reviews and approves the risk strategy and policies that are formulated by the executive directors and senior management. Management is accountable to the board and has established a group-wide system of internal control to manage significant group risk. The risk management policies are communicated to all relevant employees. A full review of the risk, control and disclosure processes is undertaken annually to ensure that all additional requirements are incorporated into the system in the future. A detailed discussion on risk management and internal controls and the risk factors identified by the company may be found on pages 117 to 133 of the Annual Financial Statements. (*See the case study on Risk management at AngloGold Ashanti at www.aga-reports.com/06/risk-manage.htm*).

Business principle 9: We will promote the application of our principles by those with whom we do business. Their willingness to accept these principles will be an important factor in our decision to enter into and remain in such relationships.

and

Business principle 10: We are committed to seeking out mutually beneficial, ethical long-term relations with those with whom we do business.

AngloGold Ashanti is committed to the extension of our business principles to those with whom we do business and a document setting out our values and business principles, and their applicability to our business partners is currently being developed.

AngloGold Ashanti's Group Procurement and Supply Chain operations ensure the application of the AngloGold Ashanti principles at two levels. First, this is done contractually and only with accredited and approved suppliers where the supplier is assessed for capability as well as acceptance of the product in terms of standard and quality – where contracts have specific clauses relating to safety and health and other sustainable development issues; and second, through the strict application of the gifts policy which ensures that no supplier receives undue favour.

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While the human resources and safety and health clauses that are embedded into contracts are very thorough it has been recognised that more could be done in terms of environmental and community-related issues and a task team has been appointed at a corporate level to review this issue and develop guidelines as required. In addition, whilst greater alignment will be sought between the policies and practices at operations across the group during 2007, a process is under way to assess the suppliers to the South African operations for adherence to environmental, safety and ethical conduct with oversight and intervention by the internal supplier monitoring committee chaired by the internal audit services.

Business principle 11: We encourage employees to take personal responsibility for ensuring that our conduct complies with our principles. No employee will suffer for raising with management violations of these principles or any other legal or ethical concern. Although employees are encouraged to discuss concerns with their direct managers, they must, in any event, inform the group internal audit manager of these concerns. Mechanisms are in place to anonymously report breaches of this statement of principles.

AngloGold Ashanti has adopted a Code of Ethics for Employees, a Code of Ethics for Senior Financial Officers, and a Whistle-blowing Policy that encourages employees and other stakeholders to confidentially and anonymously report acts of an unethical or illegal nature affecting the company's interests. Employees are encouraged to discuss issues with their direct managers first (if appropriate) and then if not resolved to report these through the whistle-blowing line or go directly to internal audit or legal departments. All reports made in terms of the Whistle-blowing Policy are fielded by a third party, Tip-Offs Anonymous, which ensures all reports are treated confidentially or anonymously depending on the preference of the caller. The information is relayed to management and internal audit for investigation. Feedback on reports is given when requested. A report is provided to the Executive Committee and the Board Audit and Corporate Governance Committee on a quarterly basis. Both codes and the whistle-blowing policy are available on the company website. Of the 29 cases reported in 2006, 12 were still in progress or unresolved at year-end.

Categorisation*

Total number of

Completed

In progress/

cases reported

unresolved issues

Bribery and corruption

5

1

4

Enquiry**

2

2

–

Fraud

4

2

2

Grievance

3

2

1

Irregularities

5

2

3

Misconduct

8

7

1

Unfair labour practice

2

1

1

Total

29

17

12

*

The categorisation of reports is preliminary and based on the allegations made in the whistle-blowing reports received.

**

Enquiry refers to whistle-blowing reports received with a request for information or for a clarification on certain issues, such as working hours or job profiling.

Business principle 12: The company will take the necessary steps to ensure that all employees and other stakeholders are informed of these principles.

Owing to the increasing number of policies and procedures in place, it has become apparent that employees require better guidance to ensure that they understand which policies and guidelines

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are in place, which are applicable to them and when. With this in mind, a brief guide to these policies and guidelines is being formulated at a corporate level for use in South Africa and at the other African operations, and communication to all employees on the values, business principles and policies will be reinforced in 2007.

Business principle 13: If an employee acts in contravention of these principles, the company will take the appropriate disciplinary action concerning such contravention. This action may, in cases of severe breaches, include termination of employment. In addition, certain contraventions may also result in the commencement of civil proceedings against the employee and the referral of the matter to the appropriate enforcement bodies if criminal proceedings appear warranted.

In addition to the group-wide Code of Ethics, the company has various disciplinary procedures in place at all operations.

5. Case studies

In order to illustrate the impact of the business principles on our daily operations and how we deal with the various operational challenges related to this business principle, we have presented a number of case studies on our website. Much of the work in this area is undertaken at a central, group level although its implementation and application is undertaken locally.

Risk management at AngloGold Ashanti

Mining is a potentially high-risk activity and AngloGold Ashanti has in place a comprehensive risk management process across the group in terms of which it is every manager's responsibility to identify and manage risks in his or her area. Systems and processes are in place to ensure that risks are reported and managed by the Safety, Health, Environment and Sustainable Development committees. (See www.aga-reports.com/06/risk-management.htm).

Progress made in settlement of KOSH water issue

Headway has been made with regards to the setting up of a new water company to manage the continued pumping of water, following the 2005 dispute over responsibility for pumping of water from DRDGOLD's now defunct North West Operations. The three companies involved – Simmer and Jack mines Limited, Harmony Gold Mining Company, and AngloGold Ashanti Limited – have met with the Departments of Minerals & Energy and Water Affairs & Forestry to set out the conditions for the establishment and operation of the new water company. Talks have also been held with other key stakeholders with regards to water quality and reticulation. (See www.aga-reports.com/06/KOSH-water.htm).

6. Objectives 2007

Three key objectives have been set for 2007:

• developing and implementing an employee handbook on key compliance and governance policies;

• developing and implementing a supplier handbook on key compliance and governance policies applicable to them; and

• communication and, in particular, the roll-out of the values and business principles and associated policies to all employees.

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2. Living our values

One of our four core values at AngloGold Ashanti relates to the safety and health of employees, namely:

‘Every manager and employee takes responsibility for health and safety; and together strive to create workplaces that are free from occupational injury and illness’.

Wellness in the workplace

Implementing and maintaining

OHSAS 18001 at all operations

Meeting industry targets in

respect of OLD, NIHL and TB

incidence rates

Implementing and maintaining

appropriate disaster management

programmes

Implementing and maintaining appropriate

risk management strategies

Reducing incidence of falls of

ground (seismic and non-seismic)

Eliminating accidents at work and,

in particular, reducing fatal injuries

2006/2007

1. Key issues

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A comprehensive programme – Wellness in the Workplace – which adopts an integrated approach to managing the health and well-being of employees has been put in place at the company's underground mining operations in South Africa and Obuasi in Ghana. (See diagram on page 44.) The fundamental concept underlying this approach is the company's aim to engage healthy and productive people at the beginning of their careers and to ensure that these employees remain so until they leave the employ of the company, sometimes many decades later. This concept recognises the intrinsic interdependence of safety, occupational health, the environment and productivity, and requires an integrated and co-ordinated approach by the safety, occupational health, environment, medical and human resources disciplines. The programme has three phases: the pre-employment/engagement phase; the employment phase during which employees are exposed to the social and occupational environment; and the termination/post-employment phase. AngloGold Ashanti's safety and health management and practices are guided by the group's business principle, 'AngloGold Ashanti as an employer – safety and health'.

AngloGold Ashanti as an employer – safety and health

1. The company is committed to complying with all relevant occupational health and safety laws, regulations and standards. In the absence of such standards, leading practice will be adopted.
2. We are committed to providing a working environment that is conducive to safety and health.
3. The management of occupational safety and health is a prime responsibility of line management, from the executive level to the first-line supervisory level.
4. We strive for employee involvement and consultation with employees or their representatives to gain commitment in the implementation of these principles.
5. The company is committed to providing all necessary resources to enable compliance with these principles.
6. The company will not tolerate or condone deliberate breaches in standards and procedures.
7. We will implement safety and health management systems based on internationally recognised standards and we will assess the effectiveness of these systems through periodic audits.
8. We will conduct the necessary risk assessments to anticipate, minimise and control occupational hazards.
9. We will promote initiatives to continuously reduce the safety and health risks associated with our business activities.
10. We will set safety and health objectives based on comprehensive strategic plans and will measure performance against these plans.
11. We will monitor the effects of the company's operational activities on the safety and health of our employees and others, and we will conduct regular performance reviews.
12. We will provide all necessary personal protective equipment.
13. We will establish and maintain a system of medical surveillance for our employees.
14. We will communicate openly on safety and health issues with employees and

other stakeholders.

15.

We will ensure that employees at all levels receive appropriate training and are competent to carry out their duties and responsibilities. We will require our contractors to comply with these principles and we will seek to influence joint venture partners to apply them as well.

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3. Our scorecard

In our Report to Society 2005, we set a number of objectives that we wanted to achieve in 2006 and we report on these in our scorecard below.

Objectives for 2006

Performance in 2006

Safety

Long-term objective to eliminate all accidents.

Regrettably there were 37 occupational fatalities at our operations and 1,288

lost-time injuries.

Reduce LTIFR by 20% year-on-year.

The LTIFR rose by 14%.

Incorporate risk management as a critical aspect

Ongoing initiatives in place.

of management of our operations.

All operations working towards OHSAS 18001

Gap audit programme completed in 2006

implementation.

and CVSA recommended for certification in

December 2006.

Occupational health

Plan to meet South African Mine Health and Safety

Council's targets on NIHL and silicosis.

These targets are:

OLD: by 2008, 95% of all silica exposure

The AngloGold Ashanti internal target

measurements will be below the occupational

of 10% of exposure measurements

exposure limit (OEL) of 0,1mg/m³

readings above the OEL was achieved

with 9.95% of readings above the

OEL. The target set for 2007 is 7.5%,

with 5% for 2008 as per the industry

milestone. The average silica dust

concentration for 2006 was 0,04mg/m³.

Dust control standards have been set and

are being inspected on a regular basis for

determination of risk profiles for all working

places. More than 4,020 personal dust

samples were taken in 2006.

By 2013, no new cases of silicosis will occur in

Although the milestone is aimed at the

previously unexposed employees.

year 2013, AngloGold Ashanti is already

tracking all new cases of silicosis in

all employees.

NIHL: by 2013, noise emissions of all equipment will

Compliance with respect to meeting the

be below 110dBA; and by 2008, no deterioration in DME target for noise emissions was 34% hearing greater than 10% will occur in noise-exposed for 2006. employees.

To further drive down the TB incidence in the South Africa Region. The TB rate recorded for 2006 was 31 per 1,000 employees per annum up on that of 2005.

4. Review 2006

We report our performance in 2006 against our business principles.

Business principle 1: We are committed to providing a working environment that is conducive to safety and health.

Although, the group's safety and health performance has improved significantly since the formation of AngloGold in 1998, we have not achieved our long-term target of eliminating fatal accidents and occupational illness, particularly at the African operations. (*See case study on Safety review at the South African operations on page 116.*)

LTIFR – Group

(per million man-hours worked)

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In 2006, the group's Fatal Injury Frequency Rate (FIFR) of 0.22 per million man-hours rose by 57% year-on-year, although it remains a 44% improvement on the rate in 1998. The Lost Time Injury Frequency Rate (LTIFR) – at 7.70 per million man hours in 2006 – rose by 14% year-on-year, and has declined by 47% since 1998.

In spite of the improvements noted above, we regret to report a deterioration in our group safety performance, primarily as a result of the reversal of a positive safety trend in the South African operations.

At the South African operations Noise-induced Hearing Loss (NIHL) rates have decreased in 2006 to 2 per 1,000 employees from 4 per 1,000 employees in 2005. Similarly, in respect of the South African operations, with respect to Occupational Lung Disease (OLD), including silicosis – new cases reported have increased from 7 per 1,000 in 2005 to 10 per 1,000 employees during 2006.

The incidence of pulmonary tuberculosis (TB) has also increased in 2006 to 31 per 1,000 from that of 25 per 1,000 recorded in 2005. This is lower than the figure of 35 per 1,000 recorded in 2004.

Business principle 2: We will monitor the effects of the company's operational activities on the safety and health of our employees and others, and we will conduct regular performance reviews.

Safety

A range of leading and lagging indicators are monitored throughout the group. Some of these are site-specific (particularly the leading indicators). The primary lagging indicators reported for the group as a whole are the FIFR, the LTIFR and the days lost per lost-time injury. The latter indicates the severity of lost-time injuries.

Fatal accidents

Regrettably, there were 29 accidents within the group in 2006 in which 37 employees (including contractors) lost their lives. Thirty-two of these occupational fatalities occurred at South African mines, 16 of them at one mine – TauTona – in nine separate accidents. (*See case study on: Mining plan changed in the interests of safety at www.aga-reports.com/06/TauTona-safety.htm*). The board and management of the company extend their deepest sympathy to the families and colleagues of those who died. That employees die or become ill during the course of work is an area of great concern to the management and board of AngloGold Ashanti, and a great deal of attention and focus has been placed on ensuring that employees leave the company in good health at the end of their careers. Further details on each of these accidents and on the employees who died may be found on our website at www.aga-reports.com/06/fatalities.htm

Safety rates

The FIFR increased from a rate of 0.14 per million man-hours in 2005 to 0.22 per million man-hours in 2006, a regression of some 57%. Nonetheless 13 operations ended the year having not experienced any occupational fatalities, while a further three operations improved their rates. The LTIFR rose by 14% to 7.70 per million man-hours, from 6.77 in 2005. The LTIFR actually improved at a number of operations, with Cripple Creek & Victor (CC&V) in the United States having achieved a LTIFR of zero. In fact, CC&V has achieved a most notable milestone in having not had a single injury on mine during the past three years. (*See case study on Risk management in North America on our website at www.aga-reports.com/06/risk-CC&V.htm*).

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Causes of fatal accidents

The primary cause of fatal accidents in South Africa remains falls of ground (78%), with seismically induced falls of ground accounting for 44% of all South African fatalities. (*See case study on A new strategy for managing falls of ground in South Africa at www.aga-reports.com/06/FOGM.htm*). One fatal accident at Obuasi mine in Ghana was caused by an employee being scalded by chemicals in the metallurgical plant, and the other by an employee being pulled into the rotating drill system of an underground drill rig.

Health

The primary occupational health threats to employees are NIHL and OLD, with the latter a particular threat in underground mining environments where silica dust exposure is present. In South Africa, TB in silica-exposed employees is a significant occupational disease risk, especially in view of the relationship between HIV/AIDS and TB. In many cases, the statistics reported below are presented for the South Africa operations only as this information is collected and reported to meet the requirements of the country's Mine Health and Safety Act (MHSA). Furthermore, it is the company's view that the risk posed by health threats is greater in South Africa owing to the large number of people involved in deep-level mining operations and the incidence of HIV/AIDS. HIV/AIDS and malaria, which are not strictly work-related but which present significant threats to the health and well-being of employees and communities, are dealt with under the Regional Health section of this report, on page 50.

Medical surveillance

In South Africa, 50,343 occupational medical surveillance examinations (initial, periodic, transfer and exit) were performed during 2006 in accordance with the requirements of the MHSA. Medical surveillance statistics from AngloGold Ashanti operations outside of South Africa are reported in the country and operational reports which are available on our website at www.aga-reports.com.

Noise-induced hearing loss (NIHL)

Sixty-seven new cases of NIHL were identified in South Africa during 2006, which is a rate of 2 per 1,000 employees. This is a decrease from the 4 cases per 1,000 employees reported in 2005. Comprehensive hearing conservation programmes are in place at all operations and include, among other aspects, noise control engineering (silencing), the provision of hearing protection devices, education and communication programmes, and annual audiometry examinations of employees. In South Africa, baseline audiograms conducted in 2005 in line with new compensation regulations form the basis of future assessments of employees' hearing loss. A major engineering initiative to reduce noise at source to below 110dBA has resulted in all underground drills and noisy fans having been silenced in the South Africa operations, with the ongoing identification and silencing of other noisy equipment in progress.

Occupational Lung Disease (OLD)

Exposure to silica dust remains one of the major contributing factors to the development of OLD. (In this context OLD includes TB, TB silicosis and obstructive airways disease). Of these, TB is the most pervasive and is compounded by a high HIV prevalence in the mining population (of about 30%) which greatly increases the risk of TB. It is estimated that about 85% of employees diagnosed with TB are HIV-positive.

OLD statistics

During 2006, 348 cases of OLD were identified in South Africa, which reflects a rate of 10 per 1,000 employees, an increase on that reported in 2005 (7) and 2004 (7). An additional factor contributing to the incidence of OLD (including high TB and HIV rates) is the increasing average age of the South African workforce which has had a longer, cumulative exposure to silica dust underground.

FIFR year-on-year for each operation
per million man-hours worked
2006 2005

Argentina
Cerro Vanguardia
0.00
0.00
Australia
Sunrise Dam
0.00
0.00
Brazil
AngloGold Ashanti
Mineraça
~
o
0.00
0.18
Serra Grande
0.00
0.00
Ghana
Iduapriem
0.00
0.00
Obuasi
0.08
0.29
Guinea
Siguir
0.31
0.00
Mali
Morila
0.00
0.00
Sadiola
0.00
0.00
Yatela
0.43
0.00
Namibia
Navachab
0.00
0.00
South Africa
Great Noligwa
0.36
0.22
Kopanang
0.14
0.07
Moab Khotsong

0.27
0.16
Mponeng
0.30
0.21
Savuka
0.00
0.00
Tau Lekoa
0.15
0.41
TauTona
1.23
0.29
Tanzania
Geita
0.00
0.00
USA
CC&V
0.00
0.00
Group
0.22
0.14

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Dust control

In South Africa, initiatives to eradicate dust and improve methods of dust control have continued, although the agreed* industry target, for which 95% of all individual samples must be below the legal limit of 0.1mg/m³ by 2008, has not yet been achieved. In 2006, the average silica dust concentration was 0.04mg/m³ (2005: 0,04mg/m³), with the 95th percentile at 0.129mg/m³ (2005: 0.13mg/m³). A total of 4,020 personal gravimetric samples were taken during 2006. (**Targets agreed by industry body, the Mine Health and Safety Council.*)

TB control

TB control programmes in South Africa were boosted during the year with the roll-out of a second mobile digital diagnostic radiography unit. The two mobile units in service move from shaft to shaft to facilitate more frequent x-raying of employees. The objective is to detect and treat TB at an earlier stage, thereby preventing the spread of the disease and reducing its impact on the individual and the community.

World Health Organization-aligned TB treatment programmes are made available free of charge to employees and contractors alike by the group's medical services. The TB control programme results exceed the WHO target of an 85% cure rate of all TB cases. (*See case study on Thibela project on our website at www.aga-reports.com/06/thibela.htm*).

Silicosis

Silicosis is caused by the inhalation of free silica dust present particularly in deeper level mining areas with high quartz concentrations, such as in South Africa and Brazil. *A case study on the Legacy of silicosis may be found on page 118 of this document.*

Efforts to eradicate silicosis at the AngloGold Ashanti operations in Brazil have largely been successful with no new cases of silicosis having been identified in the past five years. In addition to successful dust mitigation programmes and intensive monitoring, Brazilian legislation limiting the number of years that employees may work underground has played a major role in this achievement.

The legacy of silicosis in South Africa remains a significant issue for the company. This is so for a number of reasons. The current state-led compensation systems are cumbersome and inefficient and, because of this, many silicosis-affected former employees of the mining industry may not have had acce