

ANGLOGOLD ASHANTI LTD

Form 6-K

March 27, 2009

**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 27, 2009

Commission File Number 1-14846

AngloGold Ashanti Limited

(Translation of registrant's name into English)

76 Jeppe Street

Newtown

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 - 2008 REPORT TO SOCIETY

Report to Society
2008

AngloGold Ashanti's theme for the 2008 suite of reports takes the form of installation art, reflecting the group's fundamental premise that 'People are our business, our business is people'. We recognise that it is the people of AngloGold Ashanti – employees, their families and our communities – that breathe life into the company, through their vision, energy, resourcefulness, strength and ingenuity.

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Report to Society 2008

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Report to Society 2008

Scope
of report

Report to Society 2008

Annual Financial Statements 2008

Mineral Resource and Ore Reserve

Report 2008

Social and Labour Plan Reports 2008

Country Reports 2008

The Report to Society is produced annually as an integral part of AngloGold Ashanti's suite of annual reports, which is intended to communicate with the wide range of stakeholders and business partners with which the company is associated. These stakeholders and business partners include shareholders, employees, community members and the many other interested parties in all the countries and regions in which the group operates, as well as regional and national governments.

The 2008 suite of reports, including the Report to Society, covers the financial year from 1 January to 31 December 2008. The previous report was for the 2007 financial year, and was published in March 2008. The full set of reports comprises various documents, in differing formats, all of which are available at www.aga-reports.com or, on request, in hard copy from the contacts detailed at the end of this report.

The 2008 Report to Society is produced in three formats as explained below.

•

A detailed, comprehensive web-based report presents an overview of the group's sustainable development initiatives, including its social, economic and environmental impacts and obligations across all its operations. The report covers operations that are managed by the company on all issues, except safety and environmental performance statistics at Morila in Mali (as this mine is not managed by the group). Information regarding the exploration projects in the Democratic Republic of Congo (DRC) and Colombia, the group's primary areas of exploration activity and the most far advanced, is provided for the first time. This report includes an extensive list of case studies covering the challenges and issues faced by the group.

•

The printed version of the report (this report), which contains – in addition to the principal sections – a selection of case studies that deal with some of the primary issues faced by the group.

•

Country and Operational Reports covering every operation/country within the group provide an even greater level of detail relating to the issues and challenges of sustainable development. These will be available at www.aga-reports.com by 30 April 2009.

Other reports produced by the group for the period, and which may be found at www.aga-reports.com are:

•

Annual Financial Statements 2008.

•

Abridged Annual Report 2008.

•

Mineral Resources and Ore Reserve Report 2008.

•

Social and Labour Plan Reports 2008 for Vaal River and West Wits.

The Report to Society has been produced in accordance with the G3 guidelines of the Global Reporting Initiative (GRI) and in alignment with the principles of the International Council on Mining and Metals (ICMM). AngloGold Ashanti is an organisational stakeholder

of the former and a member of the latter. This report also conforms to the reporting requirements of the UN Global Compact and the Extractive Industries Transparency Initiative (EITI) both of which are supported by AngloGold Ashanti. An index providing the relevant page numbers and web links may be found on page 219 of this report.

AngloGold Ashanti's corporate profile appears on pages 6 to 9. There were no significant changes to the group during the 2008 financial year other than those reported in the Economic Performance section (page 28). The management of Morila has been assumed by Randgold Resources and the group's interest in the Boddington project in Australia, which was not managed by the group and on which limited information is provided in this

Online Report 2008

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Report to Society 2008

report, was sold in early 2009. Also, early in 2009 AngloGold Ashanti announced the proposed sale of Tau Lekoa mine in South Africa.

Data measurement techniques are reported in those sections where data appears and restatements are indicated. There has been no significant divergence from the GRI indicator protocols in this year's report. PricewaterhouseCoopers (PwC) was appointed to provide independent assurance on key performance information reported, as described in the independent auditor's report found on page 26. AngloGold Ashanti has declared a GRI A+ level of reporting, which has been third party-checked by PwC and, following the publication of this report, will seek a further review of this declaration by GRI.

The person responsible for the collation of this report and who will assist with any queries is Alan Fine. He is based at the group's corporate head office in Johannesburg, South Africa, and his contact details are: +27 11 637 6000 or AFine@AngloGoldAshanti.com.

Feedback on this report and its contents is welcomed and a feedback form for this purpose is provided on page 237 and at www.aga-reports.com/08/feedback.htm.

Sunrise Dam, Australia

Note: Unless otherwise stated, \$ refers to US dollars throughout this report.

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Report to Society 2008

ABOUT THE GROUP

AngloGold Ashanti Limited, a leading global gold mining company, has a varied portfolio of assets which includes surface, open-pit and underground operations in key gold-producing regions around the world. At the end of 2008, the company had 20 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. Greenfields exploration is currently being conducted in Western Australia, Colombia and the DRC, and the group is involved in exploration partnerships and joint ventures in Russia, China and the Philippines. AngloGold Ashanti's corporate office is in Johannesburg, South Africa.

AngloGold Ashanti produced 4.98 million ounces of gold in 2008, of which 2.73 million ounces (55%) came from deep-level operations and the balance of 2.25 million ounces (45%) from shallower and surface operations around the world. As at 31 December, the group employed around 62,895 people, comprising 48,580 employees and 14,315 contractors and had Proved and Probable Ore Reserves of 74.9 million ounces of gold. Capital expenditure for the year amounted to some \$2 billion.

Guided by values

AngloGold Ashanti remains a values-driven company and its values, the foremost of which is safety, together with the group's business principles continue to guide the actions of the company, its managers and employees, particularly in respect of sustainable development. These values and principles underpin all that the group does and form the basis of its relationships with others – shareholders, employees, communities, business partners, governments and civil society organisations. In this report, performance is measured against these values and principles, and progress recorded.

Corporate
profile

Report to Society 2008

6

Attributable gold production

(%)

South Africa

42%

Ghana

11%

Australia

9%

Brazil

8%

Mali

8%

Guinea

7%

Tanzania

6%

United States

5%

Argentina

3%

Namibia

1%

42%

1%

5%

6%

7%

11%

9%

8%

8%

3%

Obuasi, Ghana

AngloGold Ashanti global operations and exploration: 2008

Cripple

Creek

& Victor

USA

Brazil

Argentina

Navachab

Geita

Namibia

Tanzania

Republic of

South Africa

SA operations

Great Noligwa

Mponeng

Savuka

Kopanang

Tau Lekoa**

Moab Khotsong

TauTona

Mali

Guinea

Morila

Sadiola and Yatela

Siguiri

Obuasi

Iduapriem

Ghana

Sunrise Dam

Boddington*

Australia

Serra

Grande

Cerro Vanguardia

Brasil

Mineração

N

Operations

Greenfields exploration

and alliance areas

DRC

China

Russia

Philippines

Tropicana

Gramalote

La Colosa

Jinchanggou

Yili Yunlong

Mongbwalu

Anenskoye

Veduga

Aprelkovskoye

Sovromennie

Mapawa Area

Quebradona

Colombia

* sold early 2009

** sale transaction

announced

Stock exchange information

AngloGold Ashanti's primary listing is on the JSE (Johannesburg). It is also listed on exchanges in New York, London, Paris and Brussels as well as in Australia and Ghana. AngloGold Ashanti had 277,457,471 ordinary shares in issue and a market capitalisation of \$9.7 billion as at 31 December 2008 (31 December 2007: \$11.9 billion). At year-end most shareholders' free float, that is, excluding Anglo American and Government of Ghana positions, were located in the Americas (46%), South Africa (36%), the United Kingdom (9%), Europe (5%) and Asia Pacific/the Middle East (4%).

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Report to Society 2008

Corporate
profile – operations at a glance – 2008

ARGENTINA

Cerro Vanguardia (92.5% interest)
Employees (including contractors): 1,072

AUSTRALIA

Sunrise Dam
Gold production: 433,000 oz
Employees (including contractors): 410

BRAZIL

Brasil Mineração
Serra Grande (50% interest)
Gold production: 320,000 oz
Employees (including contractors): 2,987
Employees (including contractors): 1,108
Capital expenditure: \$69 million
Attributable capital expenditure: \$20 million

GHANA

Obuasi
Iduapriem
Gold production: 357,000 oz
Gold production: 200,000 oz
Employees (including contractors): 5,722
Employees (including contractors): 1,780
Capital expenditure: \$112 million
Capital expenditure: \$54 million

GUINEA

Siguiri
Employees (including contractors): 2,933

MALI

Morila (40% interest)*
Gold production: 238,000 oz
Employees (including contractors): 681
Employees (including contractors): 930

**not managed by AngloGold Ashanti*

Attributable capital expenditure: \$15 million
Attributable capital expenditure: \$19 million
Gold production (attributable): 154,000 oz
Attributable capital expenditure: \$18 million
Gold production (attributable): 333,000 oz
Gold production (attributable): 170,000 oz
Attributable capital expenditure: \$1 million
Attributable capital expenditure: \$6 million
Sadiola and Yatela (38% and 40% respectively)
Gold production (attributable): 87,000 oz

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Report to Society 2008

NAMIBIA

Navachab

Employees (including contractors): 482

Capital expenditure: \$12 million

SOUTH AFRICA

Vaal River operations

West Wits operations

Great Noligwa

Mponeng

Gold production: 330,000 oz

Employees (including contractors): 5,743

Employees (including contractors): 5,685

Capital expenditure: \$26 million

Kopanang

Savuka

Gold production: 362,000 oz

Gold production: 66,000 oz

Employees (including contractors): 6,031

Employees (including contractors): 1,224

Capital expenditure: \$47 million

Capital expenditure: \$11 million

Moab Khotsong

TauTona

Gold production: 192,000 oz

Employees (including contractors): 4,737

Employees (including contractors): 4,623

Capital expenditure: \$89 million

Tau Lekoa

Gold production: 143,000 oz

Employees (including contractors): 3,034

Capital expenditure: \$18 million

TANZANIA

Geita

Gold production: 264,000 oz

Employees (including contractors): 3,116

USA

Cripple Creek & Victor (CC&V)

Gold production: 258,000 oz

Employees (including contractors): 421

Capital expenditure: \$27 million

Gold production: 68,000 oz

Capital expenditure: \$86 million

Gold production: 314,000 oz

Capital expenditure: \$60 million

Capital expenditure: \$53 million

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y 2008
Gold production: 600,000 oz

The business
of gold and the challenges it poses
Interaction with artisanal
and small-scale miners

*This section illustrates the group's key sustainability issues during the
life cycle of mining and processing gold.*

Human rights issues
Dealing with regional health threats
Fair employment practices and development skills
Safety and health
Efficient use of resources – water, energy and other natural
resources
Reducing carbon footprint, preventing pollution
Human rights and security
Environmental footprint
(land use/biodiversity)
Impact on restricted areas – biodiversity
Consultation with communities, including interaction
with artisanal and small-scale miners (ASM)

Human rights and security

1. FINDING THE OREBODY

AngloGold Ashanti's greenfields
exploration group identifies prospective
gold deposit targets and undertakes
exploration on its own or in conjunction
with joint venture partners. Worthwhile
discoveries undergo a well structured
and intensive evaluation process before
a decision is made to proceed with
developing the mine.

2. MINING: ACCESSING THE OREBODY

There are two types of mining which take place to access the orebody:

- Underground mining: a vertical or decline shaft is sunk deep into the
ground to transport people and mining materials to underground levels from
which the orebody is accessed through horizontal tunnels known as
haulages and cross-cuts. Further on-reef development is then undertaken to
open up the orebody so that mining can take place.

- Open-pit mining: in this situation the ore lies close to surface and can be
exposed for mining by “stripping” the overlying barren material.

3. MINING: REMOVING THE ORE

- In underground mining, ore is drilled and blasted,
and brought to the surface.

- In open-pit mining, drilling and blasting may also
be necessary to break the ore; excavators then
load the material onto the ore transport system
which is predominantly haul trucks.

Minimising emissions to air

Land disturbance

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Report to Society 2008

Rehabilitation and achieving closure
Post-closure monitoring
Engaging with communities
Minimising emissions and preventing pollution
Efficient use of resources
Management of cyanide
Reducing carbon footprint
Local economic development and sustainable social investment

5. PROCESSING

Comminution involves the breaking up of ore into small particles so that the contained gold minerals are exposed. This is undertaken by a combination of multi-stage crushing and milling circuits. Recovery of gold can then commence, depending on the nature of the gold contained in the ore.

Free milling and oxidised refractory ores are processed for gold recovery by leaching the ore in agitated (stirred) tanks in an alkaline cyanide leach solution. In this process, ore is crushed and heaped on an impervious or lined leach pad.

Low strength alkaline cyanide solution is irrigated over the heaped pad for periods of up to three months. 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 which has loaded (adsorbed) onto activated carbon is recovered by a process of re-dissolving the gold from the activated carbon (elution), followed by precipitation in electro-winning cells and subsequent smelting of the precipitate into doré bars.

At some operations, by-products are generated, such as silver, sulphuric acid and uranium.

4. MINING: TRANSPORTING BROKEN MATERIAL TO PLANTS FOR TREATMENT

- Underground ore is brought to the surface by a combination of horizontal and vertical transport systems. Once on surface the ore is usually transported to the processing facilities by surface rail or overland conveyors.

- In open pit operations the haul trucks deliver the ore directly to the processing facilities.

6. REFINING

The doré bars are transported to a precious metal refinery for further processing. In this process gold is upgraded to a purity of 99.5% or greater for sale to a range of final users. High purity gold is referred to as “good delivery” which means that it meets the quality standards set by the London Bullion Markets Association and gives the final buyer assurance that the bar contains the quantity and purity of gold as stamped on the bar.

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.

Minimising emissions (air quality)

-

Finding the orebody

-

Mining – Creating access to the orebody for treatment

-

Processing; and

-

Refining

-

Mine site rehabilitation

The process of producing gold can be divided into the following main activities:

-

Mining – Transporting the broken material to plants

-

Mining – Removing the ore

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Report of Society 2008

AUSTRALIA

Safety

No fatalities

LTIFR of 1.83

No significant issues

1,198 people employed

Turnover: 25%

Not an area of concern

Certified to ISO14001

3 major incidents

Full compliance with

Cyanide Code

No significant issues

No community incidents

social investment (CSI)

Occupational

Health

Employment

HIV & AIDS

and Malaria

Human Rights

Environment

Community

A review of performance

Key indicators and statistics – by region

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Report to Society 2008

\$117,000 on corporate

WEST AFRICA

(Including Ghana, Tanzania, Mali and Guinea)

SOUTHERN AFRICA

(Including South Africa and Namibia)

NORTH AND SOUTH AMERICA

(Including USA, Brazil and Argentina)

Two fatalities

LTIFR of 1.53

No significant issues

17,753 people employed

Turnover: 6.5%

Malaria remains a threat.

Successful campaign at

Obuasi extended to other
operations

All operations certified to
ISO14001

14 major incidents

Sadiola substantially
compliant, Yatela fully

Code

11 fatalities

LTIFR of 11.1

TB and silicosis remain
areas of concern in South
Africa

37,609 people employed

Turnover: 9%

HIV & AIDS remains an area
of concern in South Africa.

HIV prevalence estimated at
30%. 1,933 people in

South Africa on ART

All operations certified to
ISO14001

86 major incidents

All Southern Africa
operations in full
compliance with Cyanide

Code

One fatality in Brazil

LTIFR of 3.08

No significant issues

6,151 people employed

Turnover: 10.5%

Not an area of concern

All operations certified to
ISO14001

One major incident

Brazilian operations
and CC&V in the USA

in full compliance with
Cyanide Code
Security and human rights a
priority, especially in Ghana,
Guinea, the DRC and
Tanzania. Voluntary Principles
being implemented
No significant issues
Security and human rights
a priority in Colombia.
Voluntary Principles
implemented
9 significant incidents
reported
Four relocations planned
\$3,641,000 on CSI and
local economic development
(LED),
incl. DRC
No community incidents
reported.
\$3,263,000 on CSI/LED
One community incident
reported.
\$1,865,000 on CSI/LED
(incl. Colombia)
compliant with Cyanide
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Report to Society 2008

ECONOMIC PERFORMANCE

ETHICS AND GOVERNANCE

SAFETY AND HEALTH

EMPLOYMENT

A review of performance

Key indicators and statistics – by issue

•

Continued restructuring with the new company vision, mission and values

– pages 30, 31, 54

•

Gold production of 5 million ounces – page 32

•

Rising costs across the industry

– page 38

•

Restructuring of balance sheet – rights issues, bond refinancing of hedgebook

– pages 32 to 33

•

Significant payments to government, reporting in line with EITI – pages 41 to 44

•

Affirmation of safety and health as group's first value – pages 54, 70

•

Emphasis on risk management – page 58

•

Amendments to conflicts of interest and gifts, hospitality and sponsorship policies – page 63

•

A number of significant legal issues

– pages 58 to 59

•

Compliance with voluntary codes – ICMM, EITI, UNGP, UPHR, RJC – pages 60 to 61

•

Political donations of \$476,415 in Brazil and \$26,300 in the USA – page 62

•

Significant improvements in safety performance – pages 78 to 81

•

14 fatalities – page 77

•

All mines OHSAS-compliant – well ahead of target – page 72

•

Occupational safety and health transformation project to develop 'safety blueprint' – pages 71, 188 to 191

- Employment provided to 62,895 people (80% permanent employees and 20% contractors) – page 93
 - Turnover of 7.9% – lower than in 2007 – page 95
 - Development of System for the Management of People (SMP) based on requisite organisation model – page 91
 - 86% of all employees are members of a union or participate in collective bargaining structures – page 97
 - Programme to promote women in mining – page 108
 - \$35 million spent on training and development – page 102
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Report to Society 2008

HUMAN RIGHTS
HIV & AIDS AND MALARIA
COMMUNITY
ENVIRONMENT

- Vice President for Security appointed

- page 114

- Global security review completed and new approach to asset protection and security being implemented, in line with Voluntary Principles on Human Rights and Security – pages 114 to 117, 212 to 215

- Escalating tension between the company and trespassers, and illegal miners – pages 116 to 117, pages 145 to 149

HIV & AIDS

- Improving health care outcomes

- pages 120 to 129

- ART programme delivers result – 1,933 people on ART in South Africa – page 125

- Study on economic impact of HIV & AIDS completed – page 127

Malaria

- Continued success with Obuasi malaria programme – pages 132 to 137

- Programme being rolled out to other operations – pages 132 to 137

- Integration of community and environment functions – page 141

- Development and implementation of community land use management standard, which includes relocation – pages 141 to 157

- Corporate social investment expenditure of \$8.9 million – page 156

- Progress made with local economic development programmes – page 154

- Dealing with artisanal and small-scale miners – page 150

- Significant community incidents reported, four involving company-related security
– pages 148 to 149
- Integration of community and environment functions – page 162
- Further development of group’s position on climate change and its business case
– pages 178 to 180, 202 to 207
- Closure plans in place at all operations. External review of closure planning and liabilities begun
– page 167
- Good progress with implementation of Cyanide Code – page 172
- 104 major environmental incidents reported
– pages 166 to 167
- Total rehabilitation and decommissioning liabilities of \$405 million – page 168
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Report to Society 2008

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

- employees;
- unions and other employee representation forums;
- employees' families and dependants;
- communities surrounding operations or from which the company draws its employees;
- suppliers and contractors;
- local, regional and national governments;
- customers;
- non-governmental and community-based organisations;
- academic institutions;
- regulatory authorities;
- professional organisations;
- shareholders; and
- peer companies.

A comprehensive, but not exhaustive, list of these stakeholders may be found at

www.aga-reports.com/08/stakeholder-

AngloGold Ashanti's engagement with its stakeholders varies in frequency and may depend on specific matters at hand. This

engagement may be formal, informal or both.

AngloGold Ashanti's belief is that, to build successful and beneficial long-term relationships with its local communities, an

operation needs to engage with those communities as well as other stakeholders and social partners. The group is aware

that failure to communicate well can result in misunderstandings and tensions between the operation and the community,

which can have a material impact on the functioning and viability of the operation.

A draft management standard for stakeholder engagement in line with the company's stated policy to 'communicate and consult on our activities throughout the lifecycle of our operations' and 'undertake initiatives that contribute to sustainable

futures in partnership with the societies in which we operate' has been developed to guide operations.

Stakeholders have been defined for each operation as explained below.

- Affected parties: those who are affected by the operation, both positively and negatively and in turn are either directly affected or indirectly affected.
-

Interested parties: those who, although not affected by the operation, have an interest in, or influence over, the operation.

•

Authorities: national, state/provincial and district or local. In some locations (e.g. tribal areas) it may be appropriate to distinguish between elected and traditional forms of administration.

On-site contractors and subcontractors are bound by the management standard and policies implemented by the group. All operations are required to formalise their engagement strategy by preparing a Stakeholder Engagement Action Plan

(SEAP), the scope and level of detail of which will vary depending on the context, nature and scale of the operation.

Each

operation's SEAP comprises an overarching engagement plan, to which all disciplines and contractors contribute to, rather

than having multiple engagement strategies and plans. The plan follows an approach to stakeholder engagement that is appropriate to the local culture, representative and inclusive.

The plan must cover at a minimum a one-year period and take into account developments at least two years ahead which

may significantly influence what is being communicated to stakeholders, for example, a large-scale expansion or contraction

of an operation. Plans are reviewed at least annually and also as needed. Importantly, the plans must be shared with communities, in the business language of the country and any other appropriate local languages, and be presented in a readily understandable and culturally appropriate format.

Stakeholder

engagement

engagement.pdf.

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Report to Society 2008

Letter

from the CEO

“At AngloGold Ashanti it is our firm view that if we cannot operate responsibly, we should not be in business. And it is on this basis that we will measure our success.”

Mark Cutifani

CEO, AngloGold Ashanti

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Report to Society 2008

On behalf of all of my colleagues at AngloGold Ashanti I am very pleased to introduce to you our Report to Society 2008. This milestone report details the challenges that we face and the opportunities we believe we can build on to improve our operations and the way we interact with and in the communities in which we operate. We define the sustainability disciplines as health and safety, labour, ethics and governance, human rights, the environment, the regional health issues of malaria and HIV & AIDS and certain other economic activities. In each area of reporting, we present a view of how we have delivered against the objectives we set in the previous report, how the issue is managed at the corporate and operational level, as well as the performance for the year and our objectives for the following year.

TIMES OF FINANCIAL TURMOIL

In these times of international financial turmoil, the question is increasingly being asked whether the commitment of businesses to operate in a socially and environmentally responsible way is going to be undermined, or at least slowed in terms of application, until economic conditions are more favourable. This may appear to be an obvious question if the question is approached from the perspective that corporate social responsibility is an additional cost. Certainly, some activity is a consequence of the increasing scrutiny business has been subjected to over the recent past by governments, non-governmental organisations (NGOs), shareholders and other stakeholders.

At AngloGold Ashanti it is our firm view that if we cannot operate responsibly, we should not be in business. And it is on this basis that we will measure our success. Our experience continues to convince us that social and environmental responsibility is a necessary condition for ensuring productive operations. We believe safety, treating people with dignity and respect, acting responsibly within the environment and looking to create value for the communities in which we operate represent values that determine how we do business. These elements define who we are and how we do business. As we work today, every step we take is a step towards improving and making sure we are true to our values.

ACHIEVING 'NO HARM'

There is no clearer example of the need to create a new reality for our employees than in the area of safety. The loss of one life represents a tragedy for family, friends and colleagues. At the same time the negative impact on the business is material, through loss of physical production, the impact on workforce morale and the loss of confidence in the systems we have created to keep people safe. Safety is about people and it is about good business.

It is with deep regret that I report the death of 14 of our colleagues during the course of 2008. The AngloGold Ashanti board extends its deepest sympathies to the families, friends and colleagues of those we have lost. While the measurement of human tragedy is beyond all of our understanding, we are gratified by the work that has been undertaken in the business to improve our safety record – a more than 57% reduction in fatalities compared to 2007. The improvement in our all-accident frequency rate is also very pleasing, reducing 20% through the course of 2008. However, we continue to check ourselves as we again commit to relentlessly pursuing our objective of eliminating all accidents and health impacts from the workplace.

In this report we have shared in some detail the efforts we have made to achieve our vision of 'no harm'. Our four-part strategy involves focusing on safety so that it is emphasised to every employee, every day, and that this perspective shapes every conversation we have and every decision we make. We are learning to be vigilant in recognising hazards and taking the time to understand what it takes to reduce the risk to a level that can be managed. A central feature of this is the campaign is to ensure that everyone understands that it is OK to stop work if they believe an area is unsafe. We are putting in place and managing to a set of systems that bind and link our activities to ensure safe outcomes. As leaders, every step and decision we take must be consistent with our safety message. Not only must we talk to change; we must also be the change.

On the health front we continue to be proud of the efforts of our operating and medical staff, primarily in the developing world, in respect of their work on malaria and HIV & AIDS. Again, the same themes apply; living and working in a manner consistent with our values will help create a healthier workforce and community environment – which means positive relationships and a more productive workplace.

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Report to Society 2008

AngloGold Ashanti takes its environmental responsibilities very seriously. As the world debates the issues around climate change, we have decided to go forward and aggressively work on our understanding of our carbon footprint and to determine what steps we need to take to be a leader in our industry. We see benefits from all perspectives. At an employee level we can reduce emissions that make work uncomfortable in certain areas of operation. As shareholders a reduction in power consumption per unit of product improves our operating costs so that we can deliver sustainable profitable performance. In this context we are carefully evaluating the potential impacts of climate change on our business and our local communities and also working toward contributing to the business voice in the process leading up to the United Nations climate change conference in Copenhagen in December 2009.

OTHER CHALLENGES

Of course, this is not to say that all the challenges we face are easily or simply resolved. The period of the resources boom saw increasing scrutiny by the people and governments of developing countries on the question of whether the benefits of mining are fairly shared between the mining companies, the local economy and society. In our view, there are no simple answers. Mutually satisfactory solutions lie in a delicate balance between the parties' respective interests, which converge and diverge through the fullness of time and circumstance. We elaborate on these perspectives in this report, and remain ready and willing to engage with interested social partners. In all cases we must be ready to engage, to be sensitive to other perspectives and to be flexible in finding sustainable economic and social solutions.

We have been transparent in our reporting and sincere in our belief that we can do better. We recognise that not all issues can be solved within a short period of time – we are committed to resolving issues with our partners as quickly as we both can manage. We face significant challenges on environmental management in some jurisdictions, and in respect of dust management at our deep level South African operations. However, we are working the problems and we are committed to finding solutions that work for our partners.

In all these areas and more, we recognise our responsibilities and will continue to work towards closing the gap between where we stand today and where we know we have to go. Our mission, vision and values, whose renewal you will read about in this report, are not merely words; they are the basis against which we measure our own performance, and we invite you to do the same. We will continue reporting to you regularly to assist you in making these assessments.

REPORTING FORMAT

This report has been produced in accordance with the Global Reporting Initiative's (GRI) G3 guidelines and has been independently assured by external auditors PricewaterhouseCoopers. As is required by GRI, we have self-declared an A+ level of reporting, having covered all of the issues required for this level, and having had the appropriate degree of third party assurance. In addition, we have reported on our compliance with the principles of the International Council of Mining and Metals (ICMM), the UN Global Compact, the Voluntary Principles on Human Rights and Security and the Extractive Industries Transparency Initiative (EITI), all of which are voluntary bodies to which we are affiliated or of which we are formal supporters. A schedule of our reporting against GRI, the ICMM principles and the UN Global Compact may be found on page 219.

This report cannot be a comprehensive account of all of our issues and performance at all of our operations and should be read in conjunction with our web-based report (which provides additional case studies from our operations and projects around the world) and the country and operational reports which provide a more detailed account of local performance, as well as the Annual Financial Statements and the other components in our suite of year-end reporting, to be found at www.aga-reports.com.

Mark Cutifani

6 March 2009

Chief Executive Officer

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Report to Society 2008

How
we report

AngloGold Ashanti's Report to Society is published on an annual basis, coinciding with the financial reporting cycle.

THE PROCESS FOLLOWED:

The contents of the report are developed and refined during the year with the process going through a number of stages as outlined below.

MARCH
APRIL/MAY
DURING
THE YEAR
JUNE/JULY
AUGUST
SEPTEMBER/
OCTOBER
OCTOBER
NOVEMBER
JANUARY
FEBRUARY/
MARCH
MARCH

The Report to Society is issued as a printed document to a select group of stakeholders, and an extensive group of stakeholders is advised of its publication on the website. The Country/Operational Reports are distributed to local stakeholders, and are translated as necessary. Operations are asked to distribute these reports widely and to solicit feedback.

Following the production of the report for the previous year, a meeting is convened of all discipline heads, corporate affairs personnel and others to deliberate on the previous report with regard to its contents, its relevance and the feedback received from stakeholders. Key issues for the current year are also identified. The independent auditors present their management report to the group, and action plans are developed to address any issues of concern.

Feedback is sought and received from stakeholders through formal and informal interactions. Online and printed feedback forms are monitored.

Site visits are undertaken to targeted operations by the report writing team. This is done on a rotational basis, with two to three countries visited every year to facilitate greater interaction between the operating and reporting processes; to identify potential issues of concern for reporting; and to collect material for case studies. During the year under review site visits were undertaken to the Democratic Republic of Congo (DRC) and Tanzania.

A formal meeting is convened with discipline heads to review reporting trends; to identify material issues for reporting; and to develop a plan for the reporting period, including the assignment of roles and responsibilities. Any additional reporting requirements are considered and separate reporting plans are developed. In the current report, for example, this entailed greater reporting on payments to government (in terms of the Extractive Industries Transparency Initiative – EITI), and the International Council of Mining and Metals (ICMM) assurance guidelines were taken into account. Format changes to the report are proposed and debated. In 2008, this has resulted in the addition of a section on human rights, more extensive reporting on human rights and security, and on climate change. Significant issues that merit inclusion as case studies in the printed document are also identified at this session.

The audit engagement process starts and this includes the identification of key performance indicators (KPIs) and the risk profile.

Individual interviews are set up with the discipline heads by the report writing team to identify the major developments during the year – in that discipline specifically, and within the company generally. Case studies that illustrate the challenges and opportunities faced by the group are identified. The report

outline is developed.

The group's internal and formal risk management processes and issues are reviewed to ensure that the issues identified through these processes are covered in the reporting process.

Questionnaires (developed in close collaboration with discipline heads) are issued via an online system to each operation, and in each discipline covered by the report. Sign-off on these questionnaires is required by the head of each operation.

Writing of the case studies and the sections of the report begins.

Assurance of the KPIs by the independent auditors on third quarter data is undertaken. This is carried out in collaboration with Internal Audit.

The proposed contents of the report are submitted to the Disclosure Committee for review.

Year-end data is submitted and the assurance process proceeds.

Verification of the accuracy of the report is sought from operational heads, regional heads, the Disclosure Committee and, finally, the board committee on Safety, Health and Sustainable Development. The Economic performance section is reviewed by the Audit Committee. The report is reviewed by the external auditors.

Report is published.

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Report to Society 2008

CONTENTS OF THE REPORT

Because of the scale of the company and the range of operations, and the circumstances and challenges that it faces, it is not possible or even sensible to report on every issue. The report takes cognisance of the principle of the GRI and ICMM in determining contents, as reported below.

Balance and materiality

A balance is sought between reporting on global concerns and issues that are material to the group in the Report to Society, and local matters in the Country and Operational Reports. In this respect specific feedback was sought and received from stakeholders who reiterated their desire for reporting on material issues on the one hand, and the need for a comprehensive report on the other.

Focus on material issues

Using the guidance of the Global Reporting Initiative (GRI) and the ICMM principles for assessing the materiality of the issues, AngloGold Ashanti endeavours to report on those issues that:

- are important and meaningful to the group, both from an operational and risk point of view;
- are important and meaningful to stakeholders and business partners as a consequence of their having identified them as such;
- take into account basic expectations as set out in international standards and agreements with which the company is committed to comply, and reflect the group's support for, and are in accordance with, the Voluntary Guidelines and Principles to which it subscribes;
- are topical in the light of the broader public debate – climate change, and human rights and security, for example; and
- ensure that the group is transparent in its reporting, and provides a complete picture within the context of the sustainability of its business.

Sustainability framework

Due cognisance is given to the sustainability framework within which the group operates, and to the fact that specific issues of concern may vary from operation to operation, depending on local circumstances and needs. Examples of this include:

- reporting on human rights and security in respect of the group's employment of private and public security personnel in, for example, the DRC, Colombia, Guinea and Ghana;
- reporting on HIV & AIDS, which is a major concern in southern Africa, and malaria, which is crucially important in West and East Africa; and
- land management and, specifically, relocation at the African operations (outside southern Africa).

Values-based reporting

As AngloGold Ashanti is a values-driven organisation, its values and business principles underpin everything that it does and how it reports. The group's values were reviewed and renewed during the year, and this report reflects the changes that have been implemented.

Accordingly, each section of this report not only handles a particular topic, but also a key value for the company.

How
we report

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Report to Society 2008

Using
this report

The primary format for sustainable reporting by AngloGold Ashanti is the Online Report to Society, which is available at www.aga-reports.com, and which is published at the same time as the Annual Report. In addition to both HTML and pdf versions of the information contained in this printed report, further information on specific issues, links to other documents may be accessed from this website.

Navigating a report of this size can be difficult. The following is a quick guide to what you can expect to find:

INTRODUCTION

The front of the report – pages 1 to 27 – provides the context for sustainable development within AngloGold Ashanti. These include:

- a profile of the group's operations (page 6);
- an illustration of the cycle of the group's operations – from exploration to closure – and the primary sustainable development challenges that exist across this cycle;
- the group's primary stakeholders and its approach to stakeholder engagement (page 16). An extensive list of stakeholders appears at www.aga-reports.com/08/stakeholder-engagement.pdf;
- the primary and material issues faced and addressed by the group in terms of sustainable development, illustrated by region (page 12) and by issue (page 14);
- a letter from CEO Mark Cutifani, reflecting on the group's sustainable development performance during the year, and the challenges that it faces (page 18);
- a glossary of terms and acronyms (page 232); and
- a feedback form for readers (page 237).

PERFORMANCE

At the outset, we deal with our economic performance

The Economic performance section of this report provides an account of the operating, financial and economic performance of the group in 2008. This section includes the group's value added statement for the year and should be read in conjunction with the Annual Financial Statements. Included in this section is an extensive report on payments to government, which has been produced to fulfil AngloGold Ashanti's commitment to the Extractive Industries Transparency Initiative (EITI). A case study dealing specifically with the issue of addressing the conversion of a country's mineral wealth into a sustainable asset, particularly in developing countries, is dealt with on page 196.

AngloGold Ashanti is a values-based organisation and, as such, reports against its values in this report. The group's values may be found at: www.anglogoldashanti.com/Values.htm.

the report from the independent assurers (page 26);

Using
this report

Each of the sections in this report relates to the company's values:

Safety is our first value.

This value – which relates to both safety and health in the workplace – is addressed in the section on Safety and Occupational Health on pages 68 to 87. Given the emphasis in this area and the intensive work undertaken by the company during the year, case studies dealing with the development of a safety blueprint for the group (page 188) and specific initiatives undertaken on South Africa (page 192) have been developed. The group's response to HIV & AIDS and malaria is dealt with on pages 118 and 130, respectively.

We treat each other with dignity and respect.

This commitment is largely dealt with in the section on Human Resources on Employment (pages 88 to 113) and Community Relations (pages 138 to 155). This section also refers to the group's compliance with Voluntary Principles on Human Rights and Security, and AngloGold Ashanti's annual submission in respect of the Voluntary Principles may be found at www.aga-reports.com/08/AGA-VPHRS.pdf. A significant development for the company in 2008 was the establishment of a new security discipline with a specific remit to implement the Voluntary Principles, and a case study dealing with this issue may be found on page 212.

We value diversity.

This value is covered in the section on Employment, which also provides a comprehensive picture of the group's status as, and approach to being, an employer. This section also includes commentary related specifically to the South African Mining Charter, and may be found in the Employment section.

Rights which appears on pages 112 to 117, but also on the

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Report to Society 2008

We are accountable for our actions and undertake to deliver on our commitments.

While this value is addressed throughout the report, the section on Ethics and Governance (page 52) discusses the ethical basis from which the group operates, and the systems and processes that are in place to deal with sustainable development matters. This section should be read in conjunction with the Corporate Governance section in the Annual Financial Statements. Included in this section are the references to the company's support for voluntary bodies of which it is both a member and an active participant, including the International Council on Mining and Metals (ICMM), the Global Reporting Initiative (GRI), the Extractive Industries Transparency Initiative (EITI), the UN Global Compact, the Voluntary Principles on Human Rights and Security, the Responsible Jewellery Council (RJC), International Cyanide Management Code for the Manufacture, Transport, and Use of Cyanide in the Production of Gold (Cyanide Code).

The communities and societies in which we operate will be better off for AngloGold Ashanti having been there.

This value is largely addressed in the Community section of the report on pages 138 to 157, which should be read in conjunction with the Environmental section of the report (page 160). The group's response to HIV & AIDS and malaria are dealt with on pages 118 and 130, respectively.

We respect the environment.

This value is dealt with in the Environment section on page 160. In addition, a schedule of significant environmental incidents reported during the year is available on the website at www.aga-reports.com/08/significant-incidents.htm and a table providing a detailed response to the GRI environmental indicators is available

COMPLIANCE
The next section of the report deals with the company's reporting in terms of GRI, the UN Global Compact, the Voluntary Principles, and the EITI. An index is provided. See page 216.

**Global
Reporting
Initiative
TM
Responsible
Jewellery
Council**

as a pdf at www.aga-reports.com/08/GRI-environment.pdf.

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Report to Society 2008

To the Board of Directors and Management of AngloGold Ashanti Limited

Introduction

We have been engaged by AngloGold Ashanti Limited (AngloGold Ashanti) to conduct an assurance engagement on selected

subject matter reported in AngloGold Ashanti's Report to Society 2008, for the purposes of expressing a statement of independent assurance, for the year ended 31 December 2008. The assurance report applies only to the hard copy publication of the Report, and as set out on the pages referenced below.

The following subject matter reported in the Report to Society was selected for an expression of limited assurance:

Community:

•

Total amount of corporate social investment (CSI) spend in US\$ (page 156)

The following subject matter reported in the Report to Society was selected for an expression of reasonable assurance:

Economic performance:

•

Value added statement for the year ended

•

BEE spend as a % of total spend (page 49)

31 December (page 39)

•

Total payments to government in terms of the

Extractive Industries Transparency Initiative

(EITI) Principles in US\$ (page 41-44)

Ethics and governance:

•

Legal issues that arose in 2008 (page 59)

•

Political donations in US\$ (page 62)

•

Voluntary compliance (page 59-62)

Safety and health:

•

Total number of fatalities (page 76)

•

Total number of new silicosis cases identified for

•

Group

Fatality Injury Frequency Rate (FIFR) (page 79)

compensation in South Africa (page 83)

•

Group

Lost Time Injury Frequency Rate (LTIFR) (page 80)

•

Total number of medical surveillance examinations

•

Total number of shifts lost due to injuries on duty in

undertaken in South Africa (page 83)

South Africa (page 80)

•

Total number of new Noise Induced Hearing Loss (NIHL)

•

Total number of instructions received to close significant

cases compensated in South Africa (page 85)
sections of mining operations in South Africa in

•

Total number of new tuberculosis (TB) cases diagnosed
terms of Section 54 of the South African Mine
in South Africa (page 86)

Health and Safety Act 29 of 1996 (page 80)

•

Total number of new occupational lung disease (OLD)
cases compensated in South Africa (page 83)

Regional health:

HIV & AIDS – South African operations:

•

Total number of voluntary counselling and testing (VCT)

•

Total number of employees provided with anti-retroviral
encounters (page 123)
therapy (ART) (page 125)

•

Total number of participants in the wellness

•

Total HIV & AIDS programme costs in ZAR (page 126)
programme (page 124)

Malaria – African operations

•

Malaria cases per quarter for Geita, Iduapriem and

•

Total malaria programme spend in US\$ (page 135)
Obuasi (page 134)

•

Malaria lost time injury frequency rate (MLTIFR) for
Geita, Iduapriem and Obuasi (page 134)

Human resources:

•

Total number of employees and contractors

•

Total training and development expenditure
employed (page 93)
in US\$ (page 102)

•

Percentage of employees under union

•

Total number of South African employees
representation (page 97)
participating in Adult Basic Education and

•

Percentage of woman employed in South Africa (page 108)
Training (ABET) (page 103)

•

Percentage of historically disadvantaged South Africans
(HDSAs) participating in management (page 106)

Environment:

- Progress made with the implementation of the Cyanide
- Total cyanide usage in kg (page 171)
Code (page 172)
- Total fresh water usage in m
3
(page 174)
- Total number of major environmental incidents (page 166)
- Total energy usage in GJ (page 176)
- Total rehabilitation and decommissioning liability (US\$) (page 168)
- Greenhouse gas emissions in tonnes of
•
Mine closure (page 167)
CO
2
e (page 179)
Report
of the independent assurers
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Report to Society 2008

Community:

- Local economic development (page 154)

GRI Application level:

- Self declaration of GRI application level (page 5)

Directors' responsibility

AngloGold Ashanti's directors are responsible for the preparation and presentation of the identified selected subject matter in accordance with internal corporate policies and procedures, and the Global Reporting Initiative's (GRI) new generation (G3) guidelines.

Responsibility of the independent assurers

Our responsibility is to express to the directors an opinion on the selected subject matter contained in the Report, for the year ended 31 December 2008, based on our assurance engagement.

Work performed

We conducted our engagement in accordance with the International Standards for Assurance Engagements 3000, "Assurance Engagements other than audits or reviews of historical financial information" (ISAE 3000) issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain assurance on the selected subject matter as per our terms of engagement.

AngloGold Ashanti's internal corporate policies and procedures were used as criteria to evaluate the selected subject matter.

In terms of evaluating the 'A+' application level, the specific application level criteria as stipulated by the GRI new generation (G3) guidelines, have been used.

Our work consisted of:

- units in South Africa, the Obuasi and Iduapriem operations in Ghana, and the Geita operation in Tanzania;

- conducting interviews with management at the sampled operations and at Head Office;

- applying the assurance criteria in evaluating the data generation and reporting processes;

- performing key controls testing for reasonable assurance;

- testing the accuracy of data reported on a sample basis for reasonable assurance;

- reviewing the consistency between the subject matter and related statements in AngloGold Ashanti's Report to Society; and

- reviewing the validity of AngloGold Ashanti's self-declaration of the GRI (G3) Application Level in the Report.

Inherent limitations

Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used for determining, calculating, sampling or estimating such data. We have not carried out any work on data reported for prior reporting periods, nor in respect of future projections and targets. We have not conducted any work outside of the agreed

scope and therefore restrict our opinion to the agreed subject matter.

Conclusion - Limited assurance

On the basis of our limited assurance procedures, nothing has come to our attention causing us to believe that the subject matter selected for limited assurance for the year ended 31 December 2008, is materially mis-stated.

Conclusion - Reasonable assurance

PricewaterhouseCoopers Inc.

Director: Carmen Le Grange

Registered Auditor

Johannesburg

9 March 2009

31 December 2008, is free from material mis-statements.

On the basis of our reasonable assurance procedures, the subject matter selected for assurance for the year ended – 27 –

Report to Society 2008

obtaining an understanding of the systems used to generate, aggregate and report data at selected sites and business

31

Key developments

31

Renewing the vision, mission and values

31

The year in review

48

Case studies

performance

Economic

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Report to Society 2008

VISION, MISSION AND VALUES

OUR VISION

To be the leading mining company.

OUR MISSION

We create value for our shareholders, our employees and our business and social partners by safely and responsibly exploring for, mining and marketing our products. Our primary focus is gold and we will pursue value-creating opportunities in other minerals where we can leverage our existing assets, skills and experience to enhance the delivery of value.

OUR VALUES

Safety is our first value.

We place people first and correspondingly put the highest priority on safe and healthy practices and systems of work. We are responsible for seeking out new and innovative ways to ensure that our workplaces are free of occupational injury and illness. We live each day for each other and use our collective commitment, talents, resources and systems to deliver on our most important commitment ... to care.

We treat each other with dignity and respect.

We believe that individuals who are treated with respect and who are entrusted to take responsibility respond by giving their best. We seek to preserve people's dignity, their sense of self-worth in all our interactions, respecting them for who they are and valuing the unique contribution that they can make to our business success. We are honest with ourselves and others, and we deal ethically with all of our business and social partners.

We value diversity.

We aim to be a global leader with the right people for the right jobs. We promote inclusion and teamwork, deriving benefit from the rich diversity of the cultures, ideas, experiences and skills that each employee brings to the business.

We are accountable for our actions and undertake to deliver on our commitments.

We are focused on delivering results and we do what we say we will do. We accept responsibility and hold ourselves accountable for our work, our behaviour, our ethics and our actions. We aim to deliver high-performance outcomes and undertake to deliver on our commitments to our colleagues, business and social partners, and our investors.

The communities and societies in which we operate will be better off for AngloGold Ashanti having been there.

We uphold and promote fundamental human rights where we do business. We contribute to building productive, respectful and mutually beneficial partnerships in the communities in which we operate. We aim to leave host communities with a sustainable future.

We respect the environment.

We are committed to continually improving our processes in order to prevent pollution, minimise waste, increase our carbon efficiency and make efficient use of natural resources. We will develop innovative solutions to mitigate environmental and climate risks.

performance

Economic

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Report to Society 2008

KEY DEVELOPMENTS

- Continued restructuring to focus on new company strategy.
- New company vision, mission and values developed.
- Business improvement project launched.
- Conclusion of rights issue, reduction in hedge book and successful bond refinancing.
- Energy efficiency measures mitigate impact of electricity crisis at the South African operations.
- Gold production of 4.98 million ounces.
- Rising input costs have significant effect on total cash costs across the industry, mitigated to some extent by the fall of the South African rand against the US dollar.
- Significant payments to government, reported in line with the guidelines of the Extractive Industries Transparency Initiative (EITI).

RENEWING OUR VISION, MISSION AND VALUES

In late 2007, AngloGold Ashanti embarked on an internal consultative process to review the company's vision, mission and values. The new vision, mission and values statement was approved for implementation by the group Executive Committee in June 2008. The revised vision, mission and values statement appears on page 30.

The rationale for the review was to better promote and reflect a strong sense of responsibility and to establish a clear framework for the values that underpin the building of a globally competitive business model. This was developed together with a succinct articulation of the strategy and vision for the business. See the case study: *Renewing our commitment to doing things the right way*, at www.aga-reports.com/08/renew-values.htm.

THE YEAR IN REVIEW

Management systems and accountability

Following the comprehensive restructuring and asset review process undertaken at the end of 2007, 2008 was a year of further change and consolidation for AngloGold Ashanti.

Management restructuring continued to take place as a new strategy – focused on safety, improved productivity and enhanced shareholder value – was implemented. The executive team was restructured, and – among other appointments – an Executive Vice President, Sustainability, was appointed to oversee this strategic issue. The group moved towards a regional operating structure, with three operating heads, responsible for operations teams in Africa, the Americas and Australasia, who report directly to the CEO. The Africa operations comprise two divisions, one based in Accra, Ghana, and one in Potchefstroom, South Africa. Further details on the company structure and strategy may be found in the Annual Financial Statements at www.aga-reports.com.

Beauty Mazibuko

Project Manager, Corporate Office, South Africa

“I manage projects from the feasibility stage to the commissioning stage. Projects need to meet requirements, be on time, and within budget. I believe that AngloGold Ashanti's corporate values highlight, to both an internal and external audience, what is important to us.”

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Report to Society 2008

Performance in 2008

Turbulence in financial markets around the world had an effect on AngloGold Ashanti's performance during 2008, with several factors standing out as having had the greatest impact. Among the most significant of these were the:

- satisfactory performance of the gold market relative to that of other commodities, although gold's 'safe haven' status was affected by the depth of the financial crisis, which resulted in de-leveraging and a flight to cash across a wide range of investments;
 - rapid decline in the value of the rand against the US dollar in the fourth quarter; and
 - restrictions placed on production during the first four months of the year by the South African power utility, Eskom, as a result of national power shortages.
- Key elements of economic performance during 2008 included:
- gold production of 4.98 million ounces, down by 9% on 2007;
 - average gold price received 23% lower at \$485 per ounce as a consequence of the reduction in the hedge book;
 - rising input costs, resulting in total cash costs increasing by 24% to \$444 per ounce; and
 - adjusted headline loss of \$897 million.

Group overview – key economic data

2008

2007

% change

Gold produced

(000oz)

4,982

5,477

(9)

Average gold spot price

(\$/oz)

872

697

25

Average received gold price

(\$/oz)

485

629

(23)

Total cash costs

(\$/oz)

444

357

24

Total production costs

(\$/oz)

567

476

19

Ore Reserves

(Moz)

75

73

3

Revenue

1

(\$m)

3,743

3,113

20

Gold income

1

(\$m)

3,619

3,002

21

Gross profit (loss)

1

(\$m)

594

(248)

340

Adjusted gross (loss) profit

1 2

(\$m)

(384)

835

(146)

Adjusted headline (loss) earnings

3

(\$m) (897)

278

(423)

Adjusted headline (loss) earnings per share

(US cents)

(283)

99

(386)

Dividends paid per share

(US cents)

13

45

(71)

Average R/\$ exchange rate

8.25

7.03

17

Exchange rate at year-end

9.46

6.81

39

Share price at year-end:

JSE (R/share)

252

293

(14)

NYSE (\$/share)

27.71

42.81

(35)

Market capitalisation at year-end

(\$m)

9,795

11,878

(18)

1

The group changed its accounting policy regarding the accounting of incorporated joint ventures to the equity method to provide more

relevant financial data as returns from these investments are limited to dividends which are more representative of the income flows.

Incorporated joint ventures were previously accounted for using the proportionate consolidation method.

Comparative figures have been

restated to conform to the changes in accounting policy.

2

Adjusted for the gain (loss) on unrealised non-hedge derivatives and other commodity contracts.

3

Adjusted for the gain (loss) on unrealised non-hedge derivatives and other commodity contracts and fair value adjustment on the convertible bond.

Good progress was made in strengthening the company's balance sheet. The company undertook a rights offer, a reduction in its hedge book and completed a successful bond refinancing.

•

During July 2008, \$1.7 billion was raised by way of a successful rights offer at a ratio of 24.6403 rights offer shares for every 100 AngloGold Ashanti shares held on 4 July 2008. As a result of this offer, 69,470,442 new ordinary shares of 25 SA cents each were issued at a subscription price of R194.00 a share. The rights offer proceeds were used primarily to reduce the hedge book.

•

In particular, the hedge commitments ended the 2008 financial year at 5.99 million ounces as compared with 11.28 million ounces at the end of December 2007, a reduction of 5.29 million ounces (47%) in the hedge performance

Economic

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book for the year. This was done at a total cost of \$1.1 billion. The December 2008 hedge book represents 2% of resources compared to 5% in 2007. The reduced hedge commitments will help to significantly improve the company's exposure to the spot price of gold during 2009, thus enabling AngloGold Ashanti to benefit from the relatively strong gold market currently prevailing.

- Following the rights offer, AngloGold Ashanti's net debt level was reduced to \$1.28 billion as at the end of December 2008. The R2 billion South African corporate bond that matured in August was fully redeemed, giving AngloGold Ashanti a net debt to earnings ratio (before interest, taxation, depreciation and amortisation) of 1.26 as compared with a ratio of 1.08 in 2007.

- In November 2008, AngloGold Ashanti secured a Term Facility with Standard Chartered Bank to refinance the \$1 billion convertible bond due for redemption in February 2009. The Term Facility, which is extendible to November 2010, will give the company flexibility in the current straitened economic circumstances and time to secure longer-term, cost-effective financing.

Information on the group's financial performance is drawn from the company's Annual Financial Statements 2008 (www.aga-reports.com), which is published concurrently with the Report to Society 2008. AngloGold Ashanti also provides a comprehensive review of the operational activities of the group and its individual operations on a quarterly basis. See www.anglogoldashanti.com.

Benefits across the life cycle

AngloGold Ashanti's core business is mining and exploration for gold. Silver, uranium and sulphuric acid are produced as by-products. While gold-bearing rock is a non-renewable resource with a finite lifespan during which it may be exploited, the metal, once mined, is potentially available in perpetuity as it is generally recycled. The volume of gold scrap recycled varies substantially from year to year and typically peaks when prices increase. In 2008, approximately 25% of gold consumed came from recycled sources. However, gold is rarely destroyed, and gold which is not recycled is held and treasured as a store of value or for sentimental reasons, or as a useful commodity.

While AngloGold Ashanti recognises the limited life of its operations, the company's mission is to create value for a broad range of its stakeholders – shareholders, employees and business and social partners. A key imperative for the company is therefore the broader economic impact that accrues to these stakeholder groups during the lifetime of these operations and, once mining has ceased, from the skills and economic opportunities that have been established during a mine's life. Thus, while the financial performance of the business is an important indicator of the extent to which AngloGold Ashanti has succeeded in this, the value that accrues to the countries and communities in which the company operates is equally important. (See pages 10 and 11 for a depiction of aspects of the life cycle in which AngloGold Ashanti participates and the sustainability challenges presented.)

CC&V, USA

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Ensuring benefits in the long term

AngloGold Ashanti's performance in adding value to the communities and countries in which it operates is often difficult to judge over a short period of time (such as a financial year) and should be seen rather in the context of the life of the operation. At the heart of the dilemma of assessing the economic contribution to the broader community is the very real requirement that shareholders' money be spent wisely and that real returns be delivered to them, without other stakeholders being disadvantaged.

Mining projects are often very capital intensive, with long lead times, from the commitment of resources (people and capital) to the delivery of returns. For such an investment to be made, the company (on behalf of its shareholders) must assess at the outset the degree of risk that it will tolerate with regard to, among other things, the risk of an exploration project actually delivering a mine; construction and staffing risks; social, political and currency risks; and the medium- to long-term view of the market. Similar assessments are also made on an ongoing basis for existing operations. An important factor regarding the degree of risk attributed to a specific country or operation is the level of certainty provided by that country's fiscal and regulatory regime.

The recent spike in commodity prices (which in some commodities has receded rapidly in recent months) has led to increased debate internationally on the contribution that companies in the resource sector can and should make to economic and social development in their host countries. As commodity prices have increased, so pressure on governments, from their own constituents, from non-governmental organisations (NGOs) and from lending institutions (such as the World Bank) to ensure that their electorates benefit fully from resource industry revenues, has intensified. The role of the resource sector in development has been a subject of debate since the 1980s when the concept of the 'resource curse' or 'paradox of plenty' was first put forward.

AngloGold Ashanti recognises that the global resources industry across a range of commodities has not always contributed positively to the development and well-being of the countries and communities in which it has operated. The resources industry – comprising as it does a wide range of small, medium and large players – is typically tarred with a single brush and is itself constrained by the limitations imposed by a cyclical market. In reality, there are a number of characteristics which are unique to the resource sector and which ensure that the industry will always be subject to the scrutiny of governments and their electorates. This issue is discussed in some detail in the case study: *Converting mineral wealth to national treasure: the challenges of mining and development*, on page 196 of this report, or at www.aga-reports.com/08/resource-debate.htm.

The group endeavours to approach this issue in an holistic way, looking at the economic contribution to the national fiscus as only one measure of several. Others include the provision of jobs (and frequently skills development and training to fill those jobs), infrastructural development (both as part of the mine's development, which may be of use to communities, and specifically for the community), formal and informal performance

Economic

Eugene Codjoe

Control Room Operator, Iduapriem, Ghana

"The statement 'business is people; people are our business' demonstrates AngloGold Ashanti's commitment to providing a favourable work environment for our employees.

I think it attracts potential employees too."

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local economic development and corporate social investment initiatives. See the case study: New road paves the way for economic development in the DRC, at www.aga-reports.com/08/DRC-roads.htm.

Another illustration of the way in which mutual benefit may be achieved is the renegotiation of the water contract at CC&V.

Also, the group is able to manage its significant procurement expenditure so that it has a positive impact on local and regional economic activity. The total amount spent on the purchase of goods and services required to operate mines and produce refined metal (including market development costs net of other income) was \$1,550 million in 2008 (2007: \$1,188 million). It is group policy that, as far as it is possible and practical to do so, goods and services should be procured locally and regionally. In South Africa, there are specific programmes in place to transform the company's procurement base to include black economic empowerment (BEE) imperatives. This is discussed in greater detail on page 49.

Withdrawal of exploration teams from the DRC

Following the outbreak of fighting between the military and 'rebels' in remote areas of the eastern Democratic Republic of Congo (DRC) in November 2008, AngloGold Ashanti withdrew all personnel from three isolated exploration camps as a precautionary measure. Given reduced levels of exploration activity, the personnel from these camps, together with some personnel at the main base camp at Mongbwalu, were encouraged to begin their annual end-of-year leave early. The exploration camps were repopulated, though in smaller numbers, during January 2009 as the security situation improved. With the focus of exploration activities being on desktop studies at this stage, the camps had, at the time of writing, not been brought up to full complement. AngloGold Ashanti is represented in the DRC by its subsidiary, Ashanti Goldfields Kilo, which has its head office in the capital, Kinshasa. The company's exploration activities take place within the 10,000km

2

properties

known as Concession 40 in the Ituri region of the Orientale Province and are concentrated around the city of Mongbwalu.

Exploration, DRC

Rand Refinery, South Africa

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0
 1,000
 2,000
 3,000
 4,000
 5,000
 6,000
 7,000
 Gold production
 (000oz) attributable
 06
 05
 04
 07
 08
 4,982
 5,477
 5,635
 6,166
 5,829
 0
 100
 200
 300
 400
 500
 600
 700
 Average gold price received
 (\$/oz)
 06
 05
 04
 07
 08
 485
 629
 577
 439
 394

Operating performance

Total attributable gold production for 2008 (that is, attributable to AngloGold Ashanti as a result of the ownership structure and not total production by operations) declined by 9% to 4.98 million ounces (2007: 5.48 million ounces), making the company the third largest producer of gold in the world. This decline in production was largely a result of reduced volumes and lower grades mined at the South African operations owing to safety- and power-related stoppages; reduced production in Argentina as a result of poor grades and intermittent plant breakdowns, and in Tanzania, where poor plant availability and delays in accessing higher grades affected output negatively. Among the best performing operations were Moab Khotsonq, which is in ramp-up phase, and Mponeng in South Africa, Iduapriem in Ghana and Sigui in Guinea.

In South Africa, the effect on production of restrictions imposed on the company by the national power utility, Eskom, was less severe than initially expected. The expected shortfall was mitigated to some extent by

improvements achieved in energy efficiency and by an earlier-than-expected restoration of optimal power. While power shortages may have an impact on future production, the company has been working with Eskom and government through the Chamber of Mines of South Africa and Business Unity SA (BUSASA), the employer federation, to minimise any such occurrences. See the case study: AngloGold Ashanti's response to the power crisis, at www.aga-reports.com/08/power-crisis.htm.

In late 2008, AngloGold Ashanti launched the Business Improvement Project (BIP), a company-wide change management process to secure the future of the organisation as a global gold producer. The BIP is a response to declining production levels, falling returns and increasing costs of production – and it signals the need for a change in the current strategy in order for AngloGold Ashanti to grow and thrive. It will be implemented over the next three to five years, starting with pilot sites and then across the company's global operations, with the aim of improving productivity. See case study at www.aga-reports.com/08/BIPProject.htm.

Attributable gold production (000oz)

2008

2007

2006

2005

Argentina

154

204

215

211

Australia

433

600

465

455

Brazil

407

408

339

346

Ghana

557

527

592

680

Guinea

333

280

256

246

Mali

409

441

537

528

Namibia

68

80

86

81

South Africa

2,099

2,328

2,554

2,676

Tanzania

264

327

308

613

United States

258

282

283

330

Total

4,982

5,477

5,635

6,166

performance

Economic

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Rand Refinery, South Africa

CC&V

258

66

Yatela

Sadiola

172

170

Morila

333

Siguiri

200

357

Iduapriem

Obuasi

Navachab

68

87

Serra Grande

320

Cerro

Vanguardia

154

314

Savuka

66

TauTona

600

Mponeng

362

Kopanang

Moab Khotsong

192

143

Tau Lekoa

Great Noligwa

330

264

Geita

433

Sunrise Dam

Attributable gold production by operation: 2008 (000 oz)

Brasil

Mineração

N

Surface operations

92

'000 Ounces

4,982

Total group production

- 37 -

0
 50
 100
 150
 200
 250
 300
 350
 400
 450
 Total cash costs – group
 (\$/oz)
 06
 05
 04
 07
 08
 444
 357
 308
 281
 264

Uranium, an important by-product

Uranium is produced at three of AngloGold Ashanti's mines in the Vaal River area in South Africa. It is extracted from gold-bearing ore as a by-product.

Uranium grades achieved are much lower than those achieved at dedicated uranium mines in other uranium-producing countries. The average recovered grade of uranium processed at AngloGold Ashanti's uranium plant is around 0.25kg/t. If it were not processed as a by-product, this uranium would be disposed of in the residue of the gold-bearing ore onto the tailings dams, along with other waste from the mining and processing operations.

Monitoring of tailings for radioactivity is not necessary as any remaining unrecovered uranium is in a diluted form, and below environmentally set of radiation. The processing of uranium complies with strictly enforced international legislation.

In 2008, the group produced 1.3 million pounds of uranium, which generated revenue of \$15 million, representing a contribution to group revenue of 0.4%.

The group has stated it intends to continue to benefit from the growing demand for uranium and it is likely that uranium production will increase during the year ahead. At the same time, the company has restructured its long-term uranium contracts to create greater exposure to spot prices.

The gold market

The average gold price received of \$485 per ounce for the year, was 23% lower than in 2007, due to significant restructuring of the hedge book during the year. Total revenue from gold production amounted to \$3,619 million, while revenue from each of the group's three major by-products – uranium, silver and sulphuric acid – was \$15 million, \$23 million and \$18 million, respectively.

Rising costs of production

Rising production costs was one of the most significant features of the year, particularly in South Africa, where inflation rose to 11,3% for the 12 months to December 2008. Also in South Africa, the rise in dollar production costs was offset to some degree by the rapid weakening of the South African rand in the fourth quarter of the year. Consequently, the group's total cash costs rose by 24% year-on-year to \$444 per ounce, from \$357 per ounce in 2007.

performance

Economic

0

200

400

600

800

1000

1200

1400

Annual capital expenditure

(\$m)

06

05

04

07

08

1,201

1,059

817

722

585

Vaal River, South Africa

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Value added statement for the year ended 31 December	
2008	2007
%	%
\$ million	
contributed	
contributed	
Gold income	
3,619	
3,002	
Purchases of goods and services in order to operate mines and produce refined metal, including market development costs net of other income	
(1,550)	
(1,188)	
Value added by operations	
2,069	
55	
1,814	
65	
Fair value gain on option component of convertible bond	
25	
1	
47	2
Profit on disposal of assets	
55	
1	
7	
–	
Dividends from investments and interest received	
66	
2	
45	
2	
Government	
Deferred taxation	
289	
8	
88	
3	
Utilised in the group	
Retained income	
1,236	
33	
793	
28	
Total value added	
3,740	
100	
2,794	100

Value distributed	
Employees	
Salaries, wages and other benefits	
986	
26	
966	
35	
Government	
- Current taxation	
92	
3	
189	
7	
Providers of capital	
- Finance costs and unwinding of obligations	
114	
3	
120	
4	
- Dividends paid	
41	
1	
125	
5	
- Minorities	
40	
1	
32	
1	
Other	
- Impairment of tangible and intangible assets and investments	
1,608	
43	
1	
-	
- Loss on non-hedge derivatives and other commodity contracts	
297	
8	
792	
28	
Total value distributed	
3,178	
85	
2,225	80
Reinvested in the group	
- Amortisation and depreciation	
562	
15	
569	
20	

3,740

100

2,794 100

Distribution of wealth – 2008

Employees for remuneration 26%

State of taxes

3%

Providers of capital

5%

Reinvested in the group

15%

Other

51%

15%

51%

26%

3%

5%

Distribution of wealth – 2007

Employees for remuneration 35%

State of taxes

7%

Providers of capital

10%

Reinvested in the group

20%

Other

28%

7%

28%

20%

35%

10%

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Distributing value to employees

In total, 62,895 people were employed by AngloGold Ashanti in 2008, 2% more than in 2007. This was largely a result of an increase in staffing levels at the Australia and United States operations. For more details on the group's employment profile in 2008, see the Employment section of this report on page 95. By far the greatest percentage of economic distributions made during the year, at 84%, was to employees (including executive directors) – an amount of \$986 million. Total distributions to employees (excluding executive directors) amounted to \$983 million.

Employee benefits

2008

2007 restated

1

(\$m)

(%)

(\$m)

(%)

Salaries, wages and other benefits

826

84%

797

83%

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

65

6%

69

7%

Contribution to pension and
provident plans

46

5%

48

5%

Retrenchment costs

9

1%

19

2%

Share-based payment expense

40

4%

33

3%

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

986

100%

966

100%

1

The 2007 numbers have been restated to equity account joint ventures.

All permanent employees participate in some form of retirement funding scheme to which the company makes a contribution. In some cases this is the legislated contribution to the country's social security scheme, while in others it is a contribution to a private or company-run scheme. The specific nature of the benefits and contributions varies from region to region. These benefits are funded primarily on a defined contribution basis, with a very small percentage of employees on defined benefit schemes. (Defined benefit schemes are closed to new members, with new employees participating in defined contribution schemes.) Funding for the liabilities resulting from the defined benefit schemes is provided for by the company on an ongoing basis.

Around 24% of employees, largely in South Africa, participate in the group's share option scheme and an additional 48%, all in South Africa, are members of the Bokamoso Employee Share Ownership Plan (ESOP). The Bokamoso ESOP was implemented as part of the group's BEE programme (see page 48). The first vesting date (in which employees become able to exercise their rights to trade their shares or exercise their options) is in November 2009. In advance of this, a research project into employee debt levels was undertaken, and an education programme, developed by the Bokamoso ESOP Trust with the company's participation, will assist employees in planning for the best use of their 'dividends' from vesting.

performance

Economic

50

150

May

Mar

Jan

Jun

Jul

\$

100

300

Feb

R

200

250

Apr

Aug

Sep

Oct

Nov

Dec

20

30

40

R/share

\$/share

AngloGold Ashanti share price performance – R and \$ (2008)

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The group's share price performance reflected trends in international markets and the global economic outlook and, consequently, employees did not benefit from share price appreciation. The AngloGold Ashanti share price opened the year at R293 on the JSE. It closed the year at R252, with a year high and a low of R349 and R150, respectively.

Distributions to shareholders

AngloGold Ashanti is a publicly listed company and is traded on stock exchanges in South Africa (share code on the JSE – ANG), the United States (NYSE – AU), Australia (ASX – AGG), the United Kingdom (LSE – AGD), Ghana (AGA and AAD), France (Euronext, Paris – VA) and Belgium (Euronext, Brussels – ANG BB).

The company's shares are highly liquid with around 80.6% of the group's shares being held in free float.

The graph above depicts the geographical location of the company's shareholders as at 31 December 2008. The largest percentage shareholding (excluding the shareholdings of Anglo American plc (16.1%) and the Government of Ghana (3.2%), that is, of the free float) is in the Americas (44.9%), followed by South Africa (37.0%) and the United Kingdom (7.3%).

Dividends declared for 2008 amounted to \$41 million (2007: \$125 million).

Payments to government

Governments (or their provincial representatives) are shareholders in a number of operations or in the company itself:

- In Argentina, the Province of Santa Cruz has a 7.5% interest in Cerro Vanguardia.

- The Government of Guinea holds a 15% stake in the Siguiro mine.

- The Government of Mali holds an interest of 20% in each of the Morila, Sadiola and Yatela mines.

- The Government of Ghana holds a 3% interest in AngloGold Ashanti.

AngloGold Ashanti is a member of the Extractive Industries Transparency Initiative (EITI) and supports the EITI's request for transparency in the disclosure of payments to government and receipts from governments.

The following payments were made to governments (on a country basis) by AngloGold Ashanti, or its subsidiaries or the joint ventures that the company manages, during the year under review:

Rand Refinery, South Africa

Geographical distribution of combined total shares identified

31 December 2008 (%)

1.6%

1.1%

46.0%

2.0%

1.0%

3.6%

9.1%

35.7%

Americas

South Africa

United Kingdom

Asia Pacific / Middle East

Rest of Europe

Switzerland

France

Belgium

* Free float, that is, figures exclude Anglo

American and government of Ghana position

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Argentina (\$000)

Dividends paid to government

888

Taxation paid in 2008*

4,368

Provision for taxation*

1,130

Withholding tax (STC, royalties, etc)

13,536

Other indirect taxes and duties

1,599

VAT paid

20,067

VAT refunded

(16,698)

Employee taxes and other contributions**

2,869

Property tax

3

Other***

8,186

Total

35,948

Australia (\$000)

Dividends paid to government

—

Taxation paid in 2008*

43,229

Provision for taxation*

(23,928)

Withholding tax (STC, royalties, etc)

12,860

Other indirect taxes and duties

—

VAT paid

136

VAT refunded

(28,057)

Employee taxes and other contributions**

9,556

Property tax

—

Other

—

Total

13,796

Brazil

(\$000)

Dividends paid to government

—

Taxation paid in 2008*

44,751
 Provision for taxation*
 31,833
 Withholding tax (STC, royalties, etc)
 —
 Other indirect taxes and duties
 4,461
 VAT paid
 6,509
 VAT refunded
 —
 Employee taxes and other contributions**
 22,397
 Property tax
 313
 Other (financial contribution on
 mining exploration)
 2,991
 Other (tax over vehicles ownership)
 199
 Total
 113,454
 Colombia (\$000)
 Dividends paid to government
 —
 Taxation paid in 2008*
 277
 Provision for taxation*
 58
 Withholding tax (STC, royalties, etc)*
 1,171
 Other indirect taxes and duties
 239
 VAT paid
 327
 VAT refunded
 —
 Employee taxes and other contributions**
 708
 Property tax
 332
 Other (tenement fees)
 2,934
 Total
 6,046

*
Includes capital gains tax
 **

Includes remittance made to government but borne by employees as individual taxation, eg PAYE, UIF.

*** *Tax on exports*
 performance

Payments to government:

Economic

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DRC (\$000)

Dividends paid to government

—

Taxation paid in 2008*

—

Provision for taxation*

—

Withholding tax (STC, royalties, etc)

—

Other indirect taxes and duties

218

VAT paid

—

VAT refunded

—

Employee taxes and other contributions**

487

Property tax

—

Other

—

Total

705

Ghana (\$000)

Dividends paid to government

1,379

Taxation paid in 2008*

1,912

Provision for taxation*

8,316

Withholding tax (STC, royalties, etc)

17,504

Other indirect taxes and duties

9,266

VAT paid

230

VAT refunded

(5,075)

Employee taxes and other contributions**

11,570

Property tax

49

Other

399

Total

45,550

Guinea (\$000)

Dividends paid to government

1,500

Taxation paid in 2008*

—

Provision for taxation*
 23,728
 Withholding tax (STC, royalties, etc)
 40,145
 Other indirect taxes and duties
 1,490
 VAT paid
 –
 VAT refunded
 –
 Employee taxes and other contributions**
 3,332
 Property tax
 –
 Other
 1,230
 Total
 71,425
 Mali (\$000)
 Dividends paid to government
 38,000
 Taxation paid in 2008*
 42,075
 Provision for taxation*
 53,997
 Withholding tax (STC, royalties, etc)
 21,750
 Other indirect taxes and duties
 2,359
 VAT paid
 2,422
 VAT refunded
 (2,986)
 Employee taxes and other contributions**
 9,382
 Property tax
 –
 Other
 4,579
 Total
 171,578

*

Includes capital gains tax

**

Includes remittance made to government but borne by employees as individual taxation, eg PAYE, UIF.

Payments to government:

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Namibia (\$000)

Dividends paid to government

—

Taxation paid in 2008*

5,042

Provision for taxation*

5,693

Withholding tax (STC, royalties, etc)

1,789

Other indirect taxes and duties

—

VAT paid

2,055

VAT refunded

(5,354)

Employee taxes and other contributions**

2,013

Property tax

—

Other***

392

Total

11,630

South Africa

(\$000)

Dividends paid to government

—

Taxation paid in 2008*

6,468

Provision for taxation*

11,584

Withholding tax (STC, royalties, etc)

—

Other indirect taxes and duties

—

VAT paid

—

VAT refunded

(90,713)

Employee taxes and other contributions**

170,098

Property tax

1,870

Other

—

Total

99,307

Tanzania (\$000)

Dividends paid to government

—

Taxation paid in 2008*

715
 Provision for taxation*
 (3,861)
 Withholding tax (STC, royalties, etc)
 6,966
 Other indirect taxes and duties
 18,251
 VAT paid
 5,428
 VAT refunded
 (3,785)
 Employee taxes and other contributions**
 12,165
 Property tax
 –
 Other****
 369
 Total
 36,248
 United States
 (\$000)
 Dividends paid to government
 –
 Taxation paid in 2008*
 300
 Provision for taxation*
 (12)
 Withholding tax (STC, royalties, etc)
 –
 Other indirect taxes and duties
 –
 VAT paid
 –
 VAT refunded
 –
 Employee taxes and other contributions**
 3,795
 Property tax
 840
 Other (production mine tax)
 1,450
 Other (severance tax)
 1,328
 Total
 7,701

*

Includes capital gains tax

**

Includes remittance made to government but borne by employees as individual taxation, eg PAYE, UIF.

*** *Tax on exports*

**** *Comprises annual road levy to the Geita district, forest clearance fees and airport taxes.*

performance

Economic

Payments to government:

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The following instances of tax exemptions or reduced taxation rates are reported:

Operation

Description

Standard

Rate paid by

Legal basis for

of tax

rate

business unit

tax concession

Argentina:

Cerro Vanguardia

Income tax rate

35%

30%

At the time that CVSA was

for corporations

allocated a tax rate (as part of

the fiscal stability programme

which is valid for 30 years), the

corporate tax rate was 30%.

Tax on financial

0.6% on debits;

Did not exist when fiscal

payments

0.6% on credits.

0%

stability programme was

awarded.

Import duties

Varied, dependent 0%

In line with Argentinian

on type of goods

Mining Investment Law

imported.

(24196), mining companies

registered under this special

fiscal regime are exempt.

Presumed

1%

0%

Mining companies are

minimum

exempt from this tax.

income tax

Brazil:

Brasil Mineraça

~

o

State VAT on

12% to 18%

Exempt
Statutory regulation
exports (ICMS)
Federal value
5% to 25%
Exempt
Statutory regulation
added tax
Drawback
12% to 18%
Exempt
Statutory regulation
incentive
Turnover taxes
9.25%
Exempt
Statutory regulation
on exports
State VAT on import 18%
Exempt
Company agreement
of machinery and
equipment
Serra Grande
State VAT on
12% to 18%
Exempt
Statutory regulation
exports (ICMS)
Federal value
5% to 25%
Exempt
Statutory regulation
added tax
Drawback incentive
12% to 18%
Exempt
Statutory regulation
Turnover taxes
9.25%
Exempt
Statutory regulation
on exports
Ghana:
Iduapriem and
Import duty on
10%
0%
Act of Parliament
Obuasi

mining equipment
Other
10%
5%
Act of Parliament
Royalties
In excess of 3%
3%
Stability agreement signed
18 February 2004, valid for
15 years
Mali:
Morila
VAT on local
18%
Exempt
Legislation
purchases
with effect
from 1 July
2008
Sadiola/Yatela
Fuel tax
Varies monthly
Exempt
Mining agreement signed
on 20 March 1990 – valid for
30 years.
VAT exemption
18%
Exempt
Started on 1 July 2006.
on transactions
Renewable on demand.
with registered
Approved by the Minister
Mali business units
of Finance.
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Assistance from government

No significant financial assistance was received by the company or the operations from government in any of the jurisdictions in which the company operates. Any assistance received is detailed below.

Assistance from government

Country

Value (\$000)

Description

Argentina

Cerro Vanguardia

13,724

Subsidies/rebates

3,320

Other financial benefits from government

Mali

Sadiola/Yatela

6,873

Tax relief (see details above).

Investing in the future

AngloGold Ashanti recognises that much needs to be done today to sustain its operations into the future. As the market for gold is the fundamental driver of the business, the company has for many years been involved in the active development of the gold market. Looking internally, the need to discover and develop future mines, both in new areas and around existing operations, drives the group's exploration programme. At the same time, significant capital is expended every year to sustain current infrastructure and to extend current operations, and to develop new projects.

Gold market development

Since its inception AngloGold Ashanti has been committed to growing the market for its product. The company's marketing programmes aim to increase the desirability of gold to sustain and grow demand. AngloGold Ashanti is an active member of the World Gold Council (WGC), and AngloGold Ashanti's subscription to the WGC accounts for the bulk of the company's marketing spend. The company remains involved in independent projects to grow jewellery demand in partnership with companies such as Tanishq (a subsidiary of the Tata Group) in India. It has also supported the development of gold concept stores in China, under the 'Just Gold' brand. AuDITIONS, the company's own global gold jewellery design competition brand, continues to grow and has become a powerful corporate marketing tool.

For further information on the group's gold market development initiatives see the website at www.anglogoldashanti.com or the Annual Financial Statements at www.aga-reports.com

Exploration and development

Total exploration expenditure amounted to \$183 million in 2008, of which \$77 million was spent on greenfields exploration, \$86 million on brownfields exploration and the balance of \$20 million on pre-feasibility studies. The primary aim of both the greenfields and brownfields exploration programmes is to identify new attributable Mineral Resource ounces of gold.

performance

Economic

Rhonda Hrack

Haul truck driver, CC&V, USA

"Employees and management can work together, hand-in-hand, by sharing ideas to improve not only production and safety, but to also better our surrounding communities."

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Cripple
Creek
& Victor
Yatela
Sadiola
Morila
Siguirí
54
112
Iduapriem
Obuasi
Navachab
Serra Grande
Anglo Gold
Ashanti
Brasil
Mineração
69
Cerro
Vanguardia
Savuka
TauTona
Mponeng
Kopanang
Moab Khotsong
Tau Lekoa
Great Noligwa
Geita
419
Sunrise Dam
Capital expenditure by operation (\$000): 2008
3
3
1
18
12
27
20
15
18
89
47
26
86
60
11
53
19
Boddington
N

Greenfields exploration was conducted in six countries – Australia, China, Colombia, the DRC, the Philippines and Russia. Approximately 304,000 metres of various types of drilling was completed during the year, together with the drill testing of existing priority targets and the delineation of new targets in Australia, Colombia, Russia, the DRC and China. The most prospective of these were Tropicana in Australia and La Colosa in Colombia, where a combined total of 13 million attributable Measured, Inferred and Indicated Mineral Resource ounces of gold were defined by AngloGold Ashanti's greenfields exploration teams during the year to 31 December 2008.

Another \$36 million of expensed brownfields exploration and capital expenditure of \$50 million aimed at identifying replacement ounces was undertaken in and around most of AngloGold Ashanti's existing operations. In 2008, most success was achieved at the South African, Australian, Ghanaian and Guinean operations, and as a result of the brownfields exploration programme 27.5 million ounces were successfully added to the company's total Mineral Resource.

For further information on the exploration programme see the website at www.anglogoldashanti.com or the Annual Financial Statements 2008, at www.aga-reports.com.

Capital expenditure

A great deal of emphasis is placed by the company on capital investment both to sustain operations and to develop operations and margins. In 2008, the group capital expenditure was \$1,201 million (2007: \$1,059 million). Stay-in-business expenditure, including that spent on Ore Reserve development, amounted to \$547 million, while new project development amounted to \$654 million.

For further information on the exploration programme see the website at www.anglogoldashanti.com or the Annual Financial Statements, at www.aga-reports.com.

Black economic empowerment

AngloGold Ashanti is largely supportive of the legislation and regulations that encourage the transformation of South African society to fully enable the participation of all South Africans. The group recognises that there is a need for proactive transformation programmes. In addition to the many programmes in place at an operational level, AngloGold Ashanti's contribution to transformation can be reported as follows:

- transferring of assets to and facilitating ownership by historically disadvantaged South Africans (HDSAs);
- transforming the group's procurement base in line with the Mining Charter; and

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- employment equity programmes that promote the recruitment, development and retention of HDSAs, particularly in supervisory and management roles, and in core mining disciplines. This is discussed in greater detail, in the Employment section of this report to be found on page 90, and in the Social and Labour Plan reports for the West Wits and Vaal River regions, which are also available at www.aga-reports.com.

BEE ownership of AngloGold Ashanti

AngloGold Ashanti achieved the conversion of its mining rights for all of its South African operations in 2005. One of the key factors taken into consideration by the Department of Minerals and Energy (DME) in awarding these conversions was the transfer of equity ownership of more than 26% of the company's South African assets to BEE/HDSA companies or HDSAs.

AngloGold Ashanti achieved this through three different types of transactions as discussed below.

- *The sale of assets to HDSA companies:* In January 1998 and July 1998, the then AngloGold sold to ARMgold, an HDSA company, Vaal Reefs 1 to 7 shafts, Western Holdings 1, 2, 3, 4, 6 and 7 shafts and the Welkom gold plant. In January 2002, AngloGold sold the remainder of its assets in the Free State to a combined Armgold and Harmony Joint Venture company. These were the Bambanani, Joel, Matjhabeng and Tshepong mines, and shares in the Jeanette project as well as surface infrastructure. AngloGold Ashanti and the DME recognised the HDSA participation relating to these transactions at 20.8%.

- *The formation of an Employee Share Ownership Plan (ESOP):* In October 2006, AngloGold announced the formation of the Bokamoso ESOP in which all employees at AngloGold Ashanti's South African operations, including the corporate office, who were not participants in any current share incentive scheme, would qualify as beneficiaries. Just over 30,000 employees participate in the Bokamoso ESOP, with 91.5% of eligible employees being HDSAs. A trust was established to acquire and administer the shares issued by the company (2,880,000 E ordinary shares and 980,000 ordinary shares, representing approximately 1.4% of AngloGold Ashanti's issued share capital at that time). The shares will vest annually in five equal tranches to each eligible employee, with the first tranche vesting on the third anniversary of the Bokamoso ESOP's launch (that is, in 2009), and the last on the seventh anniversary (in 2016).

- *Acquisition of equity by BEE company:* In a third transaction, also in October 2006, Izingwe Holdings Limited, a BEE investment company, acquired 1,400,000 E ordinary shares (a 0.5% equity interest in AngloGold Ashanti at that time). Izingwe Holdings Chairman, Siphon Pityana, was appointed to the AngloGold Ashanti Board of Directors in February 2007.

- The combined ESOP and Izingwe transactions represent the transfer of an additional 6% of the South African assets to HDSA ownership, bringing total HDSA ownership to just over the 26% target required in terms of the Mining Charter.

performance

Economic

Obuasi, Ghana

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Local procurement

AngloGold Ashanti endeavours to support the communities and countries in which it operates through its procurement practices. As far as it is possible, and taking quality and cost into account, all operations have plans in place to increase local procurement. Procurement practices in South Africa, as required by the Mining Charter, are discussed on page 49 and the Social Labour Plan reports at www.aga-reports.com. Details for other operations may be found in the Country and Operational reports, also available at www.aga-reports.com. In many cases, and particularly in developing countries, these procurement opportunities are linked to the local economic development initiatives discussed in the Community section of this report.

Transforming the procurement base

In South Africa, the company is currently aligning its procurement policies with the Department of Trade and Industry's Codes of Good Practice, and will complete this process by 2009. This code is an integral part of the country's transformation process and is aimed at encouraging new and small suppliers, particularly from historically disadvantaged communities. See case study: New codes of practice shape BEE procurement in 2008, at www.aga-reports.com/08/BEE-codes.htm.

AngloGold Ashanti regards BEE companies as preferred suppliers. What this means in practice is that BEE companies which comply with AngloGold Ashanti's criteria are placed on the vendor list and receive preferred status in winning contracts, should they be commercially competitive.

Targets have also been set for levels of BEE expenditure over a 10-year period. At the end of December 2008, BEE procurement was 35%, against a target of 41%.

Of total procurement spend in 2008 of R4,222 billion, of which R1,471 billion was spent through BEE companies. Of this R258 million was spent on the procurement of capital goods, R788 million on consumables and R425 million on that of services, all from BEE-related companies. For further detail, see the José Gregorio Ferreira da Mata Filho

Production Co-ordinator, Brazil

"During the two years I have been employed at AngloGold Ashanti, I have been exposed to a number of exciting professional highlights such as my involvement in the Cuiabá Mine expansion project. My biggest challenge is managing people on a daily basis but I am learning new people skills every day."

BEE spend as a percentage of total spend (%)

Non-BEE

BEE

65.1%

34.9%

BEE spend as a percentage of capital spend (%)

Non-BEE

BEE

82.4%

17.6%

BEE spend as a percentage of consumables spend (%)

Non-BEE

BEE

46.4%

53.6%

BEE spend as a percentage of services spend (%)

Non-BEE

BEE

71.1%

28.9%

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Social and Labour Plan reports at www.aga-reports.com.

Geographical analysis of gold income by destination (\$ million)

2008

2007

South Africa

1,370

1,039

North America

1,057

741

Australia

7

90

Asia

255

267

Europe

307

734

United Kingdom

809

409

3,805

3,280

Equity accounted investments included above

(186)

(278)

Total

3,619

3,002

Taking responsibility for gold

Gold as a product is benign and does not in itself have a significant impact on health and safety. However, the activities involved in the mining and processing of gold, and some of the by-products generated, have the potential to negatively affect the safety and health of employees and communities, and their environment. When evaluating the associated sustainable development risks and impacts, and in developing plans to mitigate these risks and the impacts of our business, the group looks at the full life cycle of the product, including its production.

No issues of non-compliance with regulations concerning the health and safety effects of products were alleged in 2008. Products are labelled according to internationally accepted norms, regulations and standards. In respect of gold bullion, such labelling typically indicates the name of the refinery and the purity of the bar. No incidents related to product labelling occurred in 2008.

The bulk of the group's gold is sold through well-established and long-term channels. The graphs above, illustrate the delivery destinations, by country, for AngloGold Ashanti's gold. Further details may be found in the Annual Financial Statements 2008 at www.aga-reports.com.

CASE STUDIES:

Case studies describing some of the challenges that the group faces, and how these are addressed may be found on the Report to Society website at www.aga-reports.com, or at the specific urls listed below.

GROUP

Converting mineral wealth to national treasure: the challenges of mining and development

There has been increased debate internationally over the contribution that companies in the resource sector can and should make to economic and social development in their host countries. As commodity prices have increased, so pressure on governments, from their own constituents, from NGOs and from leading institutions,

to ensure that their electorates are benefiting fully from resource industry revenues intensifies. AngloGold Ashanti recognises that there are sound reasons for this debate and that the global resources industry across a range of commodities has not always contributed to the development and well-being of the countries and communities in which it has operated. This case study looks at the potential contribution that resource entities can make to sustainable development in their host countries. See case study on page 196 of this report, or at www.aga-reports.com/resource-debate.htm.

performance

Economic

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AngloGold Ashanti introduces Business Improvement Project

Towards the end of 2008, CEO Mark Cutifani announced the launch of the Business Improvement Project (BIP), a company-wide change management process to secure the future of the organisation as a global gold producer. The BIP is a response to declining production levels, falling returns and increasing costs of production – and it signals the need for a change in the current strategy in order for AngloGold Ashanti to grow and thrive. It will be implemented over the next three to five years, starting with pilot sites and then across the company's global operations, with the aim of improving productivity. See case study at www.aga-reports.com/08/BIPProject.htm.

SOUTH AFRICA

AngloGold Ashanti's response to the power crisis

The South African electricity crisis in January 2008 was critical for AngloGold Ashanti, which used the crisis as a catalyst to review its energy efficiency performance, explore new initiatives to decrease electricity usage, and speed up implementation programmes. In this way the group was able to minimise the impact of this crisis. AngloGold Ashanti aims to continue reducing its power consumption, to ensure that it stays ahead of power requirements and continues to improve efficiencies. See the case study at www.aga-reports.com/08/power-crisis.htm.

New codes of practice shape BEE procurement in 2008

AngloGold Ashanti has methodically increased the proportion of goods and services procured from suppliers owned by historically disadvantaged South Africans (HDSAs) as part of its compliance with the Mining Charter, and has regularly reported on its progress in this regard. The company is now establishing systems to enable it to report on its South African procurement activities in line with the Department of Trade and Industry's (DTI's) Codes of Good Practice, and 2008 saw a successful 'test run' of these systems and processes. See case study on at www.aga-reports.com/08/BEE-codes.htm.

UNITED STATES

Renegotiating the water contract at CC&V

EXPLORATION

New road paves the way for economic development in the DRC

Land transport in the Ituri region of the Democratic Republic of Congo, where AngloGold Ashanti's subsidiary Ashanti Goldfields Kilo operates an exploration project, is a challenge. The underdeveloped road infrastructure is a legacy of the conflict that has gripped the country and this region in particular for years, and has constrained investment and kept what infrastructure there is in a state of serious neglect. The Congolese have traditionally depended mostly on water transport systems – rivers and waterways – but this is often inefficient. In 2006, in partnership with the United Nations peacekeeping mission in Bunia, Ashanti Goldfields Kilo began a programme to upgrade the road. The benefits are already being seen, both for the company and the people of the area. See the case study at www.aga-reports.com/08/roads-DRC.htm.

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Victor's water system in 2007. See the case study at www.aga-reports.com/08/water-CCV.htm.

At AngloGold Ashanti's CC&V mine, in the western United States, a reliable water supply is vital. The mine recently renegotiated its water supply contract with the City of Victor, following co-operative efforts to upgrade

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Key developments

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Renewing the vision, mission and values

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The year in review

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Objectives for 2009

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Case studies

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KEY DEVELOPMENTS

- Amendments were made to the Conflict of Interest and the Gifts, Hospitality and Sponsorship policies during the year.

- A few legal issues remain unresolved.

- Voluntary compliance with United Nations Global Compact, ICMM principles, Responsible Jewellery Council, Global Reporting Initiative, Cyanide Code and Voluntary Principles on Human Rights and Security

RENEWING THE VISION, MISSION AND VALUES

In late 2007, AngloGold Ashanti embarked on a consultative process to review the company's mission, vision and values. The process was built on the launch of the 'Safety is our first value' campaign at the South African operations in November 2007, and was developed further through interactions between executive management and employees in a range of different interventions over the following months.

In respect of ethics and governance, the AngloGold Ashanti values specifically note that:

We are accountable for our actions and undertake to deliver on our commitments.

We are focused on delivering results and we do what we say we will do. We accept responsibility and hold ourselves accountable for our work, our behaviour, our ethics and our actions. We aim to deliver high performance outcomes and undertake to deliver on our commitments to our colleagues, business and social partners, and our investors.

The new mission, vision and values statement was approved for implementation by the group Executive Committee in June 2008 and appears on page 24 of this report. The group's undertakings or business principles in respect of ethics and governance may be found on the website at www.anglogoldashanti.com/Values/Values.htm.

For further information on the development and implementation of these values, see the case study: Renewing our commitment to doing things the right way, at www.aga-reports.com/08/renew-values.htm.

and governance

Ethics

Cellou Dioubate

Secretary, Siguiri, Guinea

"A successful organisation is one that constantly develops its employees. People should be given the opportunity to develop skills through training and learning."

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THE YEAR IN REVIEW

Leadership and governance

AngloGold Ashanti remains committed to the highest standards of corporate governance. Corporate governance is the responsibility of the Board of Directors as a whole, with some authority delegated to the Audit and Corporate Governance Committee of the board and the management Disclosure Committee.

The board is guided by the company's founding statements, the board charter, the company's legal obligations in terms of the South African Companies Act of 1973 (as amended), the US Sarbanes-Oxley Act of 2002 (SOx), the company's legal and disclosure obligations to the JSE (where it holds its primary listing), as well as various corporate governance guidelines, such as the King Code on Corporate Governance 2002 (King Code). A Code of Ethics for the chief executive officer, the chief financial officer and senior financial officers also guide conduct. (These codes and documents are available on the website at www.anglogoldashanti.com/About/Corporate+Governance/Guidelines.htm).

Various other legislative and governance standards also guide the company's legal and disclosure obligations. Management takes day-to-day responsibility for corporate governance and regularly reports to the board and various committees of the board. The board chairman plays an active role in the corporate governance issues faced by the company, interacting regularly with executive directors, senior management and other interested parties, when necessary.

In line with JSE Listings Requirements, the company discloses its compliance in terms of corporate governance with the King Code and explains any areas of non-compliance. The King Code is a set of guidelines to companies aimed at ensuring good governance by both the board and management. AngloGold Ashanti again complied with all material aspects of the King Code and SOx in 2008.

Corporate governance is dealt with extensively in AngloGold Ashanti's Annual Financial Statements, available at www.aga-reports.com.

Savuka, South Africa

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Awards and recognition for reporting

AngloGold Ashanti was recognised for reporting as follows in 2008:

- inclusion in the JSE Sustainability Index 2008;
- overall winner of the Southern African Institute of Chartered Secretaries and Administrators and JSE Annual Report Awards in the category 'Top 40' JSE shares; and
- fourth place in the Ernst and Young Sustainability Report awards.

PERFORMANCE IN 2008

Board structure

At the end of December 2008, the board of AngloGold Ashanti comprised 10 members (2007: 17). It should be noted that:

- the chairman and deputy chairman are independent;
- eight directors (80%) are independent and non-executive; and
- there are two executive directors (20%).

In October 2008, the board reviewed its definition and criteria for determining which of its members qualified as being independent. This definition may be found at www.aga-reports.com/08/independence.pdf. The board is guided by a board charter that governs its powers, functions and responsibilities. Among other issues, potential conflicts of interest are a standing item on the board's agenda. The board met on 11 occasions in 2008, including three subcommittee meetings of the board. A formal process is in place to determine the qualification and experience of board members and potential Board members. A formal and regular process is in place to evaluate the performance of the board.

Board subcommittees

There are eight board subcommittees that meet on a regular basis to facilitate the activities and deliberations of the board. The subcommittees comprise members of the board and have written terms of reference governing their powers, functions and activities. Members of board committees have access to management and the records of the company, as well as to external professional advisers should the need arise.

The board subcommittees are:

- Audit and Corporate Governance Committee;
- Transformation and Human Resources Development Committee (formerly the Employment Equity and Development Committee);

Corporate Office, South Africa

Structure of the board

2008 (%)

Executive directors

Independent

non-executive directors

80%

20%

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- Executive Committee;
- Investment Committee;
- Nominations Committee;
- Political Donations Committee;
- Remuneration Committee; and
-

Safety, Health and Sustainable Development Committee.

The Safety, Health and Sustainable Development Committee oversees this report. The work of the Transformation and the Human Resources Development Committee is also reported in the Social and Labour Plan reports.

Safety, Health and Sustainable Development

The Safety, Health and Sustainable Development Committee is tasked with overseeing the company's performance regarding safety, health and environmental performance, and its social interaction with the communities in which it operates. It is also responsible for establishing targets in relation to each of these areas. The committee comprises non-executive directors and executive management (including the chief executive officer).

The committee met on four occasions during 2008. Members of this committee are Bill Nairn (chairman), Mark Cutifani, James Motlatsi, Siphon Pityana and Joseph Mensah. Members of management are invited to attend meetings at the committee's discretion.

The committee operates in accordance with its Charter which specifically addresses the economic, social and environmental performance of the company. On an annual basis the committee undertakes a self-assessment of its performance against its mandate, which is then reported to and reviewed by the board.

Safety, health and environmental performance, and relations with government, community members and other stakeholders, form an integral part of the management of operations. These aspects are considered when a manager's operational and individual performance is reviewed. Safety targets and performance in particular form part of the Remuneration Policy for senior and middle management at operations. See the Remuneration Report in the Annual Financial Statements regarding the linkage between compensation and performance.

Transformation and Human Resources Development

The Employment Equity and Development Committee, which changed its name in October 2008 to the Transformation and Human Resource Development Committee, is responsible for overseeing the company's performance in respect of employment equity, transformation and staff development by taking into account the requirements of applicable legislation, relevant international labour conventions and the monitoring of targets set by the company. The committee is also responsible for developing employee skills in a manner that seeks to retain and nurture talent, and to provide employees with the opportunity to enhance their skills and knowledge. The committee met on four occasions during 2008. Its members are: James Motlatsi (chairman), Frank Arisman, Reginald Bannerman, Mark Cutifani, Bill Nairn and Siphon Pityana.

Executive management

The Executive Committee, chaired by Mark Cutifani, is responsible for overseeing the day-to-day management of the company's affairs and for executing the board's decisions. The committee meets at least monthly and is actively involved in the strategic review of the company's values, safety performance, operation and exploration profiles, and financial status. In 2008, Thero Setiloane was appointed Executive Vice President: Sustainability, to oversee and combine the functions relating to sustainable development, and is a member of this committee.

Sunrise Dam, Australia

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Risk management

Significant emphasis is placed on the assessment, mitigation and management of risk, particularly regarding safety, health, environment and community-related risks.

The board is ultimately responsible for risk management and the group's strategy and policies regarding risk are reviewed by the executive directors and senior management. Management has established a group-wide system of internal control to identify, evaluate and manage significant risks within the group.

A full review of risk control and disclosure is undertaken twice a year and considers key findings from ongoing monitoring and reporting, management assertions and independent assurance reports. These are then reported to the Executive Committee and the Audit and Corporate Governance Committee.

The group takes due cognisance of the precautionary principle in its risk identification and assessment processes. In line with AngloGold Ashanti's adoption of the ICMM Sustainable Development Principles and Framework, risk assessment is undertaken using scientific data and methodologies. A full discussion of the risk management process and some of the risks that could materially affect AngloGold Ashanti may be found in the Annual Financial Statements at www.aga-reports.com/09/Risk-management.htm.

Legal issues

The head of AngloGold Ashanti's legal department is responsible for ensuring that significant legal issues considered as part of the risk management process are brought to the attention of the Audit and Corporate Governance Committee, which is responsible for risk management. A register of litigation matters to which the company has a possible financial exposure is maintained and reviewed on a quarterly basis. The following is a summary of the significant legal issues raised during 2008, with feedback on those reported in previous years.

A significant legal issue is defined as one that could result in a potential liability to the company and an issue with a potentially negative consequence for the company's reputation, as assessed by the company executive.

In prior years, significant legal liabilities have been defined as those with an impact of \$1.5 million or higher and/or which could have an adverse effect on the company's reputation as assessed by the company than a monetary threshold. A monetary threshold has therefore not been set for purposes of this report.

Feedback on legal issues reported in 2007

- In April 2005 AngloGold Ashanti instituted 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 from their mines. As reported last year, the issue was largely resolved with the formation of the not-for-profit Margaret Water Company. The Margaret Water Company is in the process of purchasing the relevant shafts from the Stilfontein Gold Mining Company (in liquidation). (See case study in 2007 Report to Society: <http://www.aga-reports.com/07/kosh-update.htm>).

Gordon Cassim

Acting Asset Protection Leader, Johannesburg, South Africa

"My job is highly rewarding. My responsibility is to safeguard the security of AngloGold Ashanti's employees, assets, visitors and executive residences."

and governance

Ethics

executive. AngloGold Ashanti has revised the criteria for 2008 and considers reputation risk to be more relevant

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- An action was instituted by Mr. Thembekile Mankayi, claiming approximately R2.6 million (\$0.32 million) for damages allegedly suffered by him through contracting silicosis while employed in mines now owned by AngloGold Ashanti. An exception was filed by AngloGold Ashanti against the claim, which was argued at a hearing in February 2008 and upheld in the judgment delivered in June 2008. The plaintiff has been given leave to appeal the judgment, and a date is awaited for the appeal to be heard by the Supreme Court of Appeal. In response to the effects of silicosis in labour-sending communities, a number of mining companies, under the auspices of the Chamber of Mines, together with the National Union of Mineworkers (NUM) and the Department of Health (at national and regional level) have embarked on a project to assist in the delivery of compensation and relief to affected communities.

- In a similar action, claims have been lodged by 19 plaintiffs against Anglo American Corporation of South Africa regarding damages resulting from lung diseases allegedly contracted during the plaintiffs' former employment with Anglo American. Exceptions filed by Anglo American against 10 of the claims were upheld, reducing the number of claims to nine. Pleadings have closed in these matters, and no trial date is expected until the first quarter of 2011.

Legal issues that arose during 2008

- In Mali, on 13 May 2008, Yatela SA, SEMOS SA, Morila SA, AngloGold Ashanti Exploration and Somilo, were served with papers from the Action for Environment and Health (APES). APES was formed in May 2008 and alleged that mining companies are causing damage to the environment. APES applied for an urgent court action requesting the Presiding Judge to appoint an environmental expert, a doctor and a veterinarian to determine what harmful impact the mining activities have had on the environment, human health and animal health, respectively. In addition, APES filed a petition for damages for various losses caused by the actions, practices, methods and substances undertaken and sued by the above mentioned companies. APES were claiming damages in the amount of FCFA 150 billion (approximately \$357 million) for harm caused to the people and their environment and to the petitioner itself. The amount claimed was unsubstantiated. In November 2008, the Judge made his final decision and rejected APES' request to nominate experts and for the mining companies to pay the approximately \$357 million. APES may appeal this decision. AngloGold Ashanti management believes that this case has no merit and that the appeal is unlikely to be upheld.

Engaging with employees, business partners/stakeholders

AngloGold Ashanti recognises that a wide range of people – employees, their families, communities and others – have interests in its business. Similarly, AngloGold Ashanti has an interest in the communities and countries in which it operates.

A wide variety of formal and informal structures are in place to deal with these business and social partners and other stakeholders, and a comprehensive, but not exhaustive list of these appears at www.aga-reports.com/08/stakeholders.htm. Also see page 16 which deals with stakeholder engagement, and the Country and Operational Reports at www.aga-reports.com.

In addition to extensive internal communications systems that are in place at an operational level, employee surveys are undertaken to enable employees to raise issues of concern. See case study on Keeping a finger on the pulse in Brazil, at www.aga-reports.com/08/collective-bargaining.htm. Employees are also encouraged to raise issues with their line management; significant issues may be escalated through management, to the executive and to the board.

Engaging with shareholders

The group has an active investor relations programme in place and regularly engages with significant shareholders. All pertinent information resides on the company's website and is updated regularly and timeously. Shareholders may provide feedback to the company in both a formal and informal way. See the Corporate Governance section of the Annual Financial Statements for further information.

Voluntary compliance

In addition to its legal regulatory obligations, AngloGold Ashanti firmly believes in self-regulation and holds the view that local and international industry leaders should establish robust standards against which companies

should perform and be measured. The group is actively involved in a wide range of organisations and initiatives, and is either a member of or signatory to the organisations listed overleaf. It actively supports their aims and objectives, and participates in their development and functioning:

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Voluntary memberships in 2008

Organisation

Date of adoption/membership

AngloGold Ashanti's participation

United Nations Global

August 2004 (Ashanti, August 2001).

The principles of the Global Compact Compact (UNGC)

are considered by the company and reported in the Report to Society.

International Council of

Founding member in 2001.

Active participation in drafting

Mining Metals (ICMM)

codes of practice.

(www.icmm.com)

Responsible Jewellery

Founding member in 2006.

Formerly known as the Council for Council (RJC)

Responsible Jewellery Practices, the

([www.responsible-](http://www.responsible-jewellery.com)

RJC was re-named late in 2008.

[jewellery.com](http://www.responsible-jewellery.com))

AngloGold Ashanti is represented

on the board by Alan Fine.

Global Reporting Initiative

2003

Organisational Stakeholder of GRI.

(GRI) ([www.global](http://www.global-reporting.org)

[reporting.org](http://www.global-reporting.org))

Extractive Industries

2006

Organisational supporter.

Transparency Initiative (EITI)

(www.eitransparency.org).

International Cyanide

Founding signatory to the Code 2005.

A key target of the code is to achieve

Management Code for

full participation by all signatories,

the Manufacture,

and an independent audit of this by

Transport, and Use of

all operating subsidiaries of participants.

Cyanide in the Production

of Gold (Cyanide Code)

(www.cyanidecode.org)

Voluntary Principles on

May 2007.

Signatory.

Human Rights
(www.voluntaryprinciples.org)
and governance
Ethics
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Aims

Developments during the year

The Global Compact provides a framework for businesses

AngloGold Ashanti is an active participant in the local to align their operations and strategies with 10 universally UNGC committee, administered by the National Business accepted principles in the areas of human rights, labour, Initiative in South Africa. The committee meets quarterly the environment and anti-corruption.

to network, share ideas and solve challenges related to the implementation of the Global Compact.

The ICMM was formed by the world's leading mining

During the year the ICMM launched the finalised leadership position in sustainable development. ICMM Assurance Procedures for corporate members, issued members believe that by acting collectively the mining, a position statement on indigenous people, and launched minerals and metals industry can best ensure its continued a good practice note on biodiversity, mine closure, access to land, capital and markets as well as building HIV & AIDS, TB and malaria. Guidelines were also published trust and respect by demonstrating its ability to contribute in the Resource Environment Series and on REACH. successfully to sustainable development.

The leadership guidance section of Phase 1 of Fatal Accident Presentation was completed in 2008 and published in 2009. Work is in progress on Phase 2.

The council's aim is to promote responsible ethical, social AngloGold Ashanti, through its representation on the and environmental practices throughout the diamond and gold board, continues to participate in the development of jewellery supply chain, from mine to retail. standards and related practices.

GRI has pioneered the development of the world's most AngloGold Ashanti's 2004, 2005 and 2006 reports widely used sustainability reporting framework. The framework were compiled in accordance with GRI 2002. The 2007 sets out the principles and indicators that organisations can use report was compiled in accordance with GRI's G3 to measure and report their economic, environmental and guidelines. social performance.

The EITI is a coalition of governments, companies, civil society As a matter of principle, AngloGold Ashanti has established groups, investors and international organisations. It supports a practice of disclosing all payments made to governments improved governance in resource-rich countries by the in its annual Report to Society, regardless of whether the verification and full publication of company payments and country is a formal supporter of the EITI. Furthermore, in government revenues from oil, gas and mining.

countries where governments have indicated a desire to be part of the process, AngloGold Ashanti is actively involved in contributing to the success of the initiative. These countries include Ghana, Guinea, Mali and the DRC.

The Cyanide Code was developed by a multi-stakeholder Ongoing implementation of the code. See page 172 for steering committee under the guidance of the United Nations progress on compliance by AngloGold Ashanti.

Environmental Programme (UNEP) and the then International Council on Metals and the Environment (ICME). The code is a voluntary industry programme for gold mining companies.

It focuses exclusively on the safe management of cyanide and cyanidation mill tailings and leach solutions. Companies that adopt the code must have any mining operations that use cyanide to recover gold audited by an independent third party to determine the status of code implementation. Those operations that meet the code's requirements can be certified. The objective of the code is to improve the management of cyanide in gold mining, to assist in the protection of human health, and to reduce the environmental impacts of cyanide.

These Voluntary Principles were developed out of a multi- A review of security issues, including the application of stakeholder process involving companies and NGOs as a the Voluntary Principles was undertaken during the year. means of helping companies in the extractive sector to improve See case study: Improving security practice in line with their performance in relation to security risk assessment and the Voluntary Principles on Security and Human Rights, the control of security operatives, and to improve relations with on page 212.

communities on security issues.

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