

OUR VALUES:

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

Ethics and
Governance

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ETHICS AND GOVERNANCE

1. Introduction

AngloGold Ashanti's ethics and governance standards are guided by relevant laws and regulations and the group's related business principle, AngloGold Ashanti – a responsible and ethical corporate citizen (below).

A detailed discussion on corporate governance and risk management may be found in the Annual Report 2005.

2. Business principle

AngloGold Ashanti – a responsible and ethical corporate citizen

- We will **comply with all laws**, regulations, standards and international conventions which apply to our businesses and to our relationships with our stakeholders. Specifically, AngloGold Ashanti supports the Universal Declaration of Human Rights, the Fundamental Rights Conventions of the International Labour Organization (ILO) and those principles and values referred to in the United Nations Global Compact
- Should laws and regulations be non-existent or inadequate, we will maintain the highest reasonable regional standard for that location
- We will fully, accurately and in a timely and verifiable manner, consistently **disclose material information** about the company and its performance. This will be done in readily understandable language to appropriate regulators, our stakeholders and the public
- We will **not** offer, pay or accept **bribes**, nor will we condone anti-competitive market practices and we will not tolerate any such activity by our employees
- We **prohibit** our employees from **trading shares** when they have unpublished, material information concerning the company or its operations
- We require our employees to comply with all money handling requirements under applicable law, and we further **prohibit** them from conducting any illegal money transfers or any form of **'money laundering'** in the conduct of the company's business
- We will require our employees to perform their duties conscientiously, honestly and in ways which **avoid conflicts** between their personal financial or commercial **interests** and their responsibilities to the company
- We will take all reasonable steps to **identify and monitor** significant **risks** to the company and its stakeholders. We will endeavour to safeguard our assets and to detect and prevent fraud. We will do this in a manner consistent with the international human rights agreements and conventions to which we subscribe
- We will promote the application of our **principles** by **those with whom we do business**. Their willingness to accept these principles will be an important factor in our decision to enter into and remain in such relationships
- We are committed to seeking out mutually beneficial, ethical **long-term relations** with **those with whom we do business**
- We encourage employees to take **personal responsibility** for ensuring that our **conduct** complies with our principles. No employee will suffer for raising with management violations of these principles or any other legal or ethical concern. Although employees are encouraged to discuss concerns with their direct managers, they must, in any event, inform the group internal audit manager of these concerns. Mechanisms are in place to anonymously report breaches of this statement of principles
- The company will take the **necessary steps** to **ensure** that all employees and other stakeholders are **informed of these principles**
- If an employee acts in **contravention** of these principles, the company will take the appropriate disciplinary action concerning such contravention. This action may, in cases of severe breaches, include termination of employment. In addition, certain contraventions may also result in the commencement of civil proceedings against the employee and the referral of the matter to the appropriate enforcement bodies if criminal proceedings appear warranted

3. Key indicators

- AngloGold Ashanti adheres to all laws and regulations within the countries in which it operates and conducts its business consistently with its values and business principles. Any significant transgressions are reported in the Report to Society and the company has no knowledge of any further areas of non-compliance. The company conducts its business in accordance with the recommendations outlined in the King Report on Corporate Governance in South Africa 2002 (King 2), except in a few areas where the company has chosen otherwise and has fully disclosed such areas in the Annual Report 2005, and is fully compliant with the requirements of the US Sarbanes-Oxley Act.
- The company has reported on an incident in the Democratic Republic of Congo (DRC) when company employees were forced to yield to a militia group's act of extortion. A thorough review of the incident and the situation has been conducted. (*See case study on page EG10: Human rights, the DRC and AngloGold Ashanti.*)
- AngloGold Ashanti has maintained a system of consistent disclosure about its financial and operating affairs, reporting on a regular basis to the financial community and other stakeholders. All information that is in the public domain is available on the company's website: www.anglogoldashanti.com.
- Directors and key employees (that is, employees who have access to price-sensitive information) may not trade in company shares during closed periods and are required to follow a formal process before trading in the company's shares.
- A policy dealing with the management of conflicting interests was approved by the company's executive, along with a set of guidelines to aid employees to understand what conflicts may exist as well as how to avoid and declare them if they occur. This has been communicated to all employees.
- A comprehensive review of risks associated with the company and its activities was undertaken, and internal controls were reviewed to ensure that they adequately addressed these risks.
- A Code of Ethics for Employees, a Code of Ethics for Senior Financial Officers and a Whistle-blowing Policy are in place.



4. Review 2005

In the Report to Society 2004, certain objectives were set for 2005. The table below sets these out, along with progress made during 2005.

Ethics and Governance	
Objectives for 2005	Performance in 2005
Finalise roll-out of conflicts of interest policy	Conflicts of interest policy and guidelines adopted and communicated to relevant employees. All relevant personnel required by management to complete declarations have done so.
Complete Sarbanes-Oxley 404 internal control requirements including the design, implementation, testing and maintenance phases	Initial design and implementation project for internal control processes are complete. Testing process being reviewed so as to enable any remediation required to take place in early 2006. Implementation of the maintenance process is in final stages, and will be in place in 2006.
Develop a document retention strategy for AngloGold Ashanti	Policy adopted by the Executive Committee regarding the general principles for retention of the company's documents consistent with business and legal interests. Each region required to adopt a schedule of laws dealing with document retention, which is underway.

Board level oversight of corporate governance and ethics

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

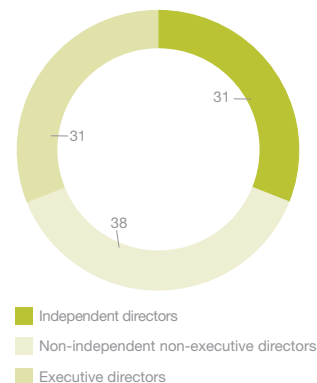
The company's ethical performance is guided by AngloGold Ashanti's values, and practised in line with the company's business principles.

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

- there are six independent directors;
- there are six non-independent, non-executive directors; and
- five executive directors.

Both the chairman and the deputy chairman are independent. The board's Audit and Corporate Governance Committee is fully independent and the Remuneration and Nominations Committees are majority independent.

Structure of the board (%)



Political donations

The Political Donations Committee, comprising three independent non-executive directors and chaired by the deputy chairman of the board, determines the funding of political parties in South Africa in accordance with a formal policy guiding the principles for funding which was adopted by the board on 29 April 2003. The group's strategy on political funding is currently under review.

There are nine board committees that meet on a regular basis. These are the:

- Audit and Corporate Governance Committee;
- Employment Equity and Development Committee;
- Executive Committee;
- Investment Committee;
- Market Development Committee;
- Nominations Committee;
- Political Donations Committee;
- Remuneration Committee; and the
- Safety, Health and Sustainable Development Committee.

A detailed discussion of the functioning of the Board and its committees may be found in the Annual Report 2005.

Compliance with regulations and guidelines

AngloGold Ashanti complies with the regulations imposed by all the exchanges on which it is listed, including the King Report on Corporate Governance 2002 (King 2) (South Africa), except in a few areas where the company has chosen otherwise and has fully disclosed such areas in the Annual Report 2005, and is fully compliant with the requirements of the Sarbanes-Oxley Act (USA).

AngloGold Ashanti supports the Universal Declaration of Human Rights and the Fundamental Rights Conventions of the International Labour Organization (ILO). It became a signatory to the United Nations Global Compact following the business combination with Ashanti. Ashanti had been a member since August 2001. AngloGold Ashanti is an active supporter of the Global Compact, and in preparing the Report to Society 2005, has taken these principles into account.

The company is a founding member of the International Council of Mining and Minerals (ICMM) and actively participates in international debate as part of this organisation. The company is also a member of the Council for Responsible Jewellery Practices, established to promote responsible social, ethical, human rights and environmental practice throughout the gold and diamond jewellery chain.

The company became an organisational stakeholder of the Global Reporting Initiative (GRI) in 2004. The GRI is a multi-stakeholder process and independent institution whose mission is to develop and disseminate globally applicable Sustainability Reporting Guidelines. These guidelines are for voluntary use by organisations in their reporting on the economic, environmental, and social dimensions of their activities, products, and services.



The GRI involves the active participation of representatives from business, accountancy, investment, environmental, human rights, research and labour organisations from around the world. Established in 1997, GRI became independent in 2002, and is an official collaborating centre of the United Nations Environment Programme (UNEP) and works in co-operation with the UN Global Compact. In terms of this membership, AngloGold Ashanti is committed to:

- the active promotion of GRI's principles and its broader stakeholder constituency;
- participation in the GRI process; and
- in so far as is practicable, preparing sustainability reports informed by the GRI guidelines and principles and which are available to the public.

AngloGold Ashanti subscribes to ICMM principles

AngloGold Ashanti is a founding member of the International Council on Mining and Metals (ICMM) and subscribes to the ICMM principles of sustainability.

ICMM sustainable development framework – ICMM principles

As members of the ICMM, or as companies that have otherwise agreed to adopt the same performance obligations as ICMM members, we seek continual improvement in our performance and contribution to sustainable development so as to enhance shareholder value. In striving to achieve this, we will:

- implement and maintain ethical business practices and sound systems of corporate governance;
- integrate sustainable development considerations within the corporate decision-making process;
- uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities;
- implement risk-management strategies based on valid data and sound science;
- seek continued improvement of our health and safety performance;
- seek continued improvement of our environmental performance;
- contribute to the conservation of biodiversity and integrated approaches to land use planning;
- facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products;
- contribute to the social, economic and institutional development of the communities in which we operate; and
- implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.

ICMM corporate membership includes a commitment to measure corporate performance against these principles. In this report, AngloGold Ashanti also reports its performance in terms of these principles.

The United Nations Global Compact

Through the power of collective action, the Global Compact seeks to advance responsible corporate citizenship so that business can be part of the solution to the challenges of globalisation. In this way, the private sector – in partnership with other social sectors – can help realise the UN Secretary-General's vision: a more sustainable and inclusive global economy. The Global Compact is a voluntary corporate citizenship initiative with two objectives:

- to make implementation of the principles a routine feature of business activities around the world; and
- to catalyse actions in support of UN goals.

The Global Compact is not a regulatory instrument – it does not police, enforce or measure the behaviour or actions of companies. Rather, it relies on public accountability, transparency and the enlightened self-interest of companies, labour and civil society to initiate and share substantive action in pursuing the principles upon which the Global Compact is based. Members of AngloGold Ashanti's board of directors have participated at Global Compact events and presentations.

10 principles of the UN Global Compact

The Global Compact's 10 principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- the Universal Declaration of Human Rights;
- the International Labour Organization's Declaration on Fundamental Principles and Rights at Work;
- the Rio Declaration on Environment and Development; and
- the United Nations Convention Against Corruption.

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.



Labour standards

Principle 3: Businesses should uphold the right to freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.

Information drawn from the United Nations Global Compact website – www.unglobalcompact.org

Risk management

The board has ultimate responsibility for the total risk management process within AngloGold Ashanti and reviews and approves the risk strategy and policies that are formulated by the executive directors and senior management. Management is accountable to the board and has established a group-wide system of internal control to manage significant group risk. The risk management policies are communicated to all relevant employees.

A full review of the risk, control and disclosure processes is undertaken annually to ensure that all additional requirements are incorporated into the system in the future. The systems are in place and the focus is on ensuring that the requirements of the King Code and the Sarbanes-Oxley Act are complied with timeously. In conducting its annual review of the effectiveness of risk management, the board considers the key findings from the ongoing monitoring and reporting process, management assertions and independent assurance



reports. The board also takes account of material changes and trends in the risk profile, and considers whether the control system, including reporting, adequately supports the board in achieving its risk management objectives. The board furthermore receives assurance from the Audit and Corporate Governance Committee, which derives its information, in part, from regular internal and external audit reports on risk and internal control throughout the group.

A full discussion on risk management and internal controls and the risks identified by the company may be found in the Annual Report 2005.

Disclosure and share trading

AngloGold Ashanti subscribes to a policy of full, accurate and consistent communication in respect of both its financial and operating affairs. To this end the company has adopted a Disclosure Policy, the object of which is to ensure compliance with the rules of the various exchanges on which it is listed and provide timely, accurate and reliable information fairly to all stakeholders including investors (and potential investors), regulators and analysts. Results presentations are conducted four times a year and are made available to all shareholders via the website. All other information that is released into the public domain by the company is made available on the company's website at www.anglogoldashanti.com.

AngloGold Ashanti does not permit directors and key employees (that is, employees having access to price-sensitive information) to trade in company shares during closed periods. Directors and key employees are required to follow a formal process before trading in the company's shares. Closed periods are in effect prior to the publication of the quarterly, half-yearly and year-end results. Where appropriate, a closed period is also effective during periods where major transactions are being negotiated and a public announcement is imminent.

Both the Insider Trading (Market Abuse) and Disclosure Policies are available on the company website.

Codes of ethics and whistle-blowing policy

In order to comply with the company's obligations in terms of the Sarbanes-Oxley Act and the King Code, and in the interests of good governance, the company has adopted a Code of Ethics for Employees, a Code of Ethics for Senior Financial Officers, and a Whistle-blowing Policy (*See Report to Society 2004 page EG13*) that encourage employees and other stakeholders to report confidentially and anonymously acts of an unethical or illegal nature affecting the company's interests. Both codes and the policy are available on the company website.

All reports made in terms of the whistle-blowing policy are fielded by a third party, Tip-Offs Anonymous, which ensures all reports are treated confidentially or anonymously, depending on the preference of the caller. The information is relayed to management for investigation.



All reports and the progress of the investigations are conveyed to the Audit and Corporate Governance Committee by the group internal audit manager.

Whistle-blowing

Summary of cases reported by category – 2005

CATEGORY	Total
Bribery and corruption	3
Collusion	1
Enquiry/clarification	4
Fraud	20
Grievance	2
Irregularities	11
Misappropriation	4
Misconduct	23
Unfair labour practice	4
Grand total	72

All cases reported are duly investigated and reported, disciplinary action taken where necessary and reports made to the relevant authorities for further investigation or action where applicable.

The process is placed under further scrutiny with a report being given to the Audit and Corporate Governance Committee and the Executive Committee on a quarterly basis, including the status of all cases reported and any action taken.

Policy and guidelines on conflicts of interest

AngloGold Ashanti has adopted a Conflict of Interest Policy which serves to highlight the duties of the employee with regards to conflict of interest. As defined by the document, a conflict of interest occurs when an employee has an interest, either directly or indirectly, in an entity external to the company which may conduct, or does conduct business with the company. The policy aims to promote transparency in the work environment and applies to temporary, part-time and full-time employees.

The policy is based upon the premise that the relationship between employer and employee is one of mutual trust and understanding, while at the same time providing for potential, perceived and actual conflicts of interest. If a conflict of interest arises, the employee is obliged to complete a Declaration of Conflict of Interest, failing which, disciplinary action may be initiated. The policy also highlights guidelines for reporting suspected conflicts of interest by another employee or external stakeholder.

5. Case studies

A case study that discusses an important issue for the company in 2005 is presented on pages EG10 to EG12. Note that follow-ups on the case studies presented in the Report to Society 2004 may be found on the website.



5.1 Human rights, the DRC and AngloGold Ashanti



By definition AngloGold Ashanti's 'new frontiers' exploration strategy means that the group recognises the inevitability of searching for gold in areas that are largely unexplored, and where the element of risk in doing business is heightened – frequently owing to the vicissitudes of politics in these emerging economies. (See *Report to Society 2004 page EP9.*)

AngloGold Ashanti's strategy has in recent years taken it to countries such as Alaska, China, Colombia, Mongolia, the Philippines, and, in Africa, among others, to the Democratic Republic of Congo (DRC) – Africa's third largest country which is host to a wide range of minerals including copper, cobalt, diamonds and gold.

The DRC has a history of political instability, with violent undertones in recent years. Despite the signing of the Pretoria Accord in 2003, which was to signal an official end to hostilities between factions in that country, conflict persists in eastern DRC, where the company's exploration activities are based and where so-called rebel parties are particularly active.

Through its subsidiary AngloGold Ashanti Kilo – a joint venture between AngloGold Ashanti (86.22%) and the State Mining Agency, Offices des Mines d'or de Kilo Moto (OKIMO) (13.78%) – AngloGold Ashanti holds properties in the Ituri region in the north-east of the DRC, a concession (Concession 40) area of approximately 10,000 km². The concession covers the Kilo belt, one of nine gold-bearing greenstone belts in the region. The Mongbwalu area, where AngloGold Ashanti is focusing its exploration programme, is believed to have yielded some 1.3 Moz of gold to date.

Although the gold concession was granted in 1996 to the then Ashanti Goldfields, civil conflict hampered efforts to commence mining exploration activities. In November 2003, and with a peace agreement in place, the company deployed two Congolese professional exploration employees to Mongbwalu in anticipation of re-opening the exploration camp. In December 2004, as a result of discussions held with DRC government officials and other interested parties, an exploration team was deployed at Mongbwalu and drilling started in January 2005 (by then under the auspices of AngloGold Ashanti following the business combination between the two companies).

In June 2005 Human Rights Watch (HRW), a United States-based non-governmental organisation (NGO), published a report in which it alleged that the company had made payments to and fostered an inappropriate relationship with a rebel group operating in the area, the Front National Intégrationniste (FNI), in order to maintain access to the goldfields.

For a period in 2004 the company had paid a total of \$1,100 in landing taxes at the Mongbwalu airstrip, believing the money was going to the transitional government of the DRC. When United Nations officials suggested that these payments could contravene UN Resolution 1493 regarding conflict in the DRC, the company immediately stopped these payments.

In addition, in January 2005 the FNI demanded financial assistance from AngloGold Ashanti to send an FNI delegation for talks in Kinshasa. The company officials involved initially steadfastly refused to yield to this act of extortion, but were later forced to take a different view of the situation in the interests of their personal safety, and handed to the militia \$8,000 sourced from petty cash, local business people and their own resources. The amount demanded by the militia was \$15,000.

In the wake of the company's own internal investigations and the allegations of improper conduct, AngloGold Ashanti sent a high level team to the DRC to investigate the feasibility of retaining a presence in the region without compromising the company's values and integrity. Following meetings with key stakeholders – local, regional and national government representatives, OKIMO, the UN peacekeeping force MONUC and representatives of the Catholic Church – AngloGold Ashanti concluded that it was able to conduct its business with integrity in the area and would review its activities regularly.

5.1 Human rights, the DRC and AngloGold Ashanti *cont.*

Should circumstances deteriorate so as to put the safety of employees at risk or compromise the company's values, it will withdraw immediately. Such a situation arose in October 2005 when a resurgence of rebel activity, following the deployment of government troops in the area, prompted the company to withdraw all professional staff, other than security staff, from the camp as a precautionary measure. The exploration team returned and resumed exploration activities after three weeks once the government troops had restored, and indeed improved, stability to the area.

To further ensure operational integrity and compliance with the company's values in its operations in the DRC, AngloGold Ashanti has put in place a number of procedural requirements. These include the disclosure to the government of the DRC of all payments made to the state and its agencies, and all other payments for goods and services received being subject to internal and external audit controls. AngloGold Ashanti management in the DRC is involved in the EITI (Extractive Industries Transparency Initiative) process and the company is committed to the success of the programme (*see box on EG12*).

Other goods and services provided by the company to community organisations are monitored by a community-based committee and are not directed at any militia or politically-based institutions. In this regard, a stakeholders' forum and community development committee has been established to ensure regular contact is maintained with the community and that community development priorities and issues can be brought to the attention of management timeously. A stakeholder engagement plan is also being put in place to formalise this community consultation which is expected to be in place by the end of the first quarter of 2006. The project's community development programme is currently operating on a budget of approximately \$100,000 a year, and is being increased to \$150,000 in 2006.

Policies and procedures are also in place to ensure that only authorised company personnel are permitted to make use of company assets, such as vehicles. Furthermore, all contact with third parties is logged and the company has no direct contact with militia or political groupings, other than through local government, MONUC (the United Nations Organisation Mission in the DRC) or the FARDC (the Armed Forces of the Democratic Republic of the Congo). Arrangements are in place to report any incidents to MONUC and there is regular contact with MONUC's human rights officials based in Bunia.

The security providers to the operation are a signatory to the Voluntary Principles on Security and Human Rights and AngloGold Ashanti too is in the process of becoming a signatory to the Principles (www.voluntaryprinciples.org).

Furthermore, in employing site-based personnel, background checks have been conducted to ensure that no person with credible allegations of human rights abuses is employed.

In general, AngloGold Ashanti believes that, provided the principles and procedures set out here are adhered to, the company's activities are more likely than not to make a positive contribution to the DRC's social, political and economic recovery.

AngloGold Ashanti's current exploration programme in a limited area around Mongbwalu has yielded positive results – historical grade and tonnage estimates of 1.2 Moz at 9.9g/t have been confirmed through drilling at Adidi. Exploration in the immediate Mongbwalu area is expected to continue through 2006 and 2007, with the objective of defining a 5 Moz mineable resource and completing a feasibility study in 2008 which, if approved, would lead to mine construction commencing in 2009. A total of \$30 million is expected to be spent on exploration through to 2008.

The remainder of the 3,000 km² Kilo greenstone belt on Concession 40 has estimated historical gold production of 4 Moz. Airborne geophysics will be carried out over the Kilo greenstone belt early in 2006 to guide target generation studies over this ground in 2006 and 2007, with on the ground, field evaluation of the identified targets during 2008.

5.1 Human rights, the DRC and AngloGold Ashanti *cont.*

Engaging with NGOs

AngloGold Ashanti is engaged in a range of initiatives and interacts with NGOs to deal with the issues faced in the DRC and other countries where human rights issues may arise. Although these initiatives and interactions remain 'work in progress' they reflect the efforts of resources and other companies to ensure that their commercial activities largely benefit people in mining communities and countries while minimising negative impact. These include:

The Extractive Industries Transparency Initiative (EITI)

The EITI (www.eitransparency.org) supports improved governance in resource-rich countries through the full publication and verification of company payments and government revenues from oil, gas and mining.

Communities and Small Scale Mining Initiative (CASM)

Communities and Small-Scale Mining (CASM) is chaired by the UK government's Department for International Development and is housed at the World Bank in Washington DC. It was launched in March 2001 in response to international recognition of the need for an integrated approach to address the challenges facing ASM communities and for improved co-ordination between institutions funding and executing assistance. It was established with the purchase of reducing poverty by supporting integrated sustainable development of communities affected by or involved in artisanal and small-scale mining in developing countries.

The International Council on Mining and Metals (ICMM)

AngloGold Ashanti is an active member of this organisation. Members believe that the mining, minerals and metals industry acting collectively can best ensure continued access to land, capital and markets as well as build trust and respect by demonstrating the ability to contribute successfully to sustainable development.

ICMM members seek to offer strategic industry leadership towards achieving continuous improvements in sustainable development performance in the mining, minerals and metals industry.

The Council for Responsible Jewellery Practices (CRJP)

AngloGold Ashanti has recently joined the Council for Responsible Jewellery Practices which was founded in May 2005 with members from a cross-section of the diamond and gold jewellery supply chain, from mines to retail outlets. Council Members are committed to promoting responsible business practices in a transparent and accountable manner throughout the industry. Their commitment aims to maintain consumer confidence in diamond and gold jewellery products and the trust of all interested stakeholders in the industry.

6. Objectives for 2006

- Complete review of the first year of the Conflicts of Interest Policy roll-out.
- All regions to adopt schedules of laws dealing with document retention, as required by the Document Retention Policy.
- Adoption of Gifts and Anti-bribery policy.

