

# Ethics and Governance

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## EG2 | 1 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 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- We **prohibit** our employees from **trading shares** when they have unpublished, material information concerning the company or its operations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

## 2 Key indicators

- AngloGold Ashanti's business practices and policies are in compliance with the values enshrined in the King Report on Corporate Governance (2002) and the US Sarbanes-Oxley Act. New governance requirements are addressed by management as and when they arise.
- The most significant event of the year was the business combination between the former AngloGold and Ashanti operations. Several task teams were set up to manage the integration which was effectively achieved from an operating and reporting perspective by the second quarter of 2004.

### Composition of the board

- The board comprises 15 directors.
- The chairman, who is independent, is Russell Edey, and the deputy chairman, who is also independent, is Dr James Motlatsi.
- Directors retire by rotation every three years.
- While the board has the power to appoint new directors, such directors must resign and stand for re-election at the next annual general meeting following their appointment. The appointment of new directors is screened by the nominations committee.
- There are five independent directors namely, Frank Arisman, Elisabeth Bradley, Colin Brayshaw, Russell Edey and Dr James Motlatsi. They are classified as independent in terms of the JSE Securities Exchange (JSE) Listings Requirements and the US Sarbanes-Oxley Act.
- There are five non-independent non-executive directors namely, Tony Lea, Bill Nairn, Simon Thompson, Tony Trahar and Lazarus Zim.
- There are five executive directors namely, Jonathan Best (CFO), Bobby Godsell (CEO), Dave Hodgson (COO), Dr Sam Jonah (President) and Kelvin Williams (Marketing).

A board charter (approved by the board on July 2003 and amended on 27 October 2004) sets out the powers, responsibilities, functions, delegation of authority and areas of authority expressly reserved for the board.



## EG4 | 3 Milestones 2004

- Publication and distribution of AngloGold Ashanti's first Report to Society 2003. Produced in conjunction with the Annual Report to ensure a comprehensive understanding of all aspects of the group, the Report to Society seeks to explain and assess the economic, social and environmental responsibilities and performance obligations the company believes it has to its stakeholders, who include shareholders, employees, employee representatives and the communities in which it operates, as well as regional and national governments.
- AngloGold Ashanti was admitted to the JSE Securities Exchange's first Socially Responsible Investment (SRI) Index. The index was launched in March 2004 (see box).
- AngloGold Ashanti is a founding member of the International Council on Mining and Metals (ICMM) (see box on EG5) and became an organisational stakeholder of the Global Reporting Initiative (GRI) in 2004.
- AngloGold Ashanti became a signatory to the United Nations' Global Compact following the business combination between AngloGold and Ashanti in April 2004. Ashanti had been a member since August 2001.
- AngloGold Ashanti achieved third place on the Edward Nathan & Friedland Sustainability Index.
- The company's annual report has once again won awards: a double award for best report in the mining and non-mining resources sector from the South African Institute of Chartered Secretaries and Administrators; also best Proudly South African report.
- The evaluation of the board and board sub-committees was completed during the year.
- A directors' induction policy was approved by the board on 30 January 2004 and a directors' induction pack – a file containing information for board members on the company's origins, activities and business, including an exposition of the directors' legal responsibilities – was completed during the year.
- The establishment of a political donations board sub-committee comprising three non-executive independent directors, chaired by Dr James Mollatsi. The committee determines the funding of political parties in South Africa. The political donations policy is available on the website.
- A disclosures policy to guide the communication of full, accurate and consistent reporting and communication with its stakeholders was approved by the executive committee on 6 December 2004. This policy is available on the company's website.
- The adoption of a confidential reporting policy, which was approved by the board on 30 January 2004.

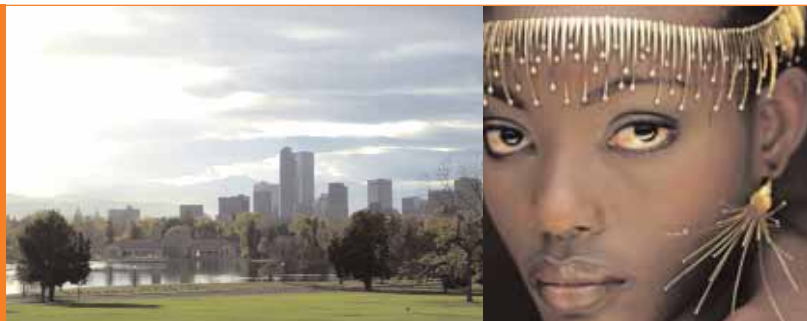
**JSE Securities Exchange SRI Index**

In March 2004, the JSE Securities Exchange South Africa (JSE) announced a list of those companies that had successfully achieved admittance to its Socially Responsible Investment (SRI) Index. The SRI Index was launched as a means to identify those companies listed on the JSE that integrate the principles of sustainability into their business activities, and to facilitate investment in such companies. According to the JSE, the SRI Index has been structured to reflect the complex nature of social responsibility in South Africa with detailed criteria for each of the triple bottom lines. The SRI Index has been constituted from companies that form part of the FTSE/JSE All Share Index and which meet the criteria determined by the SRI Index Advisory Committee. These will be reviewed from time to time to reflect the continuous development of both the concepts and practices of SRI and sustainability.

**The three pillars**

The Index is structured along the three pillars of the triple bottom line, namely environment, society and economy. A company must address each of these pillars if it is truly to be said to have integrated sustainability into its business practices. In addition, the principles of fairness, accountability, responsibility and transparency are common to all three pillars of the triple bottom line. These principles are also the fundamental concepts that lie at the root of corporate governance. Successful governance, as advocated by the King Report on Corporate Governance (2002), and also for purposes of the Index, requires companies to adopt a more inclusive approach to business, with greater emphasis on the non-financial aspects of performance.

For more information see [www.jse.co.za](http://www.jse.co.za)



### 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.
- 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 against these principles.

### About the United Nations Global Compact

In an address to The World Economic Forum on 31 January 1999, United Nations' Secretary-General Kofi Annan challenged business leaders to join an international initiative – the Global Compact – that would bring companies together with UN agencies, labour and civil society to support principles in the areas of human rights, labour, the environment and anti-corruption. The Global Compact's operational phase was launched at UN headquarters in New York on 26 July 2000 and the first Global Compact Leaders' Summit was held there on 24 June 2004.

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 Secretary-General's vision: a more sustainable and inclusive global economy.

The Global Compact is a voluntary corporate citizenship initiative with two objectives:

- to mainstream the principles in 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.

Information drawn from the United Nations Global Compact website – [www.unglobalcompact.org](http://www.unglobalcompact.org)



A comprehensive review of AngloGold Ashanti's corporate governance practices and risk management is included in the Annual Report 2004, which is available in print, and also in electronic format on the company's website, [www.anglogoldashanti.com](http://www.anglogoldashanti.com). At the highest level corporate governance is guided by the audit and corporate governance committee, a sub-committee of the board under the chairmanship of an independent non-executive director.

Key achievements in the field of governance and risk management for 2004 are listed in the milestone section on page EG4 of this report. During the year Mr Julian Ogilvie Thompson and Mr Nicky Oppenheimer retired from the board, and were replaced by Mr Lazarus Zim and Mr Simon Thompson. With the consummation of the business combination with Ashanti, Dr Sam Jonah KBE was appointed to the board, and is also president of AngloGold Ashanti. All new board members were reviewed by the nominations committee prior to their appointment as directors.

Following the intended retirement during 2005 of current executive directors Dave Hodgson (COO) and Jonathan Best (CFO) the nomination committee has proposed the appointment of:

- Srinivasan (Venkat) Venkatakrishnan as CFO; and
- Neville Nicolau and Robert Carvalho Silva as COOs respectively responsible for Africa, and the Americas and Australia. Neville Nicolau and Robert Carvalho Silva currently serve as deputy COOs. Their election to the board as executive directors will be proposed at the group's proposed board meeting in April 2005.

Six board meetings were held during the year. Details on attendance at these meetings, and board sub-committee meetings can be found in the AngloGold Ashanti Annual Report 2004.

**Board sub-committees**

To facilitate the activities and deliberations of the board, the board has established a number of sub-committees (see box), comprising members of the board. Each sub-committee has written terms of reference governing the powers, functions and activities of each sub-committee.

Members of the board and sub-committees have access to management and the records of the company, as well as to external professional advisors should the need arise.

**Risk management and internal controls**

The board has ultimate responsibility for the risk management process within the group. A detailed discussion on risk management and internal controls may be found in the Annual Report 2004. This includes discussions on risk factors relating to:

- the gold mining industry generally;
- AngloGold Ashanti's operations; and
- AngloGold Ashanti's ordinary shares and American Depository Shares (ADSs).

To comply with the company's obligations in terms of the Sarbanes-Oxley Act and the King Code, and in the interests of good corporate governance, the company has adopted a code of ethics for employees, a code of ethics for senior financial officers, and a whistle-blowing policy that encourages employees and other stakeholders to confidentially report acts of an unethical or illegal nature affecting the company's interests. Both codes and the whistle-blowing policy are available on the company

**Board sub-committees:**

- audit and corporate governance committee
- employment equity and development committee
- executive committee
- investment committee
- market development committee
- nominations committee
- political donations committee
- remuneration committee
- safety, health and sustainable development committee

**About GRI**

AngloGold Ashanti became an organisational stakeholder of the Global Reporting Initiative (GRI) 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 cooperation with UN Secretary-General Kofi Annan's Global Compact.

For more information see [www.globalreporting.org](http://www.globalreporting.org)



website. (See case studies: AngloGold Ashanti's response to the Sarbanes-Oxley Act of 2002 on page EG11, and Whistle-blowers programme – success or otherwise on page EG13.)

#### Global sustainable initiatives

AngloGold Ashanti is a founding member of the International Council of Mining and Minerals (ICMM) and actively participates in international debate as part of this organisation. AngloGold Ashanti became an organisational stakeholder of the GRI in 2004. In terms of this, the company is committed to:

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

AngloGold Ashanti became a signatory to the United Nations Global Compact following the merger with Ashanti. Ashanti had been a member since August 2001. In preparing the Report to Society 2004, AngloGold Ashanti has taken these principles into account.

#### 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.

## EG8 | 5 Reporting in line with GRI

<b>Governance structure and management systems</b>
<p><b>Governance structure of the organisation, including major committees under the board of directors that are responsible for setting strategy and for oversight of the organisation</b></p> <p>See the corporate governance section in the Annual Report 2004</p>
<p><b>Percentage of the board of directors that are independent, non-executive directors</b></p> <p>See box on page EG3</p>
<p><b>Process for determining board members need to guide the strategic direction of the organisation including issues related to environmental and social risks and opportunities</b></p> <p>Not in place</p>
<p><b>Board-level process for overseeing the organisation's identification and management of economic, environmental and social risks and opportunities</b></p> <p>See the corporate governance section in the Annual Report 2004</p>
<p><b>Linkage between executive compensation and achievement of the organisation's financial and non-financial goals</b></p> <p>See the corporate governance section and the remuneration report in the Annual Report 2004</p>
<p><b>Organisational structure and key individuals responsible for oversight, implementation and audit of economic, environmental, social and performance, and states of implementation</b></p> <p>See the directorate and management section of the Annual Report 2004</p>
<p><b>Mission and value statements, internally developed codes of conduct or principles, and policies relevant to economic, environmental, social policies and implementation status</b></p> <p>See page EP2 of the economic performance of the Report to Society 2004 and corporate governance section of the Annual Report 2004</p>
<p><b>Mechanisms for shareholders to provide recommendations or direction to the board of directors</b></p> <p>Informal process in place. See discussion on communication with shareholders in the Annual Report 2004</p>

Social performance indicators: product responsibility	
Core indicators	Additional indicators
<b>Customers' health and safety</b>	
<b>SO1. Description of policies to manage impacts on communities in areas affected by activities, as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring</b>	<b>SO4. Awards received relevant to social, ethical, and environmental performance</b>
See community section of this report	See the community and environment sections of this report
<b>Bribery and corruption</b>	
<b>SO2. Description of the policy, procedures/management systems, and compliance mechanisms for organisations and employees addressing bribery and corruption</b>	
See corporate governance section of the Annual Report 2004 and the case study on Whistle-blowers programme – success or otherwise on page EG13	
<b>Political contributions</b>	
<b>SO3. Description of policy, procedures/management systems, and compliance mechanisms for managing political lobbying and contributions</b>	<b>SO5. Amount of money paid to political parties and institutions whose prime function is to fund political parties or their candidates</b>
Overseen by political donations committee of the board. Policy available on the website	See company website
<b>Competition and pricing</b>	
	<b>SO6. Court decisions regarding cases pertaining to anti-trust and monopoly regulations</b>
	None
	<b>SO7. Description of policy, procedures/management systems, and compliance mechanisms for preventing anti-competitive behaviour</b>
	Not applicable

## EG10 | 6 Scorecard

Objectives for 2004	Review of 2004	Objectives for 2005
Development of strategy for board members' appraisals.	Strategy completed, as well as first appraisals.	Finalise roll-out of the conflicts of interest policy.
Development of a web-based corporate governance and compliance site for employees.	Completed.	Complete the Sarbanes-Oxley Section 404 internal control requirements including the design, implementation, testing and maintenance phases.
Formal adoption of terms of reference of a disclosures committee to oversee the timely, accurate and reliable material disclosure of company information to regulatory bodies and other stakeholders.	Establishment of a disclosures committee, comprising members of the finance, risk, legal, compliance and secretarial functions, to ensure the reliability of information.	Develop a document retention strategy for AngloGold Ashanti.

## 7.1 AngloGold Ashanti's response to Sarbanes-Oxley Act of 2002

The Sarbanes-Oxley Act, introduced into law in 2002 by President George W. Bush, was the US government's response to an increasing number of corporate fraud scandals involving high-level executives of well-known companies, most notably Worldcom and Enron. Its introduction was also an attempt to restore public trust, but more importantly, to protect the financial assets of investors, many of whom lost vast sums of money in the wake of the misappropriation of corporate funds. The Act sets new standards for corporate boards and accountability standards and penalties for corporate management.

All companies listed on the New York Stock Exchange (NYSE) are bound by the Act; this includes South-African based AngloGold Ashanti, which listed on the NYSE in 1998, and which is classified as a foreign private issuer.

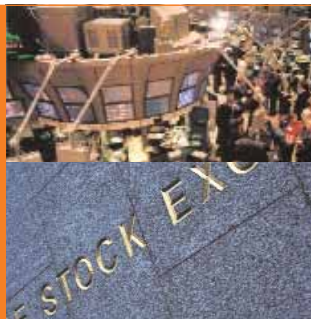
Consisting of 11 sections, the focus is primarily on the accounting profession, relating as it does to corporate governance, financial disclosure and the practice of public accounting within companies. In tightening financial controls, a Public Company Accounting Oversight Board (PCAOB) was established in terms of Sarbanes-Oxley to oversee and regulate a public company's auditors. The PCAOB looks at corporate responsibility and focuses on stricter regulations around the company's Audit Committee, financial reporting, and the improper influence over the external auditors.

Hester Hickey, group internal audit manager at AngloGold Ashanti, explains that when initiating compliance with Sarbanes-Oxley in early 2003, the company first analysed the requirements of the Act and reviewed current practices. AngloGold Ashanti was already compliant with a number of sections of the Act, but it was eager to ensure full compliance as soon as possible.

One of the key requirements with which AngloGold Ashanti was able to comply immediately was certification by the chief executive officer and chief financial officer of the Annual Report 2003, confirming its accuracy and reliability and testifying to the absence of fraud, errors or misstatements. Another requirement required of AngloGold Ashanti under Sarbanes-Oxley regulations was moving the responsibility for auditors from management to the audit and corporate governance committee, which comprises independent non-executive directors.

The most onerous requirement of the Act currently for AngloGold Ashanti is the one pertaining to Section 404 (Sarbanes-Oxley 404), which looks at the evaluation of internal controls with regard to financial reporting. A high level of detail is required in this section of the Act, to which each and every AngloGold Ashanti operation is subject. A Sarbanes-Oxley 404 Task Team was established at the beginning of 2004 to guide the process. Regional steering committees were established feeding into a corporate office steering committee, which reports directly to the audit and corporate governance committee. The corporate office steering committee meets monthly to review progress of the initial methodology documents which outlines four components to the delivery of internal controls – design, implementation, testing and maintenance. Key activities and deliverables have been identified in each area to ensure full compliance with Sarbanes-Oxley. The task team is currently in the second phase – implementation – which includes documentation of controls at all of the operations and evaluation thereof, to reveal any deficiencies in control mechanisms. Full implementation is expected to be complete by the end of 2005. Last but not least is maintenance, a critical aspect in ensuring continuation of internal controls once their effectiveness has been established.

Sarbanes-Oxley challenges going forward include ongoing compliance with current and new requirements of the law; ensuring that documentation processes are completed within given time frames; and timeous remediation where it is required.



## EG12 | 7.2 Role of the compliance manager – an interview with Bobby Barua

A new position was created when AngloGold Ashanti saw the need for a compliance manager in July 2003, and there was someone ready to step into the role.

"The offer came at the right time," says Bobby Barua, who had previously practised as an advocate for three years, and who was ready to make the move from court to corporate.

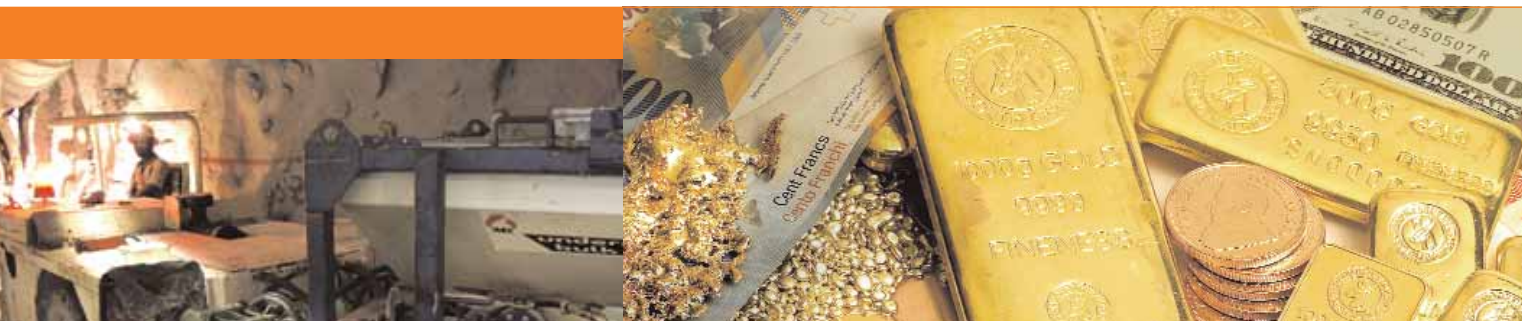
The position, a consolidation of duties previously carried out by a number of individuals, comprises general and corporate governance from an internal group perspective. Corporate governance encompasses, for example, compliance with legislation pertaining to the company's South African, United States and Australian stock exchange listings; the US Securities Exchange Commission and the Sarbanes-Oxley Act and the King Report on Corporate Governance (2002.)

General compliance relates to, amongst others, the South African Protected Disclosures Act aimed at the protection of whistle-blowers; the Financial Intelligence Centre Act (FICA) to eliminate money laundering and fraud at international level; the Access to Information Act which requires that business and government furnish information for the exercise or protection of any rights; and the Companies Act and, more specifically, proposed changes to the Act.

It also relates to company policy directed at employees and directors. Since his appointment last year, Barua has either amended or designed a number of policies directed at protecting the interests of the company by taking into account legislative and regulatory requirements of the various jurisdictions in which AngloGold Ashanti operates. Requests for policies come mainly from either the company secretariat, the board of directors or executive committee (Exco). A recent example was a request from Exco to design a policy that would require employees to disclose any conflicts of interest they may have between their roles as company employees and their private capacity. The policy is applicable to four categories of employees – senior management; everybody in the procurement department as well as other individuals not in the department who may from time to time procure goods or services; those individuals who are in a position to influence those who may procure goods and/or services; and any other individual identified by management.

One of his main challenges is the diversity of jurisdictional requirements in the 10 countries in which AngloGold Ashanti operates. He says that although people are generally fearful of change, it is important that they realise it is for the good of the company, which is committed to upholding company values. Since his position is still fairly new, it is difficult to gauge his success; suffice to say that people have been supportive of his role and his responsibilities.

Barua sits on the disclosures committee and the corporate office employment equity committee. He also liaises with each regional legal counsel individually to discuss legal and compliance issues. Under the auspices of the company's general counsel, Ms Merene Botsio-Philips, a global legal team has been established to help co-ordinate the legal discipline across regions. A charter for the global legal team has been drafted by Barua – a statement of principle of what the company's legal objectives are and how best to serve them.



### 7.3 Whistle-blowers programme – success or otherwise

"The whistle-blowing programme is working," reports AngloGold Ashanti's group internal audit manager Hester Hickey, a year after its introduction. Its establishment followed the Protected Disclosure Act of South Africa (2000), the King Report on Corporate Governance of South Africa (2002), and the Sarbanes-Oxley Act of 2002, intended to tighten up corporate governance following a spate of international corporate frauds.

Shareholders, the public, employees, suppliers, contractors and any other interested parties, at any of AngloGold Ashanti's global operations, now have a conduit through which to channel reports of not just criminal acts, but also of unethical behaviour and practices, without any fear of reprisal. Because whistle-blowers world-wide tend to be victimised and ostracised, and are often under pressure to leave their place of employ, AngloGold Ashanti has now established an anonymous email system to circumvent accusations of this nature. This is in addition to the other reporting methods via telephone (through a toll-free number within South Africa), fax, intranet or letter. However, the drawbacks to anonymous reporting are that complaints cannot be verified, the investigative process takes longer and the department cannot give feedback.

90% of reports currently received are anonymous. Twenty two reports (20 from South Africa, one from Mali and one from Australia) were received between January and November 2004, of which 15 were anonymous. Ten related to fraud concerning mainly impropriety with regard to internal or external suppliers; eight to human resource issues where the complainant was unwilling to follow grievance procedures, fearing victimisation; and four to minor issues such as fraudulent leave.

One report was received from a supplier regarding anti-competitive tendering. Since the supplier had identified himself, he was given subsequent feedback and was satisfied with the outcome in that there had been a genuine error in the tender. The supplier was also satisfied that the future tenders would not prejudice any suppliers.

All whistle-blowing reports are investigated where possible and, if substantiated, are followed by a full grievance and disciplinary process, and where applicable dismissal, and criminal or civil action. To date there have been no dismissal or court cases. Most investigations are dealt with internally but external consultants may be employed, depending on the nature of the complaint and the availability of appropriate resources.

Blank emails are received, as well as a number of nuisance and malicious calls – not uncommon, says Hickey, following discussions with other companies which have a whistle-blowing process in place. However, the benefits of the reporting process, at this stage, outweigh the obstructive behaviour of some individuals. Other common areas of complaint, Hickey discovered, are around labour, race and moral issues. Although AngloGold Ashanti has received reports of unethical behaviour, there have been none yet regarding financial reporting, a key focus of Sarbanes-Oxley.

Hickey, who is an appointee of the audit and corporate governance committee, reports regularly to the chief executive officer, the executive committee and the audit and corporate governance committee on the current status of cases, and the manner in which they are being dealt with. Formal reports are also received from the human resources, internal audit and asset protection departments.

AngoGold Ashanti's whistle-blowing policy is covered comprehensively in a recent 'values and business principles' booklet, and provides contact numbers and addresses for those wishing to report criminal offences or unethical behaviour.

