

Procurement and enterprise development

In South Africa, small businesses are critical drivers of the economy and job creation. At Anglo American, we see them as potential partners: in adding resilience and diversity to our supply chain; in contributing to local and regional economies; and in helping our communities benefit more fully from our operations.

We have been helping entrepreneurs build small businesses for years. Now we are refocusing our efforts on our host communities and black-owned suppliers, to help address ongoing socio-economic challenges such as unemployment and poverty, by building sustainable businesses that will endure long after our mining operations have closed.

We do this in two ways: inclusive procurement and enterprise development.

Our approach

Our inclusive procurement policy aims to increase the number of black-, female-, and youth-owned businesses in our host communities that can supply products and services to our operations across the mining value chain. To do this, we are working closely with host communities and stakeholders in our supply chain to expand our network of local suppliers and manufacturers around our operations.

Together with our major suppliers and manufacturers, we are committed to creating procurement opportunities across the mining value chain, and giving small businesses the help they need to build capacity to supply products and services to our operations.

By actively supporting local content and manufacturing, and developing a robust network of host-community suppliers, we will be able to support economic activity beyond the footprint of our mines.

In line with the principles of the Mining Charter, we have consistently increased the value of procurement of goods and services from BEE-compliant companies over the past years. We

calculate and classify expenditure with BEE suppliers across three categories – capital goods, mining-related services and mining-related consumables.

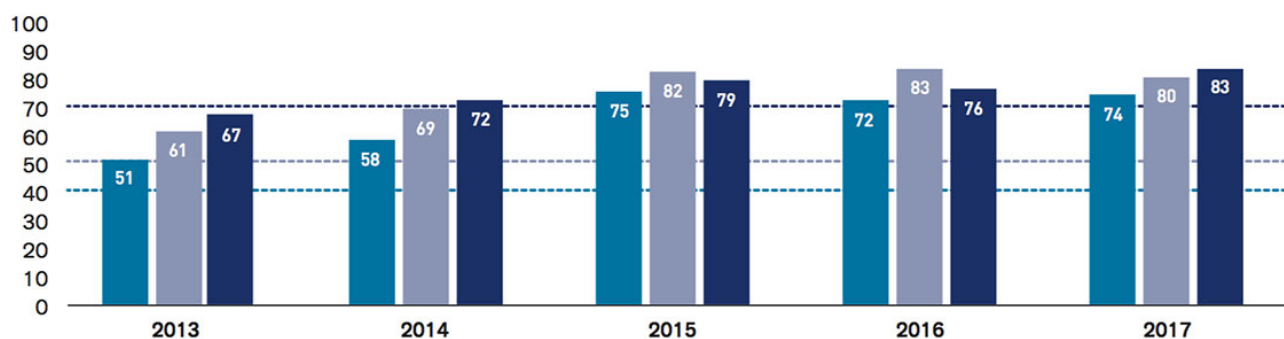
BEE and local procurement expenditure in 2017

-	Capital	Services	Consumables	Aggregate BEE spend*	Actual BEE spend	Actual local procuremer spend
Targets	40% of expenditure with BEE suppliers with over 25% black ownership	70% of expenditure with BEE suppliers with over 25% black ownership	50% of expenditure with BEE suppliers with over 25% black ownership	%	R billion	R billion
Actual						
Coal South Africa	81%	85%	87%	85%	9.1	2.7
De Beers	73%	76%	86%	78%	3.4	0.9
Kumba	64%	83%	78%	79%	8.8	3.1
Platinum	79%	76%	82%	79%	8.2	3.4
AASA	74%	80%	83%	80%	29.5	9.3

* Based on total procurement expenditure from each category.

AASA's performance against the Mining Charter procurement targets

AASA's performance against the Mining Charter procurement targets (%)



Enterprise Development and Zimele:

Anglo American believes that it has an important role to play in creating sustainable value that makes a real difference in South Africa now, and for the future. One of the ways in which we do this is through Zimele, our 28-year-old pioneering enterprise development programme.

Zimele provides enterprise development assistance through a nationwide network of business hubs based in communities local to Anglo American's operations. Enterprise development has the potential to boost small businesses and, through its multiplier effect, helps to address South Africa's current challenges of poverty, unemployment and inequality.

Summary of Zimele's performance 2016 - 2017

	Number of transactions	Total people employed	Turnover (R million)	Funding (R million)	Female entrepreneurs supported	Youth supported
2017	193	4,189	1,118	115	33%	33%
2016	204	3,992	692	121	42%	32%

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Procurement and enterprise development



PROCUREMENT AND ENTERPRISE DEVELOPMENT

We see small businesses as **potential partners, and as critical drivers of the economy and job creation.**

IN 2017 WE SPENT:

R29,5 billion

with BEE companies



R9,3 billion

with local suppliers



ZIMELE

We have been running our Zimele enterprise development programme for 28 years. Enterprise development boosts small businesses and helps address some of South Africa's challenges.

R155 million

in funding to 102 businesses in 2017

4,189

jobs supported in 2017

R1.1 billion

turnover in 2017



OWNERSHIP

Anglo American has been instrumental in creating some of the most significant empowerment companies in the country, even...



PROCUREMENT AND ENTERPRISE DEVELOPMENT

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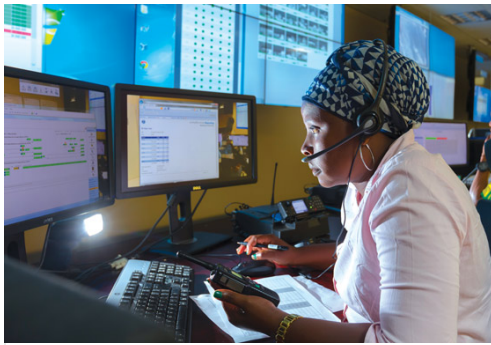
MINE COMMUNITY DEVELOPMENT

Delivering lasting positive socio-economic change in our mine communities is fundamental to Anglo American. Our...



EMPLOYMENT EQUITY

Anglo American, as one of South Africa's largest private-sector employers, strives for a workforce that reflects the...



HUMAN RESOURCE DEVELOPMENT

In essence, human resource development is about maintaining the right skills to support our business strategy. Training...



BENEFICIATION

An area where South Africa can increase its potential for economic growth, development and job creation is the...



HOUSING AND LIVING CONDITIONS

Improving living conditions is a prerequisite for stable and safe communities to be able to prosper long after our mines...



Our website

Australia

Brazil

Chile

Finland

Group site

De Beers Group

Platinum Group Metals

China

Peru

Group Foundation

Kumba Iron Ore

United Kingdom