

**L**AST year Anglo American's total black economic empowerment (BEE) procurement spend, by managed and independently managed businesses, was R20.9 billion, including enterprise development.

The group's managed businesses spent R16.5 billion with businesses managed by historically disadvantaged South Africans. This represented 39.7 percent of total available procurement spend but not goods and services procured from parastatal companies and municipalities.

Revealing this Pranill Ramchander, Media and External Communications Manager, says, "Our South African social and labour plans, which are required by mining legislation, will further boost our efforts to contribute positively to transfor-

mation and local development through local procurement.

"We have initiated a project to investigate holistic ways to support and encourage BEE procurement. The project aims to put in place consistent local procurement strategies, processes and scoring mechanisms.

"This will ensure that we are driving towards achieving common preferential procurement goals for the benefit of stakeholders at national, regional, and local levels, around our mining operations."

He adds that Anglo's enterprise development and investment fund, Anglo Zimele, has in 21 years become a catalyst for emerging black business. It empowers black entrepreneurs through the creation and transformation of small and medium enterprises (SME's).

## R20,9 billion spent on BEE procurement and enterprise development

**Pranill Ramchander, Media and External Communications Manager.**



"The knock-on effect has been sustainable job creation for thousands of unemployed and previously disadvantaged South Africans, and socioeconomic development in predominantly peri-urban mining communities. It has also created numerous sustainable, commercially viable enterprises," Ramchander says.

"Last year, the fund was responsible for creating 9 570 jobs, while also being integral

in the start-up of 435 businesses. The venture aims to create employment for 25 000 people in up to 1 500 new businesses across the country over the next seven years.

"This is part of our commitment to the Business Call to Action initiative launched globally."

To date Anglo Zimele has invested R287 million into 514 businesses, which collectively employ 11 406 people. The Sup-

ply Chain Fund, the Anglo Khula Mining Fund and the Communities Fund have interests in a diverse portfolio of enterprises, with a collective turnover of R1.441 billion.

Anglo Zimele is currently launching a fourth fund for enterprise development. Designed to help women, the disabled, and young people in Anglo American's mining communities to establish and run their own small businesses, it will of-

fer entrepreneurial skills training as a starting point.

The Communities Fund supports entrepreneurs and small businesses in the communities in which Anglo American operates with seed and working capital for their emerging enterprises.

The Small Business Hubs, staffed and financed by the mining group's businesses, provide entrepreneurs with tangible support. This includes assis-

tance with business plans, training and coaching on the essentials of running a business.

Another integral part of Anglo Zimele is the Anglo Khula Mining Fund. Launched in 2003, it handles mining-related investments.

It is a joint initiative between Anglo American and Khula Enterprise Finance Limited, a government-owned entity that promotes SME development.

He explains, "The Supply Chain Fund assists our procurement departments in identifying BEE empowered suppliers.

"It ensures the channelling of business opportunities to black-empowered SME's. BEE enterprises are supported through equity and loan finance, as well as support and skills transfer.

"With many important and relevant initiatives in place, we

are committed to ensuring that the inequitable legacy of the past is transformed into a just, and advantageous present and future. Driving our commitment is a deep seated desire to partner for best effect, and to construct meaningful and workable change within our operations and broader society."

The South Africa's Mining Charter requires that companies source a percentage of the goods, services and capital equipment that they procure from companies owned and/or managed by 'historically disadvantaged South Africans'.

"Anglo American", he concludes, "is firmly committed to this imperative and social upliftment, and our efforts regarding BEE procurement are commendable, with a long history of partnership and empowerment prevailing in our actions."