

**LOCAL PROCUREMENT AND
ENTERPRISE DEVELOPMENT**

THURSDAY, 23 JUNE 2011

SANDTON CONVENTION CENTRE

**TRADE
FAIR****CHECK AGAINST DELIVERY****Cynthia Carroll, Chief Executive, Anglo American plc**

Welcome to Anglo American's Local Procurement and Enterprise Development Fair.

Thank you for taking the time to come and see for yourselves what can be achieved when a business takes an open-minded, transparent and inclusive approach to local procurement and enterprise development.

First, I'd like to introduce your host for today, and the company I've been leading since 2007 – Anglo American plc.

Founded in 1917, Anglo American is now one of the world's largest diversified mining companies. We are ranked in the top 20 of the FTSE 100 with a market cap of well over \$60 billion; and we have more than 150,000 employees and contractors worldwide.

Most of these 150 000 employees – around 95% of them – are based in emerging economies such as Brazil, China, and of course, South Africa. It is here that we were born 94 years ago and where 40% of our operations are based, and it is here where we generate more than 50% of our annual operating profit.

It is also here where we have been able to prove a simple truth about our business, and that is: a mining company can contribute far more to a country than just GDP.

Allow me to explain:

The emerging market context in which much of our business operates puts Anglo American in a unique position – one in which we can use our global strength and local experience to ignite and shape the growth of these emerging economies.

We do this by:

- building up their mineral resources industries;

- by providing the infrastructure that these industries need to in order to exist;
- by creating the jobs and skills that they need in order to operate; and
- by supporting the communities that they need in order to flourish.

At the heart of this approach lies enterprise development and local procurement – the principle of using local resources, suppliers and equipment in a way that both uplifts and empowers local entrepreneurs, while meeting very real business needs.

Since the 1980s, Anglo American has been pioneering new approaches to building small businesses in South Africa, not only because we believe this is the best way to create a vibrant and healthy supply chain that meets our business requirement, but also because it plays a key role in enabling black South Africans and previously disadvantaged individuals to take their rightful place in the country's economy.

How are we doing this? Let me give you a few highlights:

As you meet and talk with the exhibitors who are here today, you will learn that much of our work takes place through our small and medium enterprise development and empowerment initiative, Zimele.

Zimele provides both funding and support to entrepreneurs using a holistic approach that I have not seen anywhere else in industry or in the world.

To date, Zimele has invested some 467 million rand in 845 local businesses, which together employ almost 16,000 people and generate an annual turnover of over 1.8 billion rand. These are entrepreneurs and businesses that we are extremely proud of, and we are privileged to have several of them here today to share their stories.

Based on the strength and success of the Zimele model, Anglo American is the only mining company in the world, to have made a commitment to the Business Call to Action, as part of the Millennium Goal initiative. Anglo American has committed to creating and sustaining 15,000 additional jobs in up to 1,500 new businesses by 2015.

This commitment is supported by our procurement spend on black economic empowerment and business development. In the past ten years this has increased from 911 million rand to 21 billion rand. Additionally, more than 40% of our total available procurement spend is directed to historically disadvantaged South African businesses.

Another significant step for us was the launch of our first global local procurement policy in 2010, which will ensure that we apply consistently high procurement standards throughout the Group.

So, why are we all here today?

Anglo American is not the only company that practises comprehensive enterprise development and local procurement. Nor are we the only company that does it well. But the breadth and depth of our experience over the years does mean that we have accumulated a large body of best practice knowledge and case studies – and sharing this insight is why we are here today.

Each one of the 79 exhibitors in this hall has a story to tell of their experiences, lessons learned, their failures and ultimately their successes. They are our partners in business – partners who have shared their growth and development with us, and which we now want to share with you.

And the key word in that sentence is PARTNERS.

We are here today because enterprise development and entrepreneurial support is not something you do FOR a community. It is something you do WITH it.

It is something you do as a partner who has equal commitment, who carries mutual risk and who enjoys mutual benefit.

Today, we are showcasing just how this partnership model works, and how much can be achieved when it works well.

The people you are going to meet here are not only our preferred suppliers and beneficiaries of the Zimele programme. They are also people who are on a path to success. They are people who share our values and vision, and who demonstrate how our actions are supporting local development and job creation.

I have no doubt that today's unique event – the first of many, I hope – will give all of you the opportunity to network and build valuable relationships that will further your business interests and ideals.

Thank you for coming.