



SUSTAINABLE LOCAL PROCUREMENT BENEFITING BUSINESS AND COMMUNITIES

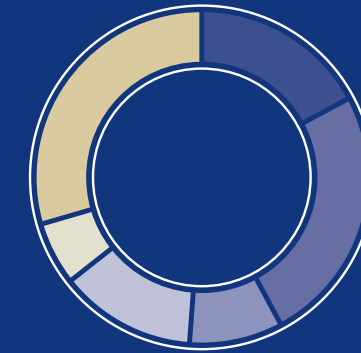


Real Mining. Real People. Real Difference.

LOCAL PROCUREMENT SPEND

SPEND WITH SUPPLIERS

BASED IN HOST COMMUNITIES – 2012



	Kumba Iron Ore	R2,86bn
	Metallurgical Coal	R2,37bn
	Thermal Coal	R1,64m
	Copper	R1bn
	Nickel	R689m
	Platinum	R2,27bn

BEE PROCUREMENT

IN 2012, OUR TOTAL BEE PROCUREMENT SPEND BY MANAGED AND INDEPENDENTLY MANAGED BUSINESSES INCLUDING DE BEERS AND ENTERPRISE DEVELOPMENT WAS

R28 BILLION

IN SOUTH AFRICA



Cover image:
Kitting Mpumalanga's 24-hour mobile field service on site attending hydraulic repairs on a Terex machine.

THE BENEFITS OF LOCAL PROCUREMENT

Local procurement practices benefit all involved. Anglo American's vision is to have sustainable, responsible local procurement practices that build a resilient supply chain for the organisation, and that contribute to the economic and social development of the communities in which we operate.

BENEFITS TO THE COMMUNITY

In 2010, we launched a Group-wide local procurement policy in recognition of the importance of fostering social development in host communities. Procurement is only one of the methods we use to ensure that we make a significant and positive contribution to those communities.

Local procurement has the capacity for positive impact in communities through job creation, skills development, investment in local infrastructure and the overall establishment of thriving and healthy host communities. At every stage in our local procurement practices, we work to support and nurture local businesses and in turn, help to grow the success of these businesses which contributes to the development of host communities.

BUSINESS BENEFITS TO THE ORGANISATION

Local procurement is also of significant strategic importance to the business, and is not only the 'right thing to do'. Establishing and maintaining enduring partnerships with local suppliers can build supply chain value and strengthen our social licence to operate.

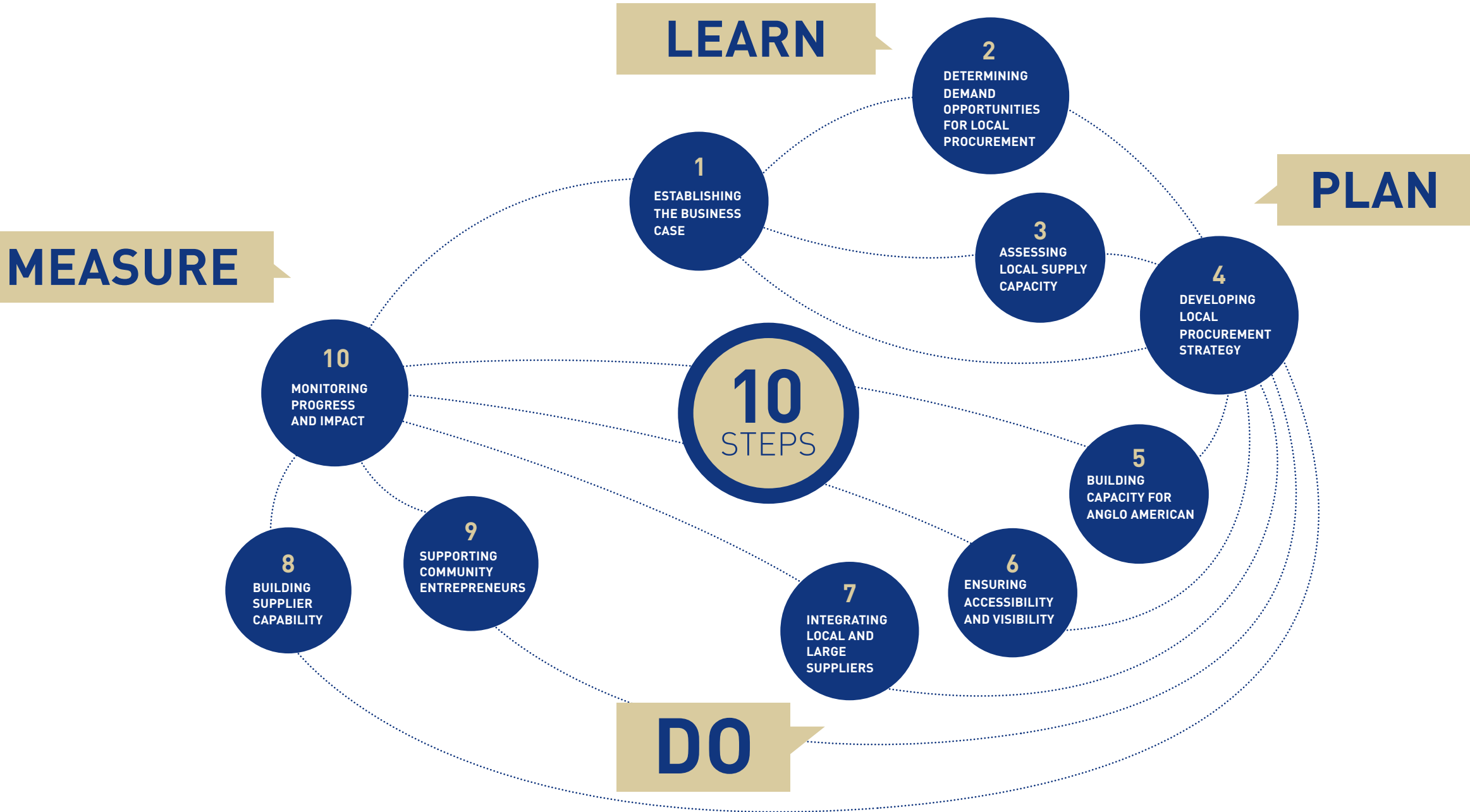
Developing and supporting suppliers located close to our mines, and bringing existing suppliers closer to our sites can also lead to cost efficiencies e.g. reduced delivery times and logistic costs, localised warehousing for just-in-time procurement and reliable access to critical supplies.

Ultimately, successful delivery of local procurement is a win-win for all involved:

- Anglo American and our suppliers will maintain profitable businesses;
- The mines will be efficient, productive, safe and environmentally friendly;
- The communities around our mines will benefit;
- Anglo American will achieve our objective of being the partner of choice; and
- Local and national governments will be supportive of Anglo American and our initiatives.

10 STEP

is designed to help build capability for local procurement within Anglo American, to achieve our vision of sustainable, responsible local procurement that positively contributes to a resilient supply chain and the economic and social development of the communities in which we operate.



CONTACT



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Visit www.angloamerican.co.za

All figures quoted in this brochure are drawn from Anglo American plc 2012 Annual Report and Sustainable Development Report.

Printed on environmentally friendly paper.

For more information download a QR code reader to your smartphone or tablet device and scan the QR code which will direct you to our website.



Local procurement can make a **POSITIVE IMPACT**

on communities and small to medium-sized enterprises through job creation, skills development, investment in local infrastructure and the overall establishment of healthy, thriving host communities.



Kudekwalapha Mining Corporation is a company based at the Amandelbult concentrator. The company is owned and managed by Patrick Mathwane.

OUR ENTREPRENEUR INTERNSHIP PROGRAMME

Supply Chain's Entrepreneur Internship Programme (EIP), which commenced in March 2012, has progressed exceptionally well. The EIP is an innovative approach that supports accelerated growth of high potential entrepreneurs to create job opportunities and achieve rapid growth in employment size and revenues. The five entrepreneurial interns are all trading in their newly established businesses, with two providing mining related services to Anglo American business units and a third working on geological modelling within a Group function. A total of 60 additional people have been employed by the new businesses, thereby achieving one of the goals of the programme to provide additional viable sustainable jobs. The combination of receiving dedicated coaching from their Supply Chain mentors as well as specific, targeted business development from a specialist partner has led to these successes. A second stage has been launched in July 2013 and will come online in October 2013. This EIP will focus on two types of participants: "start-up" entrepreneurs who have an idea which they wish to turn into a successful business, and existing businesses who wish to take their business to the next level of growth.

SUPPLIER PARTNERSHIPS

Supply Chain is working with key suppliers in each region as part of our 'Top 40' initiative to identify additional savings, waste elimination opportunities and to minimise cost inflation through 2013.

AEF MINING SERVICES EMPLOYS 32 PEOPLE

WHO HELP TO KEEP THE EQUIPMENT AT KUMBA IRON ORE'S SISHEN MINE IN TOP WORKING ORDER

89%
GROWTH
IN 2012

ONE OF
1,393
PROFITABLE BUSINESSES
SUPPORTED BY ZIMELE

AEF MINING SERVICES RECEIVED
ZIMELE FUNDING IN 2010

"A responsible supply chain has the power to make a real difference in eliminating poverty."

Sir John Parker
Chairman, Anglo American plc



Pierre de Vos, a boilermaker at AEF Mining Services.

HOW TO BECOME A SUPPLIER TO ANGLO AMERICAN



1. VISIT http://www.angloamerican.com/suppliers/becoming_supplier to register your credentials.



2. COMPLETE the supplier registration form under Tools for Suppliers.



3. Once you have completed the initial registration, your submission is assessed before being added to our prospective supplier database.



4. You will receive a confirmation email once your details have been added to our respective database. Your details will then be made available to our buyers for consideration when relevant sourcing events arise.

Notes:

- This initial self-registration does not guarantee you of any business with Anglo American, that will depend on independent sourcing requirements as they arise.
- Should your services be required by Anglo American, you will be requested to complete a further, more comprehensive questionnaire. Anglo American reserves the right to verify all credentials submitted, prior to qualifying any supplier as a fully approved trade vendor.

Should you require further related information visit http://www.angloamerican.com/suppliers/suppliers_expectations and the following documents are available for download:

- Sustainable Development in the Supply Chain Policy
- Supplier Sustainable Development Code
- Supply Chain Local Procurement Policy
- Good Citizenship: Our Business Principles
- The Anglo American Fatal Risk Standards
- Socio-Economic Assessment Toolbox
- Business Integrity Policy
- Safety way
- Occupational Health way
- Environment way
- Social way