

ZIMELE: DEVELOPING ENTERPRISE THROUGH INDEPENDENCE





Caption - front cover image:
We make a difference by funding and supporting emerging black businesses like the Emalahleni Oil Collections in Witbank through the Anglo American Khula Mining Fund.

Note: All Rand/US Dollar conversions contained in this brochure are based on the exchange rate on 11 January 2011, of US\$1 = R6,848

**ENTREPRENEURSHIP HAS A DISTINCT
ROLE TO PLAY IN SOUTH AFRICAN
SOCIETY AND IN OUR ECONOMY**

THROUGH ZIMELE WE FUND, TRAIN AND MENTOR ENTREPRENEURS IN EMERGING BLACK BUSINESSES IN MINING COMMUNITIES AS WELL AS LABOUR-SENDING AND EMPOVERISHED AREAS

At Anglo American we know that it is our people who matter most, and individual success means success for others in the community.

At Anglo American Zimele we promote just that. We fund, train and mentor entrepreneurs in emerging black businesses in mining communities as well as labour-sending and impoverished areas, and we have been doing this for over two decades.

Through our four different funds we have been helping to build numerous sustainable, commercially viable enterprises, empowering entrepreneurs to operate in the mainstream economy.

4
funds

R438 million
(US\$64 million) in investment

737
businesses

14,684
people collectively employed

973
transactions

R1,7 billion
(US\$248 million) collective annual turnover

SINCE THOSE EARLY YEARS, THE LESSONS HAVE SCULPTED US INTO THE THOUGHT LEADER IN ENTERPRISE DEVELOPMENT THAT WE ARE TODAY, PLAYING A KEY CATALYTIC ROLE IN EMERGING BLACK BUSINESS

OUR ROOTS

Established over 21 years ago, Zimele represents one of the cornerstones of our approach to sustainable development, which is to build the capacity and prosperity of the communities in which we operate.

Long before black economic empowerment (BEE) was legislated, we were investing significant energy and resources in the development of emerging black business.

The empowerment of black small and medium enterprises (SMEs) entrepreneurs has been successful and has generated sustainable job creation and socio-economic development in predominantly peri-urban mining communities.

OUR APPROACH

Our strategic blend of financial support and incubator-style mentorship allow the companies we invest in to stand on their own feet and to grow.

Our input in areas such as corporate governance, management, legal issues, accounting, company secretarial functions, public relations, safety, health and the environment has contributed to the success of our approach to enterprise development.

Much of our success is due to the transformation of our own supply chain through the outsourcing of certain services to SMEs. Engineering repairs, manufacturing of mining products, waste reclamation and recycling, conveyor belt maintenance, catering and consulting are all among the services that we have embraced.

“We have learnt that there is no ‘one size fits all’ approach to developing businesses and entrepreneurs. A model for enterprise development, such as Zimele, was developed over many years, building on the successes and learning from the failures.”

Nick van Rensburg
Managing director of
Anglo American Zimele

THE ZIMELE FORMULA HAS BEEN ADOPTED BY BOTH THE INTERNATIONAL FINANCE CORPORATION (IFC) – A MEMBER OF THE WORLD BANK GROUP – AND THE UNITED NATIONS DEVELOPMENT PROGRAMME

OUR ACHIEVEMENTS

The International Finance Corporation (IFC) has prescribed our model as the best approach globally for companies seeking to integrate local SMEs into their supply chains.

OUR FUNDS

Our Zimele programme has four funds which provide business opportunities, training, capital and networking hubs for historically disadvantaged South Africans (HDSAs) and SMEs.

Easy to understand and eminently workable, our Zimele formula is being emulated by numerous other South African blue-chip organisations.

1. THE ANGLO AMERICAN KHULA MINING FUND

Transforming South Africa's mining landscape

The Anglo American Khula Mining Fund is a joint initiative between our South African operations and Khula Enterprise Finance Limited, a government-owned entity that promotes SME development. The fund helps grow emerging, black-owned junior mining companies into commercially bankable enterprises.

Resources

- Loan finance of up to R40 million (US\$5,8 million).
- Technical support during high-risk exploration and prefeasibility phases.

The business guidance and support of the fund, combined with the mining expertise of Anglo American, create much-needed opportunities for black-owned junior mining companies.

2. SUPPLY CHAIN FUND

Procuring success

The Supply Chain Fund helps our procurement departments to identify appropriate black-empowered SMEs and supports them by channelling business opportunities their way.

Resources

- Equity and loan finance of up to R5 million (US\$730,000).
- Hands-on support, business guidance and skills transfer.

This initiative has been such a success that by 2009, close to 40% of our total available procurement spend was directed to HDSA businesses.

ZIMELE IS THE FIRST INITIATIVE OF A MINING COMPANY TO BE RECOGNISED BY THE BUSINESS CALL TO ACTION (BCTA), AN INTERNATIONAL PARTNERSHIP FOCUSED ON SMALL BUSINESS DEVELOPMENT

3. COMMUNITY FUND

Starting small

The Community Fund provides seed and working capital as well as mentorship for entrepreneurs and small businesses in the communities in which we operate. It is funded and staffed by our Thermal Coal, Platinum and Iron Ore business units, as well as De Beers.

The beneficiary businesses need not be part of the Anglo American supply chain, and as the Mining Charter requires, they must operate in Anglo American business unit areas and comply with the BEE criteria.

The Community Fund is a network of small business hubs that have changed many lives for beneficiaries and their families.

Resources

- Loan finance of up to R1 million (US\$146,000) per project, at preferential interest rates.
- National footprint of small business hubs for helping with business plans as well as training and coaching on business essentials.

4. OLWAZINI FUND

Independence through knowledge

In Zulu the combination of the words **Zimele** and **Olwazini** mean independence through knowledge. With its name suggesting the fund's strong entrepreneurial education imperative, the Olwazini Fund assists HDSAs – particularly women, youth and the disabled – to establish and operate their own small businesses.

Resources

- Small business loans of up to R20,000 (US\$2,920) per proposal at preferential interest rates to individuals who successfully complete its training programme.

Caption- back cover:

For us, it is through the partnerships we form, that we make a difference.

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