



BUILDING FOREVER

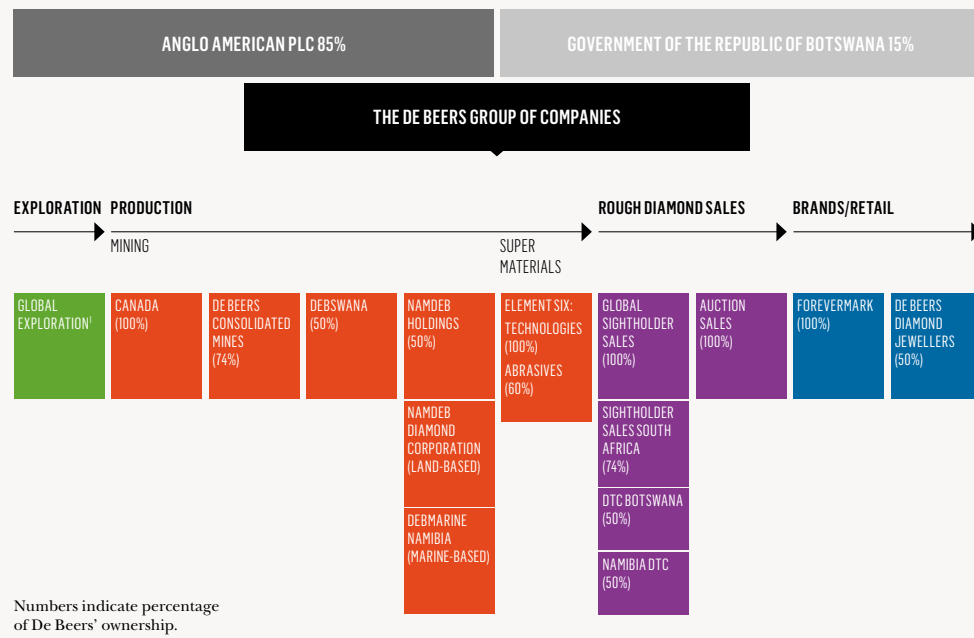
REPORT TO
SOCIETY
IN REVIEW
2015

OUR BUSINESS AT A GLANCE

De Beers was established in 1888 and is a member of the Anglo American plc group. We are the world's leading diamond company, with unrivalled expertise in the exploration, mining, sorting, valuing, selling and marketing of diamonds. We believe that diamonds are a catalyst for creating value and delivering socio-economic benefit in the countries and communities where we operate.

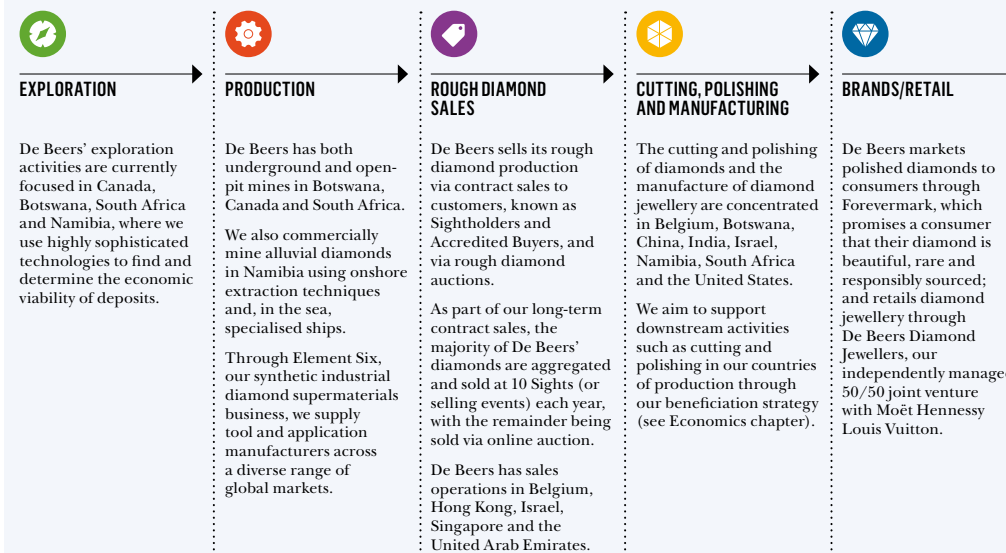
A COMPANY BUILT ON PARTNERSHIP

Partnership sits at the heart of our business, through a number of 50/50 joint ventures with the Governments of Botswana and Namibia, and our 74/26 Black Economic Empowerment Partnership with Ponahalo Holdings in South Africa.

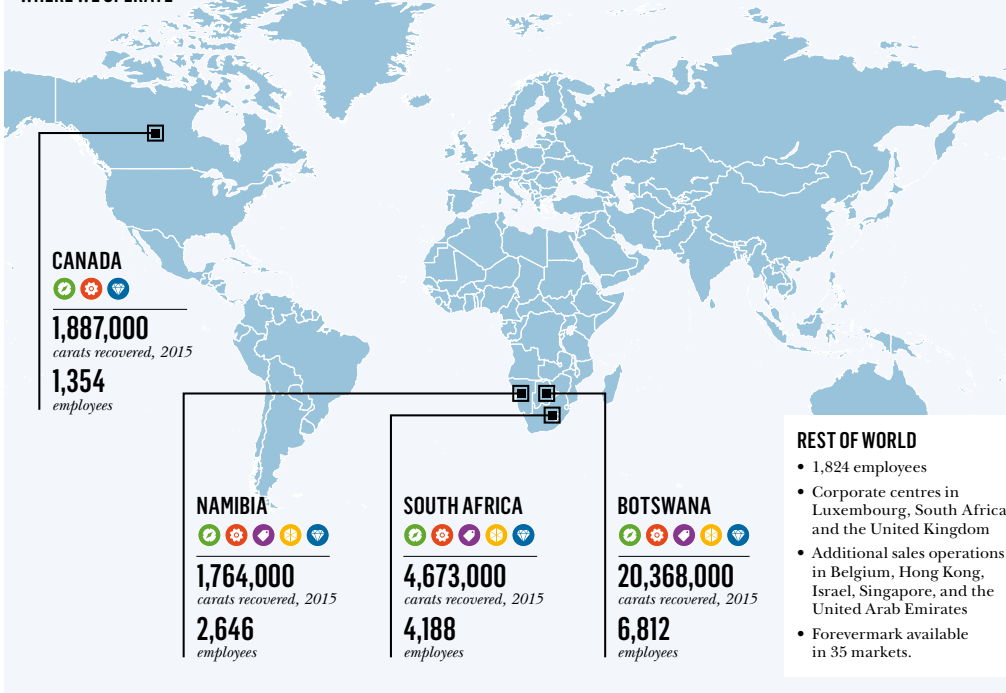


¹ Exploration is undertaken through a number of wholly-owned and joint venture entities.

A GLOBAL VALUE CHAIN



WHERE WE OPERATE



We are humbled to play a role in connecting millions of people around the world to the diamond dream. Our operations and leadership position across the diamond pipeline enable us to create development opportunities in the communities where we live and work, and ensure that people can be proud to wear a diamond from The De Beers Group of Companies.

We call this Building Forever – our commitment to create a lasting positive legacy, and to grow and protect the special place diamonds hold in the lives of consumers.

Partnership is at the heart of this approach. We are proud to play a part in the development of partner countries and communities, working together to maximise enduring value from their finite natural resource. And our collaborations across industry and beyond set ever higher ethical standards, providing confidence to generations of consumers.

This review presents a summary of our 10th annual Report to Society and charts our sustainability performance in 2015. Despite significant market challenges throughout the year, our Report to Society reflects the unwavering commitment of our people to continue Building Forever.

About this review

This review presents performance data for those businesses that De Beers either owns or has a significant shareholding in, and that have economic, social and environmental impacts. De Beers Diamond Jewellers, an independently managed joint venture company, is not included in the scope of this review. Use of 'De Beers', 'our' or 'we' relates to The De Beers Group of Companies, a collective term used for both wholly-owned and joint venture business entities that De Beers has a significant shareholding in, with the exception of De Beers Diamond Jewellers.

For the purposes of our data reporting, we provide figures to one decimal place, except where it is necessary to use two decimal places for more accurate reporting. Any inconsistencies between the data, charts or percentage changes reported are due to this rounding.

All performance data for joint ventures included in this publication is reported on a 100 per cent basis unless otherwise stated.

Disclaimer

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. Readers should not act upon the information contained in this publication

without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this report, and, to the extent permitted by law, the authors and distributors do not accept or assume any liability, responsibility or duty of care for any consequences the reader or anyone else may incur from acting, or refraining from acting, in reliance on the information contained in this publication or for any decision based on it. © De Beers UK Limited 2016. All rights reserved. De Beers™, Forevermark™, A Diamond is Forever™ and The One™ are trade marks of The De Beers Group of Companies.



For more information, go online
www.debeersgroup.com/buildingforever

WHO WE ARE

2015 IN REVIEW

Despite a challenging year for the diamond market, we remained committed to Building Forever.

2015 was a challenging year for De Beers, with revenues declining by 34 per cent to US\$4.7 billion (2014: US\$7.1 billion) as demand for rough diamonds weakened. With reduced sales, the total diamond revenues we returned to stakeholders, including our partner governments, suppliers, business partners and employees, fell by 32 per cent, to US\$3.9 billion (2014: US\$5.7 billion).

We took decisive action to respond to market conditions during 2015 to protect the health of our business and the diamond revenues that play a critical role in development in our producer partner countries. We cut production by 12 per cent and unit costs by six per cent during the year. In Canada we took the difficult decision to put Snap Lake Mine on care and maintenance, while in Botswana, Debswana put Damtshaa Mine on care

and maintenance and scaled down operations at Orapa Mine's No. 1 Plant. We also took a series of steps to stimulate demand for rough and polished diamonds.

Throughout the year, we remained focused on maximising the value of every carat mined and sold for our producer governments and communities.

Despite the challenges of 2015, we remained committed to Building Forever by:

- Investing for the long term in production, people and socio-economic benefit
- Driving change across the industry and our business
- Working in partnership for sustainable development

TOTAL DIAMOND REVENUE

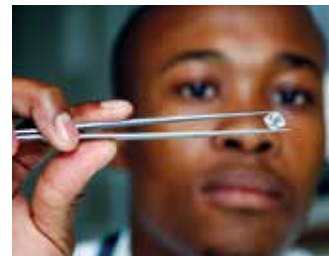
US\$4.7bn

(2014: US\$7.1bn)

PAYMENTS TO STAKEHOLDERS

US\$3.9bn

(2014: US\$5.7bn)



Top right: A diamond sorter inspects a rough diamond.
Right: A shovel operator at Venetia Mine in South Africa is about to load ore on to the trucks for delivery to the plant.

The full, detailed 2015 Report to Society is available for download at www.debeersgroup.com/reports

2015 IN NUMBERS

LOST TIME INJURY FREQUENCY RATE (LTIFR)

0.15

(2014: 0.17)

PREFERENTIAL PROCUREMENT AS A PROPORTION OF TOTAL SPEND

56%

(2014: 62%)

PAYMENTS TO STAKEHOLDERS

US\$3.9bn

Including partners, joint ventures, governments, suppliers, employees, shareholders and other finance providers (2014: US\$5.7bn)

LOSS OF LIFE INCIDENTS

0

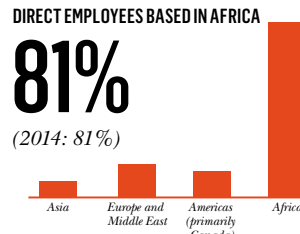
(2014: 0)



DIRECT EMPLOYEES BASED IN AFRICA

81%

(2014: 81%)



PEOPLE COVERED BY DE BEERS' BEST PRACTICE PRINCIPLES (BPPs)

320,000

(2014: 370,000)



PERCENTAGE OF DE BEERS' WORKFORCE THAT IS FEMALE

24%

(2014: 24%)



REPORTED INDIVIDUAL BENEFICIARIES OF SOCIO-ECONOMIC DEVELOPMENT PROGRAMMES

47,800

(2014: not reported)

TOTAL SOCIAL INVESTMENT SPEND

US\$28.2m

(2014: US\$27.6m)



FRESH WATER CONSUMPTION

37.9m m³

(2014: 38.2m m³)



ENERGY CONSUMPTION (DIRECT AND INDIRECT)

17.2m GJ

(2014: 16.2m GJ)



LAND SET ASIDE FOR CONSERVATION

170,785 ha

For every hectare of land disturbed for mining, five are managed for conservation

(2014: 195,128 ha)

1 Restated from previously reported figures in the 2014 Report to Society.

INVESTING FOR THE LONG TERM IN PRODUCTION, PEOPLE AND SOCIO-ECONOMIC BENEFIT



Our commitment to Building Forever saw us make significant investments throughout 2015 to ensure that diamond revenues continue to drive economic development in the countries and communities where we operate.

Our confidence in the long-term strength of the global diamond market and our commitment to Building Forever saw us make significant investments throughout 2015 in:

- Stimulating consumer demand for diamonds
- Supporting continuing production
- Improving the skills of our people
- Delivering socio-economic benefit for the people whose lives are touched by our activities

Through these investments, we aimed to ensure that diamond revenues can continue to drive economic development in the countries and communities where our operations are based, long after the volatility of 2015 has passed.

Left: The SS Nujoma on the slipway in Norway, ultimately destined for Namibian waters.

DRIVING DEMAND

Without continuing consumer demand, our ability to unlock the value of diamonds to support the development aspirations of our producer countries would be reduced.

We continued our industry-leading marketing activities to stimulate demand during the year. And in a difficult market we enhanced our ability to bring the story of diamonds alive for consumers in the US and China with an additional US\$20 million investment in our marketing programme during the fourth quarter.

We reintroduced the iconic 'A Diamond is Forever' slogan in our Forevermark programmes in the US and we launched a new campaign called 'The One' that focused on the exacting selection and eligibility standards we apply to the less than one per cent of diamonds eligible to be called Forevermark diamonds.

INCREASING OUR FUTURE PRODUCTION CAPABILITIES

Investment in our future production continued to focus on three projects during 2015: to open the largest new diamond mine under development anywhere in the world – Gahcho Kué in Canada – and to extend active production at two of our existing operations, Venetia Mine in South Africa and Jwaneng Mine in Botswana (see page 6).

TOTAL INVESTMENT IN CAPITAL EXPENDITURE PROJECTS

US\$697m

(2014: US\$589m)

INVESTING FOR THE LONG TERM

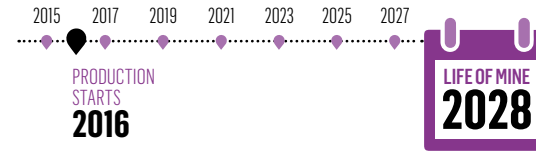
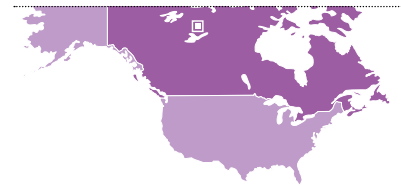
INVESTING FOR THE FUTURE

Throughout 2015, we continued to invest in new and existing operations to extend our mining activities and the socio-economic benefit they help generate.

For further information, refer to the Anglo American Ore Reserves and Mineral Resources Report 2015 www.angloamerican.com/investors/annual-reporting

GAHCHO KUÉ, CANADA

A new mine will be constructed comprising three pits and covering 1,200 hectares, making it De Beers' largest open-pit mine in Canada.



ESTIMATE OF CARATS TO BE RECOVERED
54 MILLION

TONNES OF ORE
35 MILLION

SOCIO-ECONOMIC BENEFITS

700

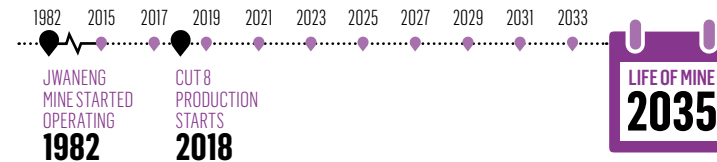
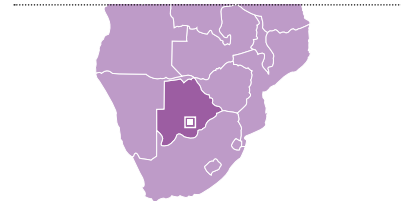
jobs supported during construction

400

further jobs expected to be supported during operations

JWANENG, BOTSWANA

The eighth cut, or expansion, of Jwaneng Mine, will increase the depth of the mine from 400 to 650 metres.



ESTIMATE OF CARATS TO BE RECOVERED
93 MILLION

TONNES OF ORE
84 MILLION

SOCIO-ECONOMIC BENEFITS

1,000

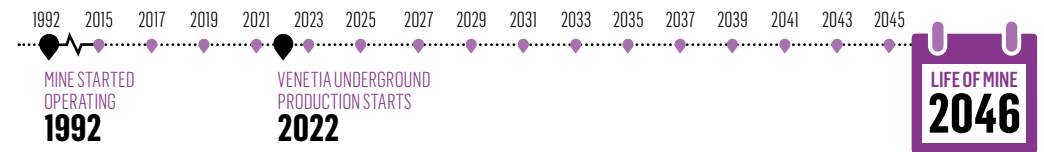
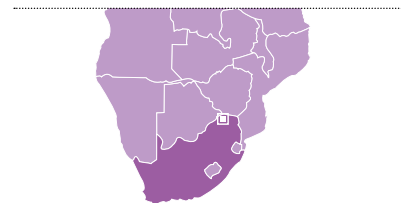
jobs supported during extended operations

US\$31bn

estimated contribution to Botswana's economy

VENETIA, SOUTH AFRICA

Venetia Mine will be extended underground, with two vertical shafts, each seven metres in diameter, sunk to a depth of 1,080 metres.



ESTIMATE OF CARATS TO BE RECOVERED
94 MILLION

TONNES OF ORE
132 MILLION

SOCIO-ECONOMIC BENEFITS

1,500

jobs supported during construction

500

jobs expected to be supported during major underground works

INVESTING FOR THE LONG TERM

In another key investment during the year, Debmarmine Namibia spent nearly US\$26 million on the construction of SS Nujoma. This new deep-water diamond exploration and sampling vessel, which will cost a total of approximately US\$170 million to build, was launched ahead of schedule in January 2016, and will search for diamond deposits in the waters off the Namibian coast.

As we continue to search for diamond projects for the future, we invested US\$34 million (2014: US\$37 million) in our ongoing global exploration programme, focusing on early-stage projects in South Africa, Canada and Botswana. A total of nine new kimberlite discoveries, a major indicator of the potential presence of diamonds, were made in 2015.

SUPPORTING OUR PEOPLE

We have worked hard over many years to ensure our business draws strength from the diversity and talent of the societies where we operate. Most of our global employees are based in southern Africa (2015 and 2014: 81.3 per cent), where local or historically disadvantaged citizens comprise the majority of our workforce, and increasingly lead our business, supported by preferential hiring and active skills and development training.

WE HAVE WORKED HARD OVER MANY YEARS TO ENSURE OUR BUSINESS DRAWS STRENGTH FROM THE DIVERSITY AND TALENT OF THE SOCIETIES WHERE WE OPERATE.

DIRECT EMPLOYEES BASED IN AFRICA

81.3%

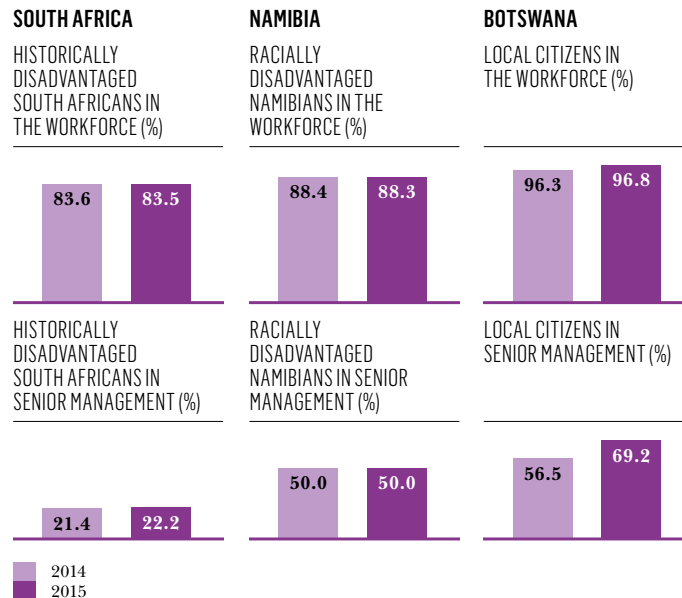
(2014: 81.3%)

TRAINING AND DEVELOPMENT SPEND

US\$24.3m

(2014: US\$18.8m)

LOCAL AND HISTORICALLY DISADVANTAGED EMPLOYEES IN MANAGEMENT



“GIVE A MAN A FISH AND YOU FEED HIM FOR A DAY, TEACH A MAN TO FISH AND YOU FEED HIM AND HIS FAMILY FOR LIFE! DEBMARINE NAMIBIA HAS CERTAINLY DONE ALL IT COULD TO GIVE ME THE OPPORTUNITY TO HELP MYSELF AS WELL AS MY FAMILY. NOT ONLY DID THE COMPANY SPONSOR ME FINANCIALLY, IT ALSO OFFERED ME A JOB AFTER COMPLETION OF MY STUDIES TO FURTHER DEVELOP MY CAREER.”

Left: *Aletia Bock*
Senior Environmental Scientist, Debmarmine Namibia

Helping local people grow their capabilities and talents is one of the most important ways in which we contribute to the long-term development of the countries where we operate. That is why in 2015 we invested US\$24.3 million in training and development, up by 29 per cent from 2014 (US\$18.8 million).

During 2015, we also continued to invest in several programmes designed to attract, develop and retain female talent in De Beers. Women are under-represented in the mining sector, making up just 16 per cent of the collective workforce¹. While female employees represent 23.8 per cent of our business (2014: 23.5 per cent), comparing well with the global mining industry average, we still have a long way to go. Recognising this, we were pleased that in South Africa De Beers’ efforts were acknowledged with the Standard Bank Top Gender Empowered Company: Resources Award in 2015.

During 2015, we continued to invest in several programmes designed to attract, develop and retain female talent in De Beers.

WOMEN IN THE WORKFORCE
23.8%
(2014: 23.5%)

EXAMPLES OF DE BEERS’ INITIATIVES MITIGATING BARRIERS TO WOMEN IN MINING IN SOUTH AFRICA

- Professional Management Development Programme**
For high-potential management candidates; the programme is aligned with De Beers’ business objectives
- Personal Growth Accelerator Programme**
Leadership development through self-awareness and resilience
- The Achievers Programme**
For young leaders; to build interpersonal and business skills
- Foundational Learning Competence**
English literacy and mathematical competence provided for individuals earmarked for potential learnerships
- Technical Learnerships**
Includes apprenticeships, engineering and metallurgy learnerships
- Supervisory/Learnerships**
Includes energised leadership and supervisory learnerships
- Learnerships**
Learnerships offered to permanent employees and external leavers
- Study Assistance Scheme**
- Bursary Scheme**
- Graduate Trainee Schemes**

¹ Source: www.mining.com/web/can-the-mining-industry-diversify-itself/.

INVESTING FOR THE LONG TERM

SOCIO-ECONOMIC BENEFIT

Building Forever commits us to maximising the sustainable socio-economic benefit that our producer partner countries and communities are able to create from their diamond resources – today and far into the future. This means actively supporting them to achieve their development aspirations, to create sound foundations for long-term improvement in areas such as employment, education, housing and public services.

Despite the financial challenges of 2015, during the year we increased our total social investment to US\$28.2 million (2014: US\$27.6 million), while focusing on improving our approach to the efficiency and effectiveness of our contribution to socio-economic development around our mining operations.

SOCIO-ECONOMIC BENEFIT IN 2015

Through our socio-economic investment we:

- provided support and services that benefited more than 47,800 people
- supported 1,544 jobs through our enterprise development programmes – Tokafala in Botswana and De Beers’ Zimele in South Africa. An evaluation of Tokafala’s impact in 2015 found that it had had an almost immediate positive effect on revenue growth, with an average increase among participating companies of 60 per cent.



Above: **Pauline Phologolo** (left), business owner in Botswana and beneficiary of Tokafala.

Photo: Annie Griffiths

PREFERENTIAL PROCUREMENT

Buying goods and services locally is another lever for socio-economic benefit. In 2015, we spent US\$1.1 billion – or 56 per cent of our total procurement budget – on local goods and services (2014: US\$1.5 billion, 62.1 per cent). We tailor our approach from country to country:

- In South Africa, we give priority to businesses that are owned, empowered or influenced under Historically Disadvantaged South African legislation
- We prioritise local and citizen-owned businesses in Botswana
- Local providers are prioritised in Namibia, and Aboriginal suppliers in Canada

THE BENEFITS OF BENEFICIATION

We continued to support participation in more of the value-adding steps of diamond processing in producer partner countries through our industry-leading beneficiation

programme in 2015. Through making a proportion of our rough diamond production available to Sightholders for processing in producer countries, our beneficiation strategy helps create additional employment opportunities, supports government economic development plans and aids the transition to post-mining economies.

In 2015, we sold US\$825 million worth of rough diamonds to customers in producer countries, representing 20 per cent of our total sales for the year (2014: US\$1.6 billion, 24 per cent). We also introduced new Supply Agreements, which introduced more rigorous financial compliance criteria for customers, designed to bolster third-party confidence in the Sightholder community and reduce business sustainability risks relating to the ability to access finance.

PERCENTAGE OF ROUGH DIAMONDS SOLD TO LOCAL SIGHTHOLDERS IN 2015 AS A PERCENTAGE OF TOTAL ROUGH DIAMOND SALES

20%

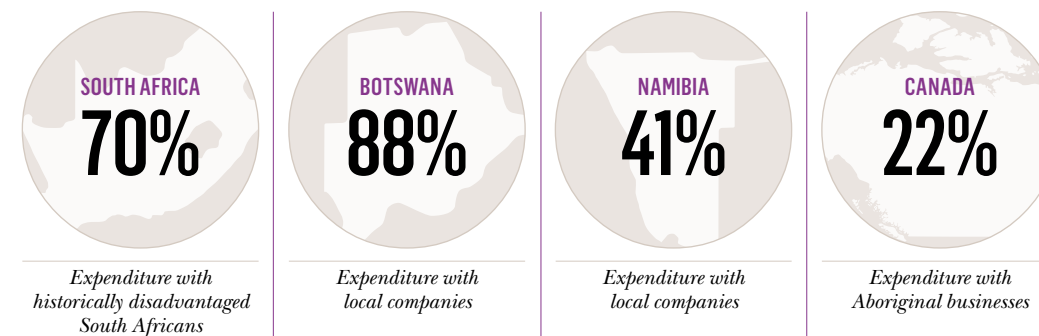
VALUE SOLD

US\$825m

(2014: US\$1.6bn¹)

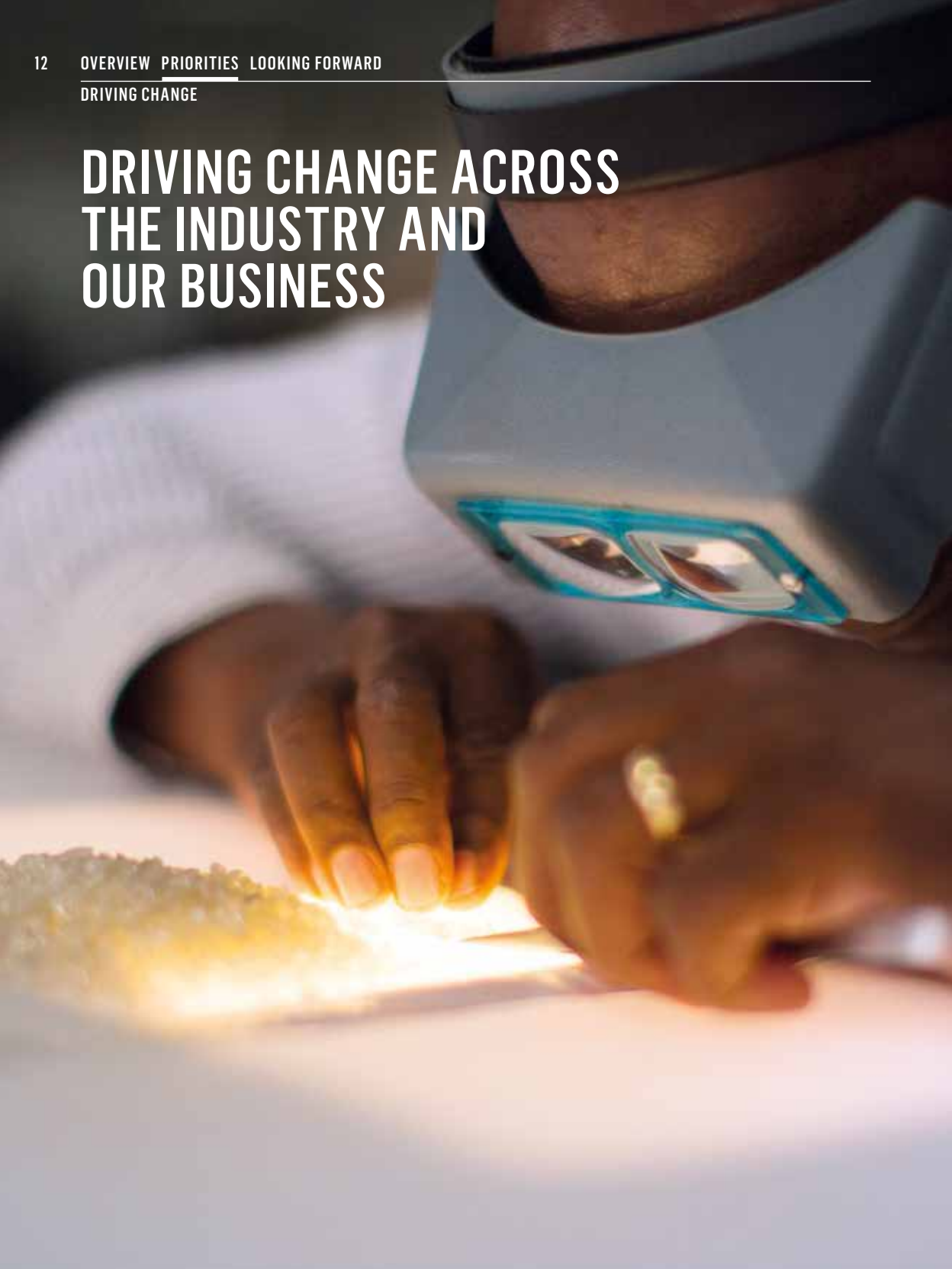
¹ This figure does not include rough diamonds sold through the state-owned Okavango Diamond Company (Botswana).

LOCAL PROCUREMENT AS A PROPORTION OF TOTAL PROCUREMENT EXPENDITURE



Preferential procurement is higher in South Africa where it is legislated, and in Botswana where De Beers has a business mandate to purchase from local suppliers. In contrast, specialised mining methods are used in Namibia (alluvial and marine), narrowing the opportunity to purchase from Namibian companies. In Canada, preferential procurement refers to the purchasing of goods and services from Aboriginal-owned suppliers, and given this is a small percentage of the population, it impacts potential procurement opportunities.

DRIVING CHANGE ACROSS THE INDUSTRY AND OUR BUSINESS



For a diamond to continue to symbolise some of the most important and personal moments in a person's life, our business and the broader diamond industry must continue to meet ever more rigorous ethical standards. In 2015, we continued our efforts to drive responsible business behaviour – within De Beers, among our partners, clients and contractors, and across the diamond industry as a whole – to protect consumer confidence in our brand and our product.

During the year, we marked 10 years of the Best Practice Principles assurance programme (BPP). Created in 2003 and launched in 2005, the BPPs set robust ethical, social, environmental and business standards that all De Beers operations, our clients and substantial contractors must meet.

During 2015, the BPPs:

- Provided independent assurance on the working conditions for nearly 320,000 people across the diamond industry worldwide (2014: 370,000). The reduction in coverage of the BPPs from 2014 is a result of a significant decrease in production within the major manufacturing centres due to challenging market conditions
- Influenced the ethical working practices of nearly 3,000 entities

Left: Diamond sorting at DTC Botswana.

We update the BPPs every year in response to emerging ethical risks. During 2015, updates included additional requirements to address human rights due diligence and a focus on human trafficking.

In a significant step for our industry, we partnered with six other leading diamond producers in 2015 to form the Diamond Producers Association (DPA), the first-ever representative international organisation formed by diamond producers. The DPA is chaired by Forevermark Chief Executive Stephen Lussier and through its mandate that includes sharing best practices in health and safety, supply chain integrity and environmental management, the DPA will help to provide a unified voice for producers in maintaining consumer confidence in diamonds.

We recognise that driving positive change across our own company is a vital prerequisite for helping the industry to set best practice standards. We continued to work throughout the year in line with our five-year sustainability improvement plan, Good to Great, with notable performance improvements across our activities, including in relation to safety and the environment.

NUMBER OF YEARS THE BPPs
HAVE BEEN RUNNING

10

PEOPLE COVERED BY THE BPPs
IN 2015

320,000

(2014: 370,000)

10 YEARS OF THE BPPs: PAGE 14

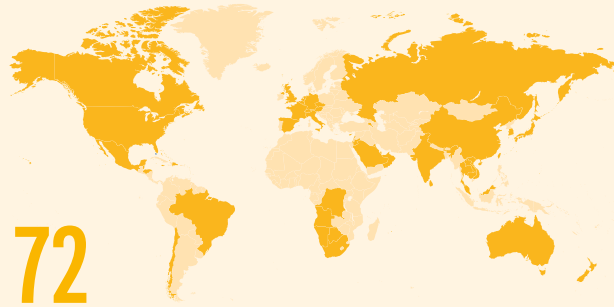


DRIVING CHANGE

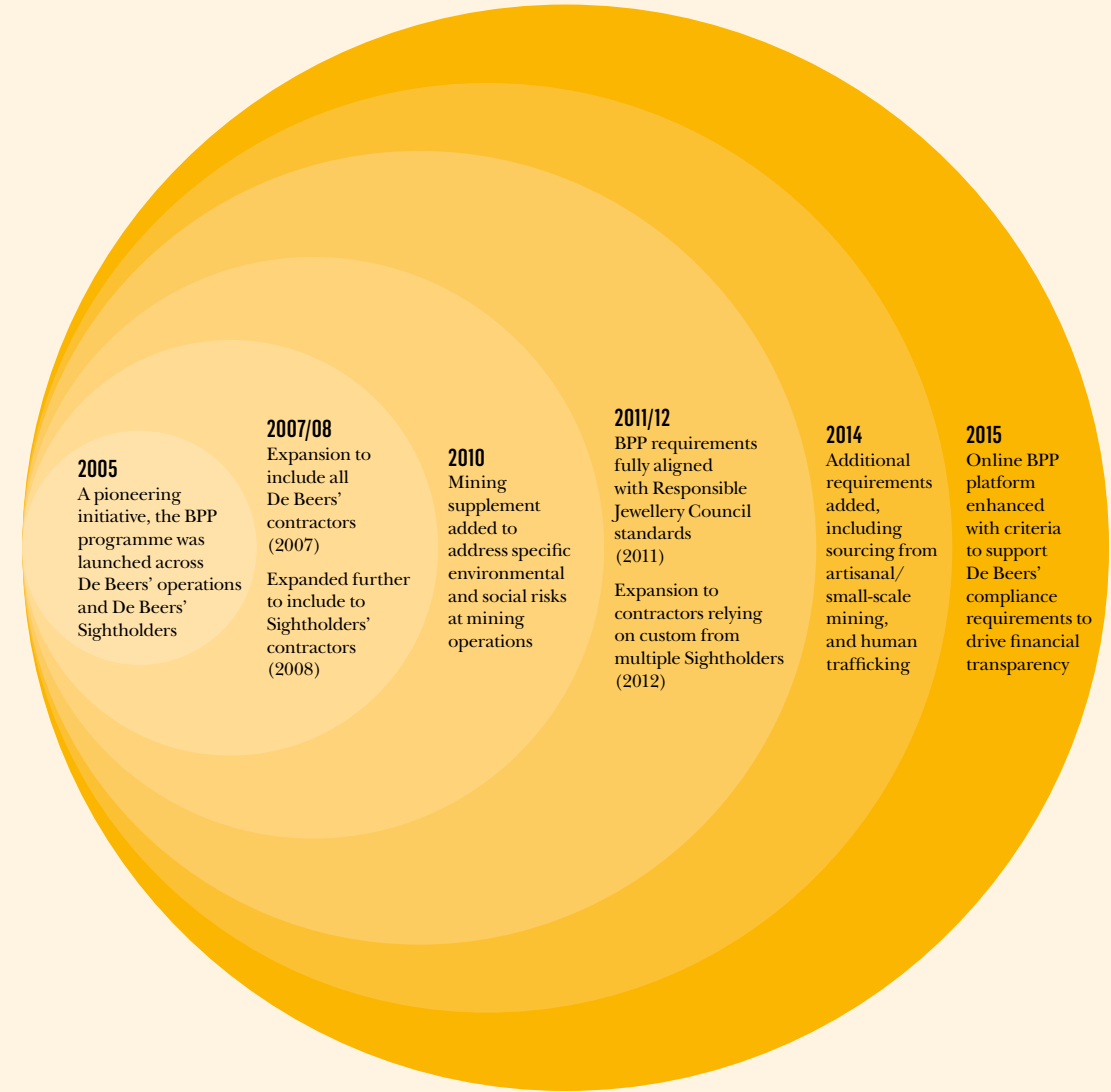
BPPs: RAISING INDUSTRY STANDARDS FOR 10 YEARS

The aim of the BPPs is to ensure that consumers buying diamonds can rely on the professional, ethical and technical standards of the gem diamond industry. The BPPs help to prevent unacceptable business, environmental and social practices.

GEOGRAPHIC REACH OF THE BPPs



The BPPs work to improve standards in 72 countries.



HOW THE BPPs WORK TO RAISE STANDARDS

SCOPE

The BPPs span the full breadth of the diamond pipeline from exploration to retail and cover 320,000 people across 72 countries.

SCALE

They apply to businesses and factories that may not even be directly dealing in diamonds mined by De Beers, but form part of a client's group.

UNIQUE

An ethical supply chain standard focused on compliance from its customers rather than just suppliers.

INDEPENDENTLY VERIFIED

The BPPs are audited by an independent third party. One-third of BPP workbooks are desktop reviewed and 10 per cent of sites have on-site audits.

RESPONSIVE AND CONSULTATIVE

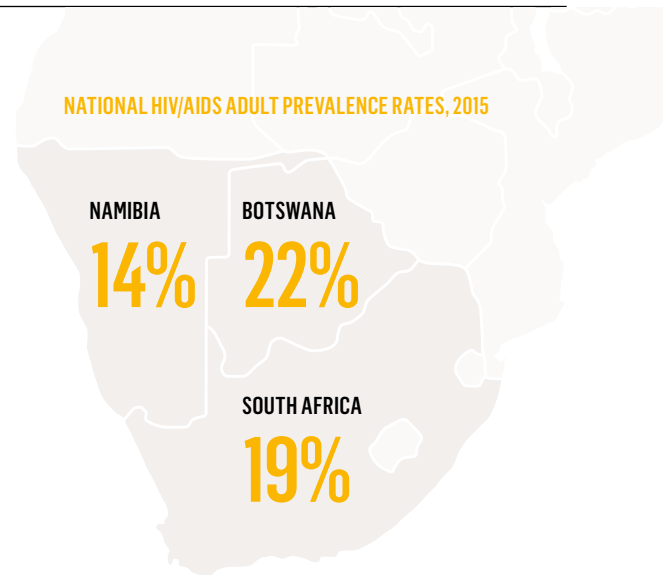
The standards are responsive to changes in legislation and emerging industry risks.

ENFORCEABLE AND CONTRACTUAL

We work with customers on compliance, but impose sanctions if they fail to implement the requirements.

DRIVING CHANGE

CONTINUOUSLY IMPROVING OUR OWN STANDARDS



HEALTH AND SAFETY

Health and safety is our number one priority, and we continued to work toward zero harm by raising standards across our business in 2015, delivering:

- Another fatality free year
- A 15 per cent reduction in our total recordable case frequency rate (2015: 0.53; 2014: 0.62)
- A 110 per cent increase in the reporting of serious incidents
- A 0.24 per cent fall in the proportion of our people exposed to stressors above the occupational exposure rate (2014: 2.3 per cent fall). This was despite the fact that certain exposures were reported for the first time, such as diesel particle matter exposures in Snap Lake, and coal dust exposure in Morupule Coal Mine
- Significantly lower HIV/AIDS infection rates in De Beers compared with national averages across the southern Africa region

NUMBER OF FATALITIES, 2015

0

(2014: 0)

REDUCTION IN TOTAL RECORDABLE CASE FREQUENCY RATE, 2015

15%

(2015 TRCFR: 0.53; 2014: 0.62)



HIV/AIDS AND TUBERCULOSIS IN NUMBERS (2015)

Number of employees in Africa living with HIV	1,430
Number of employees tested for HIV status in Africa	3,184
New cases of HIV amongst employees in Africa	24
Number of employees on the HIV wellness programmes in Africa	934
Number of employees receiving antiretroviral drugs in Africa	1,099
Percentage of workforce with access to free and confidential HIV testing and wellbeing programmes	100
Incidence of TB cases per 100,000 full-time employees	149
New cases of TB	18

THE ENVIRONMENT

The drought experienced across southern Africa in 2015 impacted our business, employees and the communities in which we operate, refocusing our long-term efforts on minimising water consumption and identifying alternative sources of supply. Examples of our improvement efforts in 2015 included:

- An early-stage recycling project at our Orapa and Jwaneng Mines in Botswana
- Reduced fresh water usage by 0.9 per cent in 2015, to 37.9 million m³ (2014: 38.2 million m³)

Energy is another critical input for our business, and we were pleased to have ended 2015 with savings of US\$6.8 million over the last two years as a result of achieving carbon emission and energy-saving targets. We also ran several other projects during the year to assess the potential for increasing the amount of renewable energy we generate across the business. These included:

- A study into using solar energy
- An assessment of the use of kimberlite residue deposits, (one of the ores in which diamonds are found), to sequester carbon dioxide

Biodiversity continued to be an especially important focus area for us in 2015. We have now completed Biodiversity Value Assessments at all our existing and new mines, enabling us to fully understand the biodiversity value of specific areas affected by our operations.

We also managed some five hectares for biodiversity conservation for every hectare disturbed by our activities during the year. And we hosted a major international conference attended by 180 delegates to share the biodiversity insights gained from research on our conservation properties in southern Africa that together comprise De Beers' Diamond Route sustainability initiative.



SAVINGS FROM REDUCED ENERGY USE AND CARBON EMISSIONS 2013-2015

US\$6.8m

REDUCTION IN FRESH WATER USAGE, 2015

0.9%

Left: Geologists at work in Canada.

Far left: An employee checks aggregate at the Elizabeth Bay Mine treatment plant, Namibia.

WORKING IN PARTNERSHIP



During 2015, we deepened and extended the scope and reach of the many partnerships that sit at the heart of our business. These are fundamental to us and include our 50/50 joint ventures with governments, the way we engage with customers and communities, and our work with external experts and industry bodies to find shared solutions to important sustainability challenges.

PARTNERING WITH GOVERNMENTS

Our partnerships with governments in producer countries are vital to ensuring the long-term sustainability of our operations. For example, our 50/50 joint venture partnership with the Government of the Republic of Botswana is acknowledged to be one of the world's most successful public private partnerships. Much of this success is due to the extent to which our aspirations are aligned:

- More than 70 per cent of our diamond production comes from Botswana
- Twenty-seven per cent of the country's GDP comes from diamonds

- The partnership is the single largest contributor to the country's economy apart from the Government itself

One of the highlights of 2015 was a conference co-hosted in Gaborone by the Government, De Beers and the international think-tank Chatham House, which brought together international and local experts to discuss sustainable development ideas for Botswana's post diamond mining economy.

The discussions included the need to continue to focus on the diversification of Botswana's economy through the transfer of skills and entrepreneurship programmes such as Tokafala and the investment in the people of Botswana to truly connect resources and society.

Live-streamed to over 1,000 people, with the hashtag seen 12.5 million times, this event brought Botswana's future into focus around the world.

Left: State-of-the-art diamond sorting and valuing centre, Gaborone, Botswana, a result of the 50/50 partnership between De Beers and the Government of Botswana.

NUMBER OF YEARS IN 50/50 PARTNERSHIP WITH THE GOVERNMENT OF THE REPUBLIC OF BOTSWANA

46

NUMBER OF YEARS IN 50/50 PARTNERSHIP WITH THE GOVERNMENT OF THE REPUBLIC OF NAMIBIA

21

NUMBER OF YEARS IN 74/26 PARTNERSHIP WITH PONAHALO HOLDINGS, SOUTH AFRICA

9

WORKING IN PARTNERSHIP

In 2015, we also announced an agreement, in principle, for a 10-year sales agreement for the sorting, valuing and sale of Namdeb Holdings' diamonds (including production from both Namdeb and Debmarine Namibia), as well as our continued support for local beneficiation, and a commitment to make more diamonds available for manufacturing businesses operating in Namibia.

The agreement will be the longest sales contract ever agreed in the two-decade partnership, and demonstrates our commitment to ensuring that diamonds from Namibia continue to play a key role in the socio-economic development of the country.

PARTNERING WITH EXTERNAL EXPERTS

As we work toward leaving a positive legacy for our operations, we know that we cannot achieve everything on our own. We also recognise that there is often value for the wider scientific community in some of the research and development work that we undertake. These two factors regularly lead to partnerships between De Beers and outside experts; for example, in 2015:

- our ongoing relationship with the UK's Camborne School of Mines, led to the development of a new climate model for our operations in Venetia, South Africa
- a partnership with academics from Kew Royal Botanic Gardens in the UK, the Gobabeb Research and Training Centre in Namibia and the University of Namibia continued work to protect *Juttadinteria albata*, a highly endangered plant in Namibia's Succulent Karoo region (see case study opposite).

ECO PARTNERSHIPS TO PROTECT TREASURE OF THE DESERT

A small, pretty, low-growing white flower, identified while exploring for diamonds, is a symbol of Namdeb's focus on conserving biodiversity and ensuring 'no significant net loss of biodiversity'.

It's the *Juttadinteria albata*, an increasingly rare plant accorded the conservation status of 'vulnerable' by the International Union for Conservation of Nature.

The flower is found in Namibia's Succulent Karoo region, one of the world's only desert biodiversity hotspots, known for its spectacular landscape, its geology, and the unique plant and animal life it supports.

The region is also home to some of the world's most valuable diamonds, and the Sendelingsdrif Mine. Given the plant's limited distribution, activities around Sendelingsdrif could destroy a significant percentage of the total global population if not managed appropriately. Success in restoring this species will largely depend on how well its habitat needs are understood.

Namdeb saw that an in-depth understanding of the biology and ecology of the plant was needed. So a plan was developed to work in partnership with the Gobabeb Research and Training Centre, the University of Namibia, and the Millennium Seed Bank project at Kew Royal Botanic Gardens to establish how best to restore the plant's habitat after mining activities to protect both the plant and one of the world's most biodiverse landscapes, so it can be enjoyed for generations to come.

Right: *Juttadinteria albata* plant in bloom.



BENEFITS OF THE SENDELINGSDRIF RESTORATION ECOLOGY PROGRAMME PARTNERSHIP

1. Provides Namdeb with ecological information and advice on how to achieve the Sendelingsdrif Ecological Restoration Plan cost-effectively
2. Enables Sendelingsdrif to become an experimental platform on which to conduct innovative ecological research
3. Contributes to Namibian society by facilitating post-graduate training and capacity



WORKING IN PARTNERSHIP

PARTNERING WITH COMMUNITIES

We aim to build relationships with the communities where we operate based on mutual respect and trust, forging partnerships to help meet their development aspirations and build lasting value beyond the life of our mines.

Our work in 2015 to understand how to create economically and socially sustainable communities included the shared planning of the transfer to local authorities of our two remaining 'closed' mining towns – Oranjemund (see case study opposite) in Namibia and Orapa in Botswana. A key element of such planning is developing a post-mining vision that actively helps us to support and enable economic diversification.

We also work through partnerships to ensure that local people can gain the skills needed to benefit from employment opportunities with De Beers and other businesses. One example of this in 2015 was the ongoing partnership between De Beers, Aurora College and the Mine Training Society in Canada. The partnership delivers a 12-week technical programme that introduces students to the skills they need to do a variety of jobs. This includes classroom work and hands-on training using a high-tech simulator where they experience what it's like to drive a scoop tram and haul truck. Students are also offered work experience placements within De Beers' mines during their studies.

WE WILL CONTINUE TO DELIVER ON OUR COMMITMENT TO BUILDING FOREVER.

Below: Children at Bathoen House Primary School, a joint Debswana and Botswana Government owned and managed primary school.



A DIAMOND IN THE DESERT

Sitting between the world's oldest desert, the Namib, and Namibia's skeleton coast, Oranjemund is a town built on diamonds.

Seventy million carats have been recovered from operations based out of this town since it was established in 1928. However, given that this is a company town, the question is: what will Oranjemund's future be when the mine eventually closes?

In 2015, Namdeb and Oranjemund Town Council started a consultation process with local stakeholders through the 'Oranjemund 2030' programme, to identify visions for Oranjemund beyond mining. The process touched all parts of society from the unemployed to senior managers and business owners, from youth to people near retirement.

Seventeen focus groups were organised, representing a range of views, and spontaneous discussions were held in public spaces. Two hundred and three written comments were received, as well as 300 ideas for 'Dreams for Oranjemund 2030' from community centres and churches. Schoolchildren submitted art, stories and poetry.

Namdeb held an open meeting to share the findings. Then there was a two-day workshop with mine management and the Town Council to prepare for action.

Results of the consultation have been fed back into the planning process for Oranjemund 2030. It is only one stage of the ongoing consultation by the Town Council to ensure that the future of Oranjemund is a vision shared by all stakeholders.

By investing now and building partnerships that last, we are working together with stakeholders to chart a course for Oranjemund, beyond diamonds.

NUMBER OF CARATS RECOVERED FROM THE ORANJEMUND AREA SINCE THE TOWN WAS ESTABLISHED IN 1928

70 MILLION

IN 2015, NAMDEB AND ORANJEMUND TOWN COUNCIL STARTED A CONSULTATION PROCESS WITH LOCAL STAKEHOLDERS THROUGH THE 'ORANJEMUND 2030' PROGRAMME, TO IDENTIFY VISIONS FOR ORANJEMUND BEYOND MINING.

Above: Displays of 'Dreams for Oranjemund 2030' art, stories and poetry.

LOOKING FORWARD

As we look ahead, we are better prepared than ever to continue to deliver on our commitments and meet future challenges.

Building on our investment in production, people and socio-economic benefit throughout 2015, we will continue to focus on improving our sustainability performance and approach in 2016.

2016 will be an important year for De Beers as we see significant progress made across our core projects, including the Gahcho Kué Mine in Canada.

On track to produce first ore in the second half of 2016, Gahcho Kué is expected to deliver around 54 million carats over its estimated

13-year life. With this and our other investments, such as the Cut 8 project at Jwaneng Mine in Botswana, the Venetia Underground project in South Africa, and the SS Nujoma exploration vessel in Namibia, we will ensure that diamond revenues continue to play an important role in the economic development of our producer countries far into the future.

In 2015, we saw improvements made across a number of measures and we aim to build upon these in 2016, through our long-term

sustainability improvement plan, including across safety, socio-economic benefit and our water and energy use.

Above all, by working with our partners in governments, communities and business, we will continue to deliver on our commitment to Building Forever, ensuring that the foundations remain solid for years to come.

For more on how we're Building Forever, visit

www.debeersgroup.com/buildingforever



Front cover image:
Sunset at Orapa Game Park, near the Orapa Mine in Botswana, a conservation area set up by Debswana and its business partners.

Photo: Annie Griffiths

Left: Diamond Route – Rooipoort Nature Reserve and the Vaal River.

FEEDBACK

We appreciate your feedback on the 2015 Report to Society in Review or any other aspect of our sustainability performance.

Please contact us at:
Corporate Affairs
De Beers UK Ltd
17 Charterhouse Street, London
EC1N 6RA

Email: buildingforever@debeersgroup.com

Tel: +44 (0) 20 7404 4444
www.debeersgroup.com

ENVIRONMENTAL INFORMATION

This review is printed on Marazion Ultra, which has been sourced from well managed forests independently certified according to the rules of the Forest Stewardship Council®.

Designed and produced by
CONRAN DESIGN GROUP

Printed by Westerham

