

Media release

Natural resources to shared national wealth

De Beers shares its business lessons for a strong Africa with address at leading US think-tank and publication of 2007 Report to Society

11 June 2008 The De Beers Family of Companies has this week articulated its role in the sustainable development of African communities with an address by Gareth Penny, Managing Director of the De Beers Group, to the Council on Foreign Relations (CFR) in Washington DC, and the publication of the De Beers 2007 Report to Society.

In his address to the CFR, Mr Penny said that, while the challenges of operating on the African continent are considerable, “there’s another side to the story – one we call, ‘Africa Working’ – where Africans are not only lifting themselves out of poverty, but collectively lifting their nations to new levels of sustainable prosperity.”

Mr Penny highlighted eight insights from De Beers relating to how business operating in Africa could turn natural resources into shared national wealth.

- Form strong partnerships with Government so you both learn what it takes to succeed for business and for the country as a whole
- Commit to building a citizen-run organization, developing skills at the managerial level
- Help small citizen companies develop by outsourcing your supply chain
- Look to shift skilled value-adding jobs to Africa
- Play an active role in leading the fight against HIV/AIDS and in supporting education. It’s key to your business and your communities’ long-term success
- Focus on the impact of climate change on Africa
- Support international efforts to eliminate corruption and support good governance, which will multiply the positive impact of business ten-fold
- To share the wealth in a sustainable manner, you have to first create it. But, for business, the “how” you create it can make a big difference when it comes to making it sustainable

Mr Penny went on to say, “the sort of joint company ownership De Beers has established in a number of African countries has the dual benefit of ensuring that African citizens have a strong stake in the development of their mining sectors and an understanding of the business



fundamentals, while also helping the company to gain better insight into national goals and aspirations, important to the long-term success of our business.”

De Beers has also today published its 2007 Report to Society, reviewing the company’s economic, ethics, employee, community and environmental performance during 2007, and highlighting the diverse array of sustainable development activities that have been an integral part of the De Beers philosophy for many years. This Report addresses relevant and material issues identified by stakeholders including competition, black economic empowerment, conflict diamonds, HIV/AIDS, human rights, indigenous peoples, small-scale informal diamond mining and climate change.

The Report also documents the role De Beers believes the private sector can play in building a more prosperous Africa. As Nicky Oppenheimer, Chairman of De Beers, notes “the unique contribution that diamonds have made in countries like Botswana, South Africa and Namibia gives us cause to reflect on what lessons might be drawn from this success and whether these might be deployed elsewhere on the continent. We are confident we have a meaningful contribution to make to the ongoing discussion about the role of business in Africa’s development.”

Highlights from the 2007 Report include:

- Payments to partners, joint ventures and suppliers amounted to US\$4.9 billion
- 100% of De Beers diamonds are conflict-free
- Lost Time Injury Frequency Rate improved to 0.18 and Lost Time Injury Severity Rate improved to 22.53
- De Beers social investment spend of US\$19 million was disbursed to more than 750 different projects. This equates to 2% of pre-tax profit
- More than 185 000 hectares of owned and managed property has been set aside as nature reserves that conduct research on biodiversity

As Mr Penny noted in his speech, “we don’t claim to have all the answers, but we do have some insights. We are hopeful that, by sharing what we have learned along the way, we might serve as a model for others seeking to do business in Africa - a model we can all build upon as the world community continues to debate how best to encourage sustainable economic development in Africa.”

The Report can also be found online at the recently re-launched De Beers Group website <http://www.debeersgroup.com>

About De Beers:

De Beers, established in 1888, is the world's leading diamond company with unrivalled expertise in the exploration, mining and marketing of diamonds. De Beers, and its joint venture partners, operate in 25 countries across five continents employing around 20,000 people. From its mining operations across Botswana, Namibia, South Africa, Tanzania and Canada, De Beers produces and markets approximately 40 percent of the world's supply of rough diamonds. As part of the company's operating philosophy, the people of De Beers are committed to *Living up to Diamonds* by making a lasting contribution to the communities in which they live and work. De Beers encourages sustainable working to ensure long-term positive development for Africa, and returns approximately US\$4.7 billion to the continent every year. For further information about De Beers visit www.debeersgroup.com

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