

As one of Africa's major natural resources, diamonds are helping to transform southern Africa and the lives of its people. Through diamonds, countries like Botswana, Namibia and South Africa have taken major steps to build a more prosperous future for themselves.

#### **Diamonds transforming lives**

- ◆ World leaders have publicly recognised the value of diamonds for southern Africa:
  - ◆ Nelson Mandela: "The diamond industry is vital to the southern African economy" [17<sup>th</sup> November 1999]
  - ◆ Thabo Mbeki, 17<sup>th</sup> November 2004: "We know that diamonds are a valued source of employment, foreign exchange, tax revenue, new investments and play a positive role in enhancing the overall economic well being of countries and local communities"
  - ◆ President Mogae of Botswana: "For our people, every diamond purchase represents food on the table; better living conditions; better healthcare; safe drinking water; more roads to connect our remote communities and much more" [7<sup>th</sup> June 2006]
  - ◆ President Mogae of Botswana: "We have prudently used the revenues from diamonds to build a modern nation and a vibrant economy" [7<sup>th</sup> June 2006]
  - ◆ President Mogae of Botswana: "It is thanks to diamonds...that we have seen our country transform from one of the poorest in the world at Independence, to the middle income status that it has now attained" [7<sup>th</sup> June 2006]
  - ◆ President Mogae of Botswana: "I urge you to continue supporting us by buying more and more diamonds because for us the joy of your celebrations with diamonds is also our joy" [7<sup>th</sup> June 2006]

#### **Financial**

- ◆ The diamond trade contributes approximately US\$8.4 billion per year to Africa
- ◆ Approximately 65% of the world's diamonds are produced in African countries
- ◆ De Beers is working in partnership with governments across southern Africa:
  - ◇ 50/50% partnership in Namibia (Namdeb)
  - ◇ 50/50% partnership in Botswana (Debswana)
  - ◇ 75/25% in Tanzania (Williamson)

- ◆ In South Africa De Beers is working in partnership (74/26%) with Ponahalo, its Black Economic Empowerment partner

#### **Botswana**

- ◆ In Botswana, diamonds account for 76% of Botswana's export revenue, 45% of the

government revenue, and 33% (approximately US\$3 billion) of the gross domestic product

- ◆ Botswana produces approximately US\$3.2 billion worth of diamonds a year
- ◆ Since 1966, when diamonds were discovered, Gross Domestic Product (GDP) growth rate has averaged 7%
- ◆ In Botswana, the De Beers and Government of Botswana joint-venture – Debswana – invest approximately P2 million [US\$345,226] in corporate social development projects annually
- ◆ Debswana is the largest corporate responsibility contributor to the socio-economic development of Botswana
- ◆ Over the past 25 years, Botswana has had one of the fastest growing economies in the world

#### Namibia

- ◆ In Namibia, diamonds account for more than 40% of the country's export revenue, 7% of the government revenue and approximately 10% of the country's GDP
- ◆ Namibia produces approximately US\$0.7 billion worth of diamonds a year
- ◆ In Namibia, the De Beers and Government of Namibia joint-venture – Namdeb – invests approximately N\$2 million [US\$296,386] in corporate social development projects annually
- ◆ Namdeb is the largest corporate responsibility contributor to the socio-economic development of Namibia

#### South Africa

- ◆ South Africa produces approximately US\$1.6 billion worth of diamonds a year
- ◆ In South Africa, De Beers Consolidated Mines invests approximately R28 million [US\$4,148,419] in a wide range of corporate social development projects annually
- ◆ In Kimberley, South Africa, De Beers has invested R50 million [US\$7,407,890] transforming the mine into a tourism facility, creating jobs and business opportunities for the community

#### Angola

- ◆ Angola produces approximately US\$1.5 billion worth of diamonds a year

#### Sierra Leone

- ◆ Sierra Leone exported approximately US\$142 million diamonds in 2005

#### Health

- ◆ Revenues from diamonds help fund the construction of hospitals, medical centres and hospices, ensuring that more than 5 million people have access to appropriate healthcare worldwide

- ◆ In 1999, De Beers contributed more than US\$3 million to a project to fight polio in Angola
- ◆ De Beers is a corporate member of the Global Health Council (GHC)
- ◆ De Beers is “leading by example at the global, national and local levels to develop partnerships and alliances to address global health challenges”. Elizabeth Ashbourne, AIDS Campaign Team for Africa, World Bank
- ◆ De Beers annually funds two African graduates to study for Masters Degrees in public health at the Bloomberg School of Public Health, USA

#### Tackling HIV/AIDS

- ◆ De Beers supports organisations that provide counselling services and funds outreach projects aimed at changing teen sexual behaviour
- ◆ In 2004, the De Beers Group (including DBCM, Debswana and Namdeb) received a commendation at the Global Business Coalition Business Excellence Awards for its workplace programme
- ◆ The joint HIV/AIDS submission, which highlighted the companies’ efforts in South Africa, Botswana and Namibia, was one of only ten business-driven projects chosen to receive the International Chamber of Commerce (ICC) World Business Awards in support of the Millennium Development Goals. More than sixty nominations from 27 countries were submitted
- ◆ Since 1999, Jewelers for Children, a US-based charity, has raised more than US\$23 million in special programmes to reach children orphaned or made vulnerable by HIV and AIDS

#### Botswana

- ◆ Debswana is the first mining company in the world to offer free anti-retroviral treatment (ART) to HIV positive employees and their spouses as part of a comprehensive disease management programme outside of a medical insurance scheme, and has since extended treatment to the children of its employees
- ◆ Today, Debswana is registering fewer deaths as a result of AIDS-related conditions, following implementation of its ART programme
- ◆ Debswana responded to the first AIDS cases reported in 1988 and 1989 with education and awareness campaigns
- ◆ In 2003, Debswana entered into a partnership with the Ministry of Health to make its healthcare facilities available to the general public

#### Namibia

- ◆ Namdeb has formed a strategic alliance with NABCOA (local business coalition), assuming a leadership role to assist companies and the public sector set up HIV/AIDS workplace programmes
- ◆ Namdeb is providing guidance on the development of national awareness programmes on the treatment of HIV and AIDS, and voluntary counselling and testing (VCT) as part of a think-tank in conjunction with the Ministry of Health and Social Services

#### South Africa

- ◆ De Beers was the first mining company in South Africa to extend free ART to HIV positive employees, employee life partners retired or redundant employees as part of a comprehensive disease management programme
- ◆ The De Beers Fund invested more than R3.5 million [US\$519,303] to 22 HIV/AIDS related initiatives in 2005
- ◆ In 2004 De Beers received a World Business Award for its HIV/AIDS programme
- ◆ De Beers Consolidated Mines and the Soul City: Institute for Health and Development Communication have announced a partnership worth R7.5 million [US\$1,096,523] over the next three years to promote health and development through the use of mass media
- ◆ In 2005, De Beers received an award from the Global Business Coalition in recognition of its HIV testing programme for employees. Around 80% of all employees in South Africa volunteered to know their status in 2005

#### Education and skills

- ◆ In 2005, 38% of De Beers' charitable donations were spent on education – more than any other sector for its corporate support

#### Botswana

- ◆ Due to the revenues generated by diamonds, every child in Botswana receives free schooling to the age of 13
- ◆ In 1966 there were only three secondary schools in Botswana, now there are more than 300
- ◆ De Beers funds scholarships and Botswana employs a number of teachers who work in local village schools
- ◆ Beyond primary school, education is 95% funded by the government

#### Namibia

- ◆ In 2005, Namdeb helped purchase computers and software programmes valued at N\$165,750 [US\$24,574], to support the training of skilled artisans for the mining industry
- ◆ In 2005, Namdeb donated microscopes to the University of Namibia worth N\$78,000 [US\$11,564] to help address science skills shortages
- ◆ Namdeb established a Women's Action for Development office at a cost of N\$132,000 [US\$19,570]

#### South Africa

- ◆ In South Africa, De Beers has funded the building of 12 schools directly supporting the education of approximately 12,000 pupils
- ◆ Since 2003, the De Beers Fund has invested R8 million [more than US\$1.1 million] to

the Rural Schools programme in the Limpopo province and has secured matching funding in a partnership with the local Department of Education

- ◆ De Beers and the Diamond Foundation for South Africa have sponsored the training of more than 1,000 students in diamond cutting and polishing, helping to make employment accessible to those previously excluded from the diamond industry
- ◆ The Diamond Trading Company Shining Light Diamond Design Awards promote South African jewellery design talent and create opportunities for skills development and job creation
- ◆ The De Beers Superstones is a field band for 10-21 year-olds in Kimberley which has helped more than 320 children. The band helps the children build both musical and essential life skills, as well as keeping them occupied after school. Band members are educated about HIV/AIDS, information that they then pass on to their peers

### Employment

- ◆ More than 21,000 people are provided with direct employment through De Beers, of which 17,000 are in Southern Africa

#### Botswana

- ◆ Debswana employs 6,500 people – 96% of employees are from Botswana
- ◆ The diamond mining industry is the largest single employer in Botswana after the government
- ◆ 25% of employment in Botswana is directly or indirectly linked to diamonds

#### Namibia

- ◆ The Namibian diamond industry employs 4,000 people
- ◆ The diamond mining industry is the largest single employer in Namibia after the government

#### South Africa

- ◆ For decades the diamond industry has been one of the major industries in South Africa and currently employs 28,000 people in mining, sorting, valuing, cutting, polishing, jewellery retail and jewellery manufacturing

### Empowerment

- ◆ De Beers believes economic empowerment is an integral part of South Africa's transformation process, encouraging the redistribution of wealth and opportunities to previously disadvantaged communities and individuals, including blacks, women and people with disabilities
- ◆ In April 2006, De Beers completed the sale of a 26% equity interest in De Beers Consolidated Mines Limited to Ponahalo Holdings, a broad based black economic empowerment (BEE) company, ahead of the Minerals Development Act target of 2014. Ponahalo Holdings will be jointly owned by Ponahalo Investment Holdings and

De Beers employees and pensioners

**Environment**

- ◆ De Beers Group has set aside nature reserves and has given land to the South African National Parks to help create a world heritage site
- ◆ Williamson diamond mine – a partnership between De Beers and the Government of Tanzania – has a reforestation project that has already planted more than 80,000 trees
- ◆ The De Beers Fund worked with Food & Trees for Africa to help reduce poverty and improve the environment by planting 150 fruit trees and supporting activities to promote sustainable skills
- ◆ More than 80% of De Beers mining operations are currently certified to ISO 14001
- ◆ De Beers uses 50% non-drinkable water and 20% recycled water in its mining operations

**Preserving heritage**

- ◆ The De Beers Fund currently supports more than 100 arts, culture and heritage projects
- ◆ De Beers Fund has supported two World Heritage sites; the Mapungubwe region and the Sterkfontein Caves

**Building consumer confidence**

De Beers Best Practice Principles guarantee the highest social, ethical and environmental standards are adhered to. They cover all organisations that receive supplies of rough diamonds from the DTC and are independently audited

- ◆ More than 99% (99.8%) of diamonds are from conflict free sources through a UN mandated system (the Kimberley Process)

DE BEERS  
A DIAMOND IS FOREVER

