

2011 Assurance and Compliance Supplement

REPORT TO SOCIETY

DE BEERS

FAMILY OF COMPANIES

A gemologist appraises a diamond, cut and polished by a Sightholder in Botswana.

This Supplement provides additional information on the production and content of the De Beers Family of Companies 2011 Report to Society. De Beers is committed to reporting transparently and accurately on its financial and non-financial performance. We engage with stakeholders on a continuous basis to identify and understand their expectations of us as a business, including our approach to reporting.

This Supplement details the processes we undertook in 2011 to shape and inform the content of the Report to Society. It also provides additional assurance on the information in the report, including first party assurance on internal audit and risk

management by the De Beers Group Manager for Internal Audit; third-party assurance on the Best Practice Principles Assurance Programme by SGS; and the third-party assurance/verification opinion of SGS UK Ltd on the Report to Society.

In their independent assurance of the Report to Society, SGS UK Ltd were of the opinion that De Beers reporting was in line with Application level A+ of the Global Reporting Initiative (GRI) (see below). This Supplement also provides a GRI Compliance Table we have prepared to help stakeholders quickly find the information they want.

Independent Assurance Statement

SGS United Kingdom Ltd was commissioned by De Beers to conduct an independent assurance of the De Beers Report to Society 2011.

In addition we have carried out a full evaluation of the GRI Application Level against GRI G3 (2006) and the requirements of the GRI Mining and Metals Sector Supplement. This evaluation includes the contents of the Report to Society, the GRI compliance table contained in this Supplement, and the Operating and Financial Review 2011.

We are of the opinion that De Beers' reporting is in line with Application level A+.

Our full assurance statement can be found in the De Beers Report to Society 2011, p66-67.



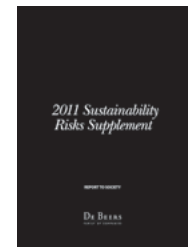
Reports referenced



Report to Society 2011



Operating and Financial Review 2011



2011 Sustainability Risks Supplement

These documents are available for download from www.debeersgroup.com.

Page number references provided in this supplement are to the Report to Society 2011 (RtS), except where noted as being for the Operating and Financial Review 2011(OFR).

Feedback

We appreciate your feedback on the 2011 Report to Society or any other aspect of our sustainability performance. Please contact us at:

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Improving our sustainability performance

We engage with stakeholders in a number of formal processes to inform our approach to sustainability reporting.

Engagement on reporting

We engage with stakeholders on our sustainability performance management at a Group level in two formal processes on an annual basis. The insight, recommendations and constructive criticism we receive through the Managers' Perception Survey and the Multi-Stakeholder Forum, shape our sustainability management strategy and practice. In 2011, findings from the two processes particularly informed our approach to reporting (see Table 1, p3), and were used to identify and prioritise issues of concern to stakeholders (see both tables, p3).

Multi-Stakeholder Forum, 2011

We held our fourth Multi-Stakeholder Forum in December 2011, inviting external experts to critique our sustainability reporting and approach, and engage with senior management. Discussions focused on topics such as tackling the resource curse, policy development, biodiversity, corruption, and De Beers' role as an agent for community development in Africa. As with our previous reports, participants in the forum (see box right) elected to present a series of questions regarding relevant and material issues instead of a formal assurance statement.

The Forum was facilitated by Salterbaxter, and attended by senior De Beers management including the Head of Public Affairs, Head of International Affairs, CEO Forevermark, Group Technical Director, and the Group Environmental Principal.

Our answers to some of these questions are presented throughout the 2011 Report to Society in the boxes marked as 'Stakeholder questions'.

Managers' Perception Survey, 2011

Each year we implement a Managers' Perception Survey to learn more about how employees use our Report to Society and whether it covers the appropriate issues. Our 2011 survey was sent to over 100 employees, including those who contributed to the Report to Society 2010, as well as all senior leaders across the Family of Companies.

Diamond Dialogues

De Beers has convened an ongoing series of 'Diamond Dialogues' since 2007, drawing together industry, civil society and policy actors to discuss key sustainability issues relevant to mining, development and Africa. Thirteen dialogues have been held to date in Brussels, London, and Washington. In 2011, one dialogue was held in London and focused on the challenges and opportunities of water management. Issues of concern raised by stakeholders in these sessions also informed the material issues reported in the Report to Society this Supplement accompanies (see Table 2, p3).

Participants in the 2011 Multi-Stakeholder Forum included representatives from:

Government

- UK Government's Department for Business, Innovation and Skills
- UK Government's Foreign and Commonwealth Office

NGO sector

- CDP Water Disclosure
- Fauna & Flora International
- Institute for Human Rights and Business
- WaterAid
- Transparency International

Sustainability service providers

- PricewaterhouseCoopers
- Lifeworth Consulting Services
- SGS UK

Media

- The Sunday Standard, Botswana

Table 1:

Stakeholder feedback on our reporting approach, 2011

	MPS	MSF
Aspects of the Report considered most useful/favourable		
Performance reporting	Presentation of data for reference; good coverage of all key topics and material issues.	Breadth and detail of information provided. Shorter Summary Review for 2010 preferred.
Management approach	Information on management practices, policies and position.	Clarity and detail on approach, frank tone. Clarity on business case for action on each issue.
Compliance and assurance	Adherence to global best practice standards.	Independent third-party assurance by SGS.
Design and layout	Accessible, strong design.	Engaging, easy to read, clearer messaging than previous years.
Reporting recommendations		
Tone		Focus on opportunities as well as risks; report on dilemmas/challenges as well as successes. Use more accessible language.
Content	More safety information/case studies; Breadth good, but more detail could be reported.	Bring out 'diamonds for development' story more strongly. Clarify risk identification process, and definition of duration of risks. Provide more context for the data within the report.
Format and distribution	Better web access; produce 2-page summaries to distribute more widely/increase accessibility.	Ensure targeted distribution to stakeholders and don't judge success by downloads. Look for additional distribution channels for information, outside report.
Performance reporting	Clarity on who is reporting, i.e. 'Family of Companies'.	Set and communicate performance targets and Key Performance Indicators.
Management approach		Provide information on the overall sustainability strategy and vision. Show the linkages between management of sustainability issues (i.e. water as a social and environmental issue).

Key

MSF: Multi-Stakeholder Forum

MPS: Managers' Perception Survey

DD: Diamond Dialogue

Table 2:

Relevant and material issues identified through formal, Group-level engagement with stakeholders, 2011

	MPS	DD	MSF	Page in Report
Economics				
The role of De Beers in contributing to social and economic development, specifically in southern Africa.		√	√	17-23
Political lobbying, and the use of political leverage for diamond revenue transparency/EITI support.			√	11,21
Ethics				
Corruption risk measurement and management.			√	29-30
Human rights management.			√	29
Conflict diamonds and the Kimberley Process.			√	28-30
Employees				
Safety.	√			38-39
Remaining an employer of choice. Managing the ongoing effects of the global financial crisis on employees.			√	40-42
Communities				
Community engagement strategy and performance; transparency around Impact Benefit Agreements in Canada.			√	46-53
Closure planning and management in relation to communities.			√	53,61
Environment				
Environmental rehabilitation activities, and monitoring of the environmental impacts of seabed mining.			√	61
Water use and climate change policy.		√	√	59-60
No net loss to biodiversity.			√	62-63

First-party assurance on internal audit and risk management

Statement from De Beers Internal Audit on selected material issues including internal auditing, the Best Practice Principles, the Kimberley Process, anti-money laundering and integrated reporting.

Internal Audit statement

De Beers Internal Audit (DBIA) is an independent, objective assurance and consulting activity designed to add value and improve the operations of the De Beers Family of Companies. DBIA has been mandated by the Board Audit Committee, a sub-committee of the Board of De Beers Société Anonyme (DBsa), to ensure that the major risks facing the Family of Companies are identified and given appropriate audit focus. Risk management, internal control and governance processes are systematically reviewed to assist the Family of Companies accomplish its objectives. DBIA submits an annual report to the Board Audit Committee on the status of governance, internal control and the appropriateness of risk management.

All DBIA reviews are performed in accordance with the International Standards for the Professional Practice of Internal Auditing as prescribed by the Institute of Internal Auditors (IIA). Our Quality Assurance and Improvement Programme (introduced in accordance with IIA Standard 1300) found DBIA to be 'generally compliant' with the IIA Standards, the highest rating on the degree of conformity scale.

Risk-based internal auditing

DBIA follows a prescriptive, documented risk-based audit methodology that culminates in its annual report on risk management, the internal control environment and governance to the Audit Committee. The audit plan is derived from the De Beers Enterprise Risk Management system. The Group Risk Champion consults on and assists with the facilitating risk management workshops at all levels to ensure a complete and appropriate risk management system. The risk management process collates information from value centres and offices globally to business units and ultimately to enterprise level.

DBIA participates on the Principles Committee to ensure that good governance and risk management are appropriately applied. Audit work includes a thorough review of internal systems, procedures and programmes of work for each business function and area of major business risk. DBIA also collates reports from managers on the integrity of internal controls, the safeguarding of assets and risk management, as well as ethical, social and environmental matters. It also considers reports produced by external assurance providers.

The DBIA annual report to the DBsa Audit Committee, which was submitted in February 2012, included the following opinion: "I can confirm that in my opinion the internal controls are adequate to ensure that the financial records may be relied on for preparing the reports to directors and shareholders, and for maintaining accountability for assets and liabilities. In my opinion, in all material instances, assets are adequately protected and used as intended with appropriate authorisation and all significant business risks have been identified and appropriate mitigating strategies are in place.

"No matters have come to my attention during the year ended 31 December 2011 that indicate any breakdown of such magnitude has occurred in the functioning of these internal controls, procedures and system of the Group, which in my opinion, would affect the fairness of presentation of such reporting, and therefore financial decisions based thereon."

Best Practice Principles

In 2011, the scope of DBIA's review of the Best Practice Principles Assurance Programme (BPPs) was focused on ensuring that the programme continued to be supported by good governance. The scope also provided for consulting on the Responsible Jewellery Council (RJC) certification questions incorporated into the BPP workbook process.

Kimberley Process compliance

The Kimberley Process is a joint government, diamond industry and civil society initiative that requires participants to certify diamond shipments are conflict free. Compliance with the Kimberley Process is a legal requirement for participating countries. A review of the fact-finding reports, issued by independent auditors, confirms that relevant business units comply with the requirements for De Beers to have its compliance with the Kimberley Process externally assessed.

These reviews sought to assess De Beers' compliance with respect to the Kimberley Process Certification Scheme (KPCS) on the international trade in rough diamonds, in accordance with European Council Regulation (EC) No 1574/2005. The assessments related to the period commencing 1 January 2011 and ending 31 December 2011. The major Kimberley Process compliance criteria are also reviewed as part of the third-party verified BPP Assurance Programme. No material breaches or non-compliance with the Kimberley Process were identified in the 2011 BPP assurance cycle.

Implementation of the Anti-Money Laundering Policy

In 2006, De Beers developed and communicated a policy on Anti-Money Laundering and Combating the Financing of Terrorism. The policy reflects the deep-seated commitment of the Family of Companies to maintaining the continued confidence of its stakeholders and the integrity of its product. DBIA's 2011 review of the implementation and progress of the policy highlighted that all business units and applicable group functions have implemented the policy.

Integrated reporting

In November 2010, the DBsa Audit Committee updated its Terms of Reference to include a role for the Audit Committee in providing oversight of integrated reporting by DBsa. This was in response to the King Code of Governance for South Africa, otherwise known as the King III Report. This reflects a broader drive for the integrated reporting of financial and non-financial performance, to embed sustainability considerations into commercial practice. In 2011, the Audit Committee provided oversight of the further steps towards integrated reporting undertaken in the 2010 Report to Society, including commissioning third-party assurance.



Brian Cleak
Group Manager: Internal Audit
De Beers Corporate Headquarters
Johannesburg, South Africa, 24 February 2012

Independent Assurance of the Report to Society 2011

We commissioned SGS United Kingdom Ltd (SGS) to conduct an independent assurance of the Report to Society 2011. SGS evaluated the content of the report according to the Global Reporting Initiative principles provided in the GRI G3 (2006) and AA1000AS (2008). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and 2011 data in accompanying tables, contained in the Report to Society.

The full assurance statement is provided on p66-67 of the Report to Society, available for download from www.debeersgroup.com/sustainability. In their statement, SGS provide the following verification/assurance opinion:

“On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within the Report to Society 2011 verified is accurate, reliable and provides a fair and balanced representation of De Beers’ sustainability activities in 2011.”

The assurance team is of the opinion that the Report to Society 2011 can be used by the reporting organisation’s stakeholders. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.”

Third-party assurance on the BPP Assurance Programme

Statement from SGS on the De Beers Group 2011 cycle of the De Beers Best Practice Principles Assurance Programme (BPPs), including scope, work undertaken, the BPP programme, verification methodology, key findings and recommendations.



Role of SGS in the BPP Programme

Appointment of SGS

Following a tender process beginning in April 2003, SGS was invited to present their proposal and following responses to additional information was advised of their selection as the verification partner in July 2003.

SGS is the world's largest independent verification and certification organisation and has no commercial interests. SGS continues to maintain a vigilant system to ensure that conflicts of interest do not arise through the provision of additional services to Sightholders or the De Beers Family. This has been supplemented by further safeguards since SGS gained accreditation as a Certification Body for the Responsible Jewellery Council who also has interests in this regard.

Scope of work and evolution of programme

In 2011 the SMART system was updated to fully align question sets with the Responsible Jewellery Council (RJC) Principles and Code, maintaining the BPP requirements where these were already at a higher level. For De Beers, findings on the on-site assessments were rated in accordance with the RJC programme. In the meantime, Sightholders were given the opportunity of integrating RJC certification visits into their BPP programme during 2011 in order to provide an efficient approach and to leverage the areas of commonality.

The scope of work undertaken by SGS as the BPP verifier for the 2011 cycle comprised the following:

- Desktop review of a sample of the workbooks submitted by Sightholders and those submitted by the De Beers Family of Companies. This process verifies that all required workbooks have been submitted; that all questions have been answered; that the responses to the questions support the compliance status declared in each case and to test that conclusion by requesting supporting evidence on a random number of questions.
- Verification visits on up to 10% of the declared facilities to check that the original first party assessments have been undertaken thoroughly both by discussing this with the assessor and by seeking first-hand evidence of compliance with the issues concerned.
- A series of unannounced audits were conducted at a number of facilities belonging to one Sightholder to follow up on previous findings and evaluate level of compliance of facilities not previously declared to the BPP programme.
- Provision of information relating to the compliance status of Sightholders' and De Beers' facilities and details of any significant issues. This information is provided in accordance with the confidentiality requirements imposed by the Supplier of Choice Ombudsman.
- Ongoing support in aligning the BPP and RJC processes.

In 2011, responsibility for the hosting and maintenance of the SMART system was transferred to the De Beers IT team.

Work undertaken on De Beers Group facilities

73 workbooks were submitted across all eligible De Beers facilities including six for contractors.

19 reviews were conducted and completed during the cycle. 10 verification visits were also completed including the three that had been carried forward from the 2010 cycle due to problems in gaining security clearance in time.

The BPP programme

The evaluation points of the Best Practice Principles have been fully aligned to the RJC Principles and Code while the ratings continue to take a more flexible approach, taking account of the common practices and endemic issues in the industry and countries covered. This is in line with the wider body of programmes covering business partner evaluation.

For the De Beers Family of Companies, the requirement for the submission of self-evaluations was completed to the agreed deadlines. These were rated according to the RJC programme in preparation for a full certification in 2012 and corrective action plans have been submitted. This has included working with their contractors to ensure that they also meet their requirements.

Verification methodology

The verification process is undertaken in three stages:

- In the country of operation, workbooks are reviewed by a qualified auditor. For Sightholders, this is a Social Auditor, cross-trained in Environmental Management and briefed on the requirements of the Best Practice Principles. For De Beers this is an RJC accredited auditor.
- Local reviews are then submitted to a central review point where these are crosschecked to ensure consistency by country and key points.
- An average sample of 10% of facilities is selected centrally for onsite verification to check the effectiveness of the first party assessments and to evaluate at first hand the situation on the ground.

In 2012 the RJC-aligned workbook was used with the SMART tool applying the same risk assessment approach.

Key findings

Workbooks were all received within the required timescales. Due to the changes in key personnel within the De Beers companies there were some delays in providing the additional evidence requested to test responses and, as a result, verification for some workbooks had to be based on the business's declarations.

The facilities to visit were selected on a risk-based approach informed by experience from previous cycles. Specific attention was paid to facilities with mining operations based on the risk approach taken and the increased requirements contained in the RJC Mining Supplement.

Most infringements in the De Beers facilities found in the course of previous cycles have been rectified with evidence of implementation verified either on site or through the workbooks. However, a small number of minor issues from previous cycles remain open and discussions are continuing to ensure the evidence is uploaded as required.

In the 2011 cycle, Major Breaches were identified at four facilities. Some relate to a lack of evidence to support compliance to the additional requirements in the RJC-aligned workbook. However, Health & Safety issues were also found at two locations. In the case of one location, evidence of implementation of corrective actions is still awaited in order to be able to close out these issues.

Overall summary

Policies and procedures are now generally embedded into normal operations for De Beers facilities and there is a commitment to meeting the requirements of the RJC and achieving certification on 2012.

In the 2011 cycle, no Material Breaches were identified during first- or third-party assessments. The Major Infringements are being tackled and communication is ongoing to obtain evidence of corrective actions.

Recommendations for future development

2012 will see the formal certification programme for the De Beers Family of Companies which is to be undertaken by a separate team of auditors with a different reporting line with no previous involvement in the BPPs so as to avoid conflict of interest.

Sightholders who are certified to the RJC will be able to present this as part of their evidence of compliance to the BPPs. Those who are members of the Responsible Jewellery Council but have not yet undergone certification will continue to have the opportunity to undergo a combined BPP/RJC verification with the possibility of this leading to a Recommendation for Certification against that programme.



Effie Marinos
SGS United Kingdom Ltd
9 March 2012
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GRI Compliance Table

De Beers Family of Companies Report to Society 2011

This table sets out how the Global Reporting Initiative (GRI) Reporting Framework has been applied in our sustainability reporting, and how our reporting links to the UN Global Compact and UN Millennium Development Goals. It primarily covers the De Beers Family of Companies Report to Society 2011 (RtS) – Living up to Diamonds – and makes reference to the Operating and Financial Review 2011 (OFR). We have prepared the table in order to help stakeholders quickly find the information they want.

Application of the GRI Reporting Framework forms a key part of our commitment to continuous improvement and to achieving the highest levels of sustainability performance. It is our belief, and the independent assessment of SGS, an assurance provider, that we have applied the GRI Reporting Framework to the highest A+ standard.





Report to Society
2011



























Operating
and Financial
Review 2011














2011
Sustainability
Risks Supplement

Indicator shading	Extent of reporting	UN mechanisms
'core indicators'	 Partially reported	1 UN Global Compact Principles
'additional indicators'	 Fully reported	1 UN Millennium Development Goals

Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
Profile					
1. Strategy and Analysis					
1.1	Statement from the most senior decision makers of the organisation about the relevance of sustainability to the organisation and its strategy.	2-5			
1.2	Description of key impacts, risks, and opportunities.	10-15, 18, 28, 38, 48, 58			
2. Organisational Profile					
2.1	Name of the organisation	Back cover			
2.2	Primary brands, products, and/or services.	Inside Front Cover (IFC); back cover; Operating and Financial Review (OFR) PDF 2-3			
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	IFC; OFR PDF 2-3			
2.4	Location of organisation's headquarters.	Back Cover			De Beers Société Anonyme is headquartered in Luxembourg.
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	IFC			
2.6	Nature of ownership and legal form.	IFC; OFR PDF p.3			
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	IFC; 18-20; 21-22; OFR 2-3; 6; 14-18			
2.8	Scale of the reporting organisation, including: <ul style="list-style-type: none"> • Number of employees; • Net sales (for private sector organisations) or net revenues (for public sector organisations); • Total capitalization broken down in terms of debt and equity (for private sector organisations); and • Quantity of products or services provided. 	IFC; 5; 8-9; OFR PDF 2-3; 5-8; 19-22			
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	2-4; 8-9; 18-20; 19-20; 40; 53; 61			





Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
2.10	Awards received in the reporting period.	3; 4; 14; 62; 63; OFR PDF 10; 16			
3. Report Parameters					
Report Profile					
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Contents page			Information provided in the Report to Society 2011, and Operating and Financial Review 2011, refer to the calendar year (January 1 to December 31, 2011).
3.2	Date of most recent previous report (if any).	Contents page			
3.3	Reporting cycle (annual, biennial, etc.)	Contents page			
3.4	Contact point for questions regarding the report or its contents.	Back cover			
Report Scope and Boundary					
3.5	Process for defining report content <ul style="list-style-type: none"> • Determining materiality; • Prioritising topics within the report; and • Identifying stakeholders the organisation expects to use the report. 	14-15; 10-11			
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Contents page			
3.7	State any specific limitations on the scope or boundary of the report.	Contents page			
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	Contents page			
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	19-20; 32; 42; 51			
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	23; 39; 51; 59-60			
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	GRI table			No significant changes were made to scope, boundary or measurement methods other than described elsewhere in the Report to Society 2011.
GRI Content Index					
3.12	Table identifying the location of the Standard Disclosures in the report.	GRI table			









Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
Assurance					
3.13	Policy and current practice with regard to seeking external assurance for the report.	12-13; 14; 28; 32-33; 34-35; 48; 58; 66-67; Assurance and Compliance document			The 2011 Assurance and Compliance Supplement to the Report to Society contains our first party assurance statement from De Beers Internal Audit; a third party assurance summary of the 2011 Report to Society by SGS; and a third party assurance statement on the BPP Assurance Programme by SGS.
4. Governance, Commitments, and Engagement					
Governance					
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	10; 12-13; OFR PDF 23-24; 26-27		10	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organisation's management and the reasons for this arrangement).	OFR PDF 23-24; 26-27		10	
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	OFR PDF 23-24; 26-27		10	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	OFR PDF 23-24; 26-27			
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	GRI table		10	The Remuneration Committee comprises a majority of directors who do not hold executive office in De Beers, its subsidiaries or investments. It approves remuneration for executive directors on the Board and other senior managers including those on the Executive Committee. The Remuneration Committee ensures that rewards are linked to both group and individual performance and are commensurate with market rates. Both group and individual performance include non-financial performance metrics such as social and environmental criteria, which include adherence to effective risk management and compliance. The exact remuneration structures of senior managers and other employees at subsidiaries and investments is informed by group policy and performance, but determined separately by the respective boards, committees and finance and human resource functions of each company.

Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	GRI table		10	A number of structures exist to ensure conflict of interest is avoided in line with external best practice standards. These include the Best Practice Principles Assurance Programme (BPPs) and the Directors Conflict of Interest Policy. Existing statements in our Code of Conduct and Business Ethics also require all personnel to act in the best interests of De Beers and its shareholders. The Code also prohibits involvement in business interests that conflict with the Principles and policies of the Family of Companies or that might compromise independence in decision-making.
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	GRI table		1-10 1-8	The appointment of directors is based primarily on the extent to which they represent the interests of the shareholders and are able to provide strategic guidance on the direction, values and performance of the Company. This includes with respect to the Principles, ECOHS policies and related sustainability and reputational risk management. The term of office for each director is limited by law and the constitutional documents of the Company to six years, but directors are eligible for re-election by the shareholders. The terms of office of those directors appointed by the majority consent of shareholders has been limited to periods of three years, with the opportunity for re-election by shareholders. Shareholders also have the ability to terminate appointments, if necessary, prior to the completion of the appointed term of office. Board continuity is fundamental to the sustained success of the De Beers Group. This requires an on-going resource and skills identification to be performed by the Board in consultation with shareholders. Board members are able to supplement their own expertise on issues pending decision by obtaining independent professional advice. The Company Secretary coordinates the provision of professional advice to ensure that advisors are appropriately briefed, provided with relevant information and paid on completion of the assignment. The results of any advisory engagement are also made available to other members of the Board.
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	10; 12-13; 32-35; 48; 58-62; 68		1-10 1-8	
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	10; 12-13; OFR PDF 23-24; 25		1-10 1-8	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	12-13; OFR PDF 23-24; 25		1-10 1-8	








Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
Commitments to External Initiatives					
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	2-3; 10; 12-13; 29-30; 32-33; 38-39; 43; 48-49; 52; 53; 58-62		7	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	11; 21; 28-29; 33; 59		1, 2, 4, 5, 10 1, 4-8	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations.	11; 21; 33;			Membership of the World Economic Forum's Partnering Against Corruption Initiative (PACI).
Stakeholder Engagement					
4.14	List of stakeholder groups engaged by the organisation.	10-11; Assurance and Compliance document p.2-3			
4.15	Basis for identification and selection of stakeholders with whom to engage.	10-11			
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	10-11; Assurance and Compliance document p.2-3			
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	10-11; 14-15; 19; 23; 30; 41; 49-50; 52; 61; 62; Assurance and Compliance document p.2-3		1-10 1-8	
5. Management Approach and Performance Indicators					
Economic Performance Indicators					
Aspect: Economic Performance					
DMA	Management Approach disclosures.	8-9; 18-20; 21-23; OFR PDF 4-8			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	6-7; 8-9; 17; 18-20; OFR PDF 5-8; 21-22		1-8	
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	59-60		8 7	



Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
EC3	Coverage of the organisation's defined benefit plan obligations.	GRI table			Employee benefits differ between operations and tend to include leave, sick leave, maternity and paternity leave, medical aid, pension plans, life insurance and compensation for injuries or disease at work. In South Africa, for example, permanent employees have access to the De Beers Pension Fund, which manages defined benefits and a defined contribution scheme.
EC4	Significant financial assistance received from government.	GRI table			No significant financial assistance was received from government in 2011.
Aspect: Market Presence					
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	GRI table			De Beers pays more than the local minimum wage in all of the countries in which it operates.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	6-7; 17; 23			See Figures 1a and 1b.
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	GRI table			At DBCM, a total of 77% of our permanent workforce is made up of Historically Disadvantaged South Africans (HDSAs) (excluding white females). HDSAs also make up 31.4% of managers at DBCM. At Debswana, a total of 96.1% of the workforce is made up of local citizens. Local citizens also make up 73% of managers at Debswana. At Namdeb, a total of 87.8% of our permanent workforce is made up of Historically Disadvantaged Namibians (HDNs). HDNs also make up 43.9% of managers at Namdeb. (see also figure 8)
Aspect: Indirect Economic Impacts Core					
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement.	49-50; 51; 52-53		1-8	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	17-25; 48-50			
Environmental Performance Indicators					
DMA	Management Approach disclosures.	57-58; 59-60; 61; 62; 64-65			
Aspect: Materials					
EN1	Materials used by weight or volume.	GRI table		8 7	The processes used within exploration laboratories and ore treatment plants do in some cases require hazardous materials. Replacing, minimising and eliminating the use of these hazardous substances forms the basis of our hazardous materials and waste strategy. The actual mining process does not require the use of hazardous substances. See Figure 2.






Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
EN2	Percentage of materials used that are recycled input materials.	GRI table		8 7	Water is a key input into the processing stages of treatment of ore for diamond extraction. We recycle 46% of water at our southern African operations (see EN10).
Aspect: Energy					
EN3	Direct energy consumption by primary energy source.	6-7; 60		8 7	
EN4	Indirect energy consumption by primary source.	60		8 7	
EN5	Energy saved due to conservation and efficiency improvements.	60		8 7	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	60		8 7	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	60		8 7	
Aspect: Water					
EN8	Total water withdrawal by source.	6-7; 59		8 7	Water use – as opposed to withdrawal – (by category of water type e.g. potable and non-potable water) is reported and includes figures for water withdrawn from sources such from the pit at Victor Mine. For example at Venetia Mine, water is withdrawn and stored and the use thereof is reported.
EN9	Water sources significantly affected by withdrawal of water.	59; 64-65		8 7	
EN10	Percentage and total volume of water recycled and reused.	6-7; 60		8 7	
Aspect: Biodiversity					
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	6-7; 62-63		8 7	In Southern Africa, both Namaqualand mines and the Namdeb operations fall within the Succulent Karoo Biome – one of the Biodiversity Hotspots of the world where 40% of the species found there are endemic. The Diamond Route properties have or are associated with important biodiversity e.g. the Dronfield properties lie adjacent to the Kamfersdam KBA.





Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	62-63		8 7	There are no activities within protected areas other than water abstraction for Venetia Mine within the Mapungubwe National Park (IUCN Category II) and this is managed according to strict licence conditions. Outside of protected areas, the key mining activities by their nature impact on biodiversity and involve application of the mitigation hierarchy to avoid, minimise and mitigation through both concurrent and post-production rehabilitation.
EN13	Habitats protected or restored.	62-63		8 7	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	62-63		8 7	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	GRI table		8 7	This is collected in Environmental Impact Assessments (EIA) and associated specialist studies for every operation. Where relevant, mitigating actions are taken and included in our Environmental Management Plans (EMP). Numbers of species summarised from across the Family of Companies are not currently included in this report.
Aspect: Emissions, Effluents, and Waste					
EN16	Total direct and indirect greenhouse gas emissions by weight.	6-7; 60		8 7	
EN17	Other relevant indirect greenhouse gas emissions by weight.	60		8 7	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	60		8 7	
EN19	Emissions of ozone-depleting substances by weight.	n/a	n/a	8 7	Ozone-depleting substances that arise from air conditioners, refrigerators and freezers that use these substances have not been quantified but replacement of this equipment to that which does not use ozone depleting substances is in line with legal requirement time frames.
EN20	NO _x , SO _x , and other significant air emissions by type and weight.	GRI table		8 7	Our sulphur emissions relate almost exclusively to energy use and changes in emission levels are directly linked to our energy consumption. SO ₂ (sulphur dioxide) emissions from liquid fuels use amounted to 618 tonnes in 2011 (2010:* 609 tonnes). Marine gas oil, which contains higher concentrations of sulphur than most other liquid fuels, contributed 74.8% of SO ₂ emissions, (2010: 76.3%) * Sulphur emissions for 2010 have been restated slightly from the figure reported in our 2010 RTS (from 610 tonnes to 609 tonnes). More work is to be done to refine our sulphur emissions figures with site-specific factors.



Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
EN21	Total water discharge by quality and destination.	GRI table		8 7	Water discharge data is not currently captured for our southern Africa operations because water in these countries is typically reused and recycled. Water discharge from our Canadian operations amounted to 37.5 million m ³ in 2011 (2010: 35.2 million m ³). Discharged water is the excess water from dewatering that is not used in operational processes. The environmental impact of these discharges is managed to strict requirements.
EN22	Total weight of waste by type and disposal method.	GRI table		8 7	Waste is separated into categories at source to ensure appropriate disposal and recycling. Hazardous waste produced during the mining process is either responsibly stored onsite for future management or disposed of through certified hazardous waste sites. Waste from our Botswana and Namibian operations is generally disposed of through facilities in South Africa. See Figure 3.
EN23	Total number and volume of significant spills.	58-59		8 7	Volumes of spills have not been included because of the differing type of spills and their location which has differing impacts e.g. hydraulic oil spilled into sea versus fine residue spill onto ground.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	GRI table		8 7	Any movement of hazardous waste is conducted in full compliance with the Basel Convention for controlling trans-boundary movements of applicable hazardous wastes e.g. between Botswana and South Africa because no hazardous waste site exists in Botswana.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	n/a	n/a	8 7	Snap Lake, the receiving water body at the Snap Lake Mine, is 200 hectares in area and has a limited absorption capacity because of its size and low flow rate. The water aspects hence require careful management.
Aspect: Products and Services					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	n/a	n/a	8 7	The latent environmental impact of diamonds as products are non-existent.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	n/a	n/a	8 7	The nature of diamonds means they are rarely knowingly disposed of. Packaging is negligible.
Aspect: Compliance					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	GRI table		8 7	Following to an audit conducted in September 2011, Jwaneng Mine was fined P4,000 (US\$600) by the Department of Waste Management and Pollution Control for various non-compliances related to licence conditions for a landfill site and maturation ponds and hydrocarbon disposal. These non-conformances have subsequently been addressed. An incident at Snap Lake during 2011 (see RtS p58-59) may result in a fine but it is expected that the process may take 1-2 years to finalise before whether a possible fine of up to C\$100,000 (US\$102,000) per day for non-compliance being levied will be known.

Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
Aspect: Transport					
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	n/a	n/a	8 7	The environmental impacts of transporting diamonds and other goods and materials are (other than as described elsewhere in the Report to Society 2011) negligible.
Aspect: Overall					
EN30	Total environmental protection expenditures and investments by type.	GRI table		8 7	Accounting procedures, spending classifications across the Family of Companies do not separate out environmental expenditure because it is integral to operational costs, e.g. earthmoving rehabilitation costs may be included in the mining costs, water management costs within overall engineering costs.
Labour Practices and Decent Work Performance Indicators					
DMA	Management Approach disclosures	37-43; 44-45			
Aspect: Employment					
LA1	Total workforce by employment type, employment contract, and region.	6-7; 40; 42			
LA2	Total number and rate of employee turnover by age group, gender, and region.	6-7; 40; 42			
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	GRI table		3	This is governed by local employment legislation and different operations offer various pensions and medical aid benefits for full-time employees (see EC3). In South Africa, for example, the company subsidises medical aid benefits to permanent employees and their families. In the UK we must compensate for any benefits offered to permanent employees that are not offered to temps or full-time-contractors. We cannot discriminate against part-time employees. This will not always be the case in other downstream jurisdictions.
Aspect: Labour/Management Relations					
LA4	Percentage of employees covered by collective bargaining agreements.	GRI Table		3	Figure 4 shows union representation at our main operations in Africa. Our operations in Canada are not unionised.
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	GRI table		3	Employees at our Namibian operations are subject to a one month minimum notice period regarding operational changes. For employees at DBCM, De Beers Group Services (South Africa) and De Beers Marine (South Africa), a two month consultation process in addition to the one month notice period is applied where changes to our operational requirements are contemplated. At Debswana the notice period is either three months (for more junior grades) or six months (for more senior grades).






Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
Aspect: Occupational Health and Safety					
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	GRI table		1	<p>Employees and contractors are represented in joint committees and daily briefings with managers to monitor and advise on health and safety programmes. In South Africa, for example, the law requires that joint safety committees have 50% employee representation. At Debswana, a Safety and Health Agreement is in place with relevant unions covering health and safety committee meetings, as well as the roles and responsibilities of safety representatives.</p> <p>For our downstream operations, the working environment differs but there is a Safety, Health and Environment (SHE) representative covering all areas who ensure that appropriate training and engagement takes place.</p>
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.	6-7; 38-39; 43		1	<p>Figure 5 shows Lost Time Injury Frequency Rate (LTIFR) and Lost Time Injury Severity Rate (LTISR) by main business unit.</p> <p>The Family of Companies has an outcome standard to maintain an occupational illness frequency rate (OIFR) of less than five cases per million hours worked.</p> <p>Definitions of occupational diseases and statutory reporting requirements differ between business units. In 2011, across the Family of Companies, 16 cases of occupational disease were diagnosed and reported in employees; twelve cases of noise-induced hearing loss; three cases of occupational malaria; and one case of travel-related Deep Vein Thrombosis with Pulmonary Embolism.</p> <p>All Business Units reporting cases of occupational disease in 2011 met the De Beers OIFR standard of <5 cases per million person hours worked: DBCM 0.22; Debswana 0.78; De Beers Marine 1.72; DBUK 1.5; Group Exploration Division of De Beers Group Services 2.12 cases per million person hours worked.</p> <p>Tuberculosis is an important endemic disease and health indicator in southern African countries that are hyper-endemic for HIV infection. The estimated national incidence rate of tuberculosis in South Africa is 970 cases per 100,000 population. This compares to an incidence rate among DBCM permanent employees in 2011 of 43 per 100,000.</p>








Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
LA8	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.	6-7; 43		1	<p>Sub-Saharan Africa accounts for 67% of all global HIV infections and most of our workforce is in the hyper-endemic countries where exposure to HIV is a real threat to our employees' health, their families and the continuity of our business.</p> <p>Our holistic strategy for managing the HIV risk includes prevention, treatment, care and support. We run awareness-raising sessions and we provide confidential HIV counselling and testing to all employees, spouses, life partners and contractors. Anti-Retroviral Treatment (ART) is available free to HIV-infected employees and their spouses or life partners where it can be provided in a responsible and sustainable manner. Where it is not available through public health systems, we continue to provide lifelong ART upon retirement or retrenchment.</p> <p>In addition to ART, our Disease Management Programme provides employees with access to programmes that address physical and psycho-social wellbeing related to HIV infection and treatment.</p>
LA9	Health and safety topics covered in formal agreements with trade unions.	GRI table		1	At Debswana, a Safety and Health Agreement is in place with relevant unions covering health and safety committee meetings, as well as the roles and responsibilities of safety representatives.
Aspect: Training and Education					
LA10	Average hours of training per year per employee, by employee category.	GRI table			See Figure 6.
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	42			
LA12	Percentage of employees receiving regular performance and career development reviews.	GRI table			Our Talent Management Policy supports the recruitment, development, succession and retention of employees across the Family of Companies. It mandates the appointment of the best qualified internal or external candidates in line with job requirements and national legislation relating to employment equity. It also ensures employee performance is gauged against a defined set of key performance indicators, through regular dialogue and feedback. See Figure 7 (Please note that blank entries may indicate either a lack of employees at a relevant grade, or a lack of performance or career development review).

Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
Aspect: Diversity and Equal Opportunity					
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	OFR PDF 26-28; GRI table		6 3	<p>The Family of Companies is committed to ensuring its workforce is reflective of the societies in which we operate and to support government efforts to offer opportunities to previously disadvantaged groups. The Family of Companies ensures designated groups have representation in decision-making positions that reasonably reflects the demographics of the country's economically active population. A number of structures including our Employment Equity Committee have been established in order to monitor our performance in this respect. They include management representatives, union representatives and functional personnel.</p> <p>The Family of Companies is actively supporting efforts to increase the proportion of women achieving senior management positions. In South Africa, this includes our support of the 'Women in Mining' programme, which is facilitated by the Department of Minerals and Energy through the Da Vinci Institute of Technology. We also support the establishment of mentoring schemes within our operations. These schemes encourage women in senior positions to share their experience and to motivate women in more junior positions to achieve their full professional potential.</p> <p>See Figures 8a and 8b.</p>
LA14	Ratio of basic salary of men to women by employee category.	GRI table		6 3	See Figures 9a and 9b.
Human Rights Performance Indicators					
DMA	Management Approach disclosures	29-30; 32-33; 34-35			
Aspect: Investment and Procurement Practices					
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	GRI table		1, 2	<p>All investments over US\$20 million are considered by the DBsa Investment Committee. Social aspects, including some specific potential human rights impacts identified through Social Impact Assessments (SIAs), form part of the Committee's considerations. For example, potential impacts on Indigenous Rights are considered through these and other social-management processes in project development and the management of operations.</p> <p>In 2011, 100% of project-related investments approved by the Investment Committee were supported by the relevant level of social impact screening.</p>

Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	32-35		1, 2	In the De Beers Family of Companies value-chain, the ethical, social and environmental practices of our customers present a higher risk than those of our suppliers. The Best Practice Principles Assurance Programme includes human rights screening, and applies to Sightholders, and to Significant Contractors that provide goods or services to both De Beers and Sightholders.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	GRI table		1, 2	According to submitted figures, 245,923 hours were spent on human rights training. A total of 3,454 employees participated in this process, representing 31.38% of the permanent workforce.
Aspect: Non-discrimination					
HR4	Total number of incidents of discrimination and actions taken.	GRI table		1, 2, 6	No incidents of alleged discrimination were reported within the Family of Companies in 2011.
Aspect: Freedom of Association and Collective Bargaining					
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	GRI table		1-3	<p>The right to exercise freedom of association and collective bargaining is not identified as being at risk at any of our mining operations. Trade union and employee associations operate freely and have a strong presence at all of our southern African mining operations. Our operations in Canada are not unionised.</p> <p>At none of our downstream operations is the right to exercise freedom of association and collective bargaining identified as being at significant risk. At NDTC and DTCSA collective bargaining units are active, with employees permitted to withhold their labour after the exhaustion of prescribed disputes resolution procedures. At DTCB, collective bargaining is permitted, but due to the critical nature of the diamond industry in the context of Botswana's economy, legislation exists which restricts the ability to strike. In the event of a dispute, mediation followed by arbitration are the main remedies.</p>
Aspect: Child Labour					
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	GRI table		1, 2, 5	No operations have been identified as presenting a significant risk for child labour. The De Beers Best Practice Principles (BPPs) Assurance Programme ensures that forced labour/child labour does not occur at any De Beers operations, operations of the DTC Sightholders, or at the operations of significant contractors of either De Beers or Sightholders (see p32-33 of the Report to Society).

Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
Aspect: Forced and Compulsory Labour					
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	GRI table		1, 2, 4	No operations have been identified as presenting a significant risk for forced or compulsory labour. The De Beers Best Practice Principles (BPPs) Assurance Programme ensures that forced labour/child labour does not occur at any De Beers operations, operations of the DTC Sightholders, or at the operations of significant contractors of either De Beers or Sightholders (see p32-33 of the Report to Society).
Aspect: Security Practices					
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	GRI table		1, 2	De Beers has a Group-level Security and Human Rights Policy that is brought to the attention of security personnel as appropriate.
Aspect: Indigenous Rights					
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	GRI table		1, 2	No incidents of violations involving rights of indigenous people were recorded in 2011.
Society Performance Indicators					
DMA	Management Approach disclosures	10; 17-20; 22; 23; 29-30; 48-50; 51; 53			
Aspect: Community					
SO1	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	22; 23; 48-50; 53; 61-62		1, 2	
Aspect: Corruption					
SO2	Percentage and total number of business units analysed for risks related to corruption.	29-30			
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	GRI index			A formal training programme is under consideration. In 2011, awareness and training sessions were held in Namibia, Johannesburg, Gaborone, and London. The percentage of employees participating in these sessions was around 1%.
SO4	Actions taken in response to incidents of corruption.	30			






Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
Aspect: Public Policy					
S05	Public policy positions and participation in public policy development and lobbying.	10-11			We generally restrict our involvement in policy development to formal participation in relevant forums and organisations, such as national Chambers of Mines. In South Africa we've engaged indirectly with policy matters that affect the mining industry as a member of the Chamber of Mines. Issues in this regard include the proposed carbon tax and policy discussions around maximising the developmental impact of mining. Internationally, we engaged with the Kimberley Process through our membership of the World Diamond Council.
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	21			
Aspect: Anti-Competitive Behaviour					
S07	Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes.	GRI table			<p>The Family of Companies works hard to ensure continued compliance with competition and anti-trust laws and regulations in all jurisdictions in which we operate.</p> <p>Employees are requested to report any breaches of this policy through our whistleblowing hotlines. De Beers will not tolerate violations of competition law, or mistakes resulting from carelessness or inattention to legal compliance by its employees.</p> <p>In 2011, over 530 individuals were nominated to take part in online competition compliance training. Three training programmes were used: a long version (for a very small number of nominees who had repeatedly not completed the training), a short version (for new nominees) and a refresher version for those nominees who successfully completed the short programme in 2010. The average completion and pass rates across the group were 98.5% and 97.1% respectively.</p>
Aspect: Compliance Core					
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	GRI table			Other than described in the report, the Family of Companies was not subject to any significant fines or non-monetary sanctions for non-compliance with laws and regulations in 2011.
Product Responsibility Performance Indicators					
DMA	Management Approach disclosures	27-35			
Aspect: Customer Health and Safety					
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	n/a	n/a		Diamonds do not present any latent health and safety risks.


Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	n/a	n/a		Diamonds do not present any latent health and safety risks.
Aspect: Product and Service Labelling					
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	28; 32-33; 34-35			
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	6-7; 28; 32-33			
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	GRI table			The DTC undertakes frequent surveys of Sightholder satisfaction with the services they provide. External and Corporate Affairs also undertakes surveys regarding Sightholder satisfaction with aspects of the Best Practice Principles Assurance Programme (BPPs). Forevermark undertakes frequent consumer-focused surveys.
Aspect: Marketing Communications					
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	GRI table			External and Corporate Affairs and Forevermark – De Beers’ marketing arm – seek to ensure all materials produced on behalf of De Beers are not misleading and are in compliance with applicable advertising rules and legislation. They also seek to ensure such materials do not violate the intellectual property rights of third parties.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	GRI table			No incidents of non-compliance with regulations and voluntary codes concerning marketing communications were recorded in 2011.
Aspect: Customer Privacy					
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	GRI table			No substantiated complaints regarding breaches of customer privacy and losses of customer data were recorded in 2011.
Aspect: Compliance					
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	GRI table			No significant fines for non-compliance with laws and regulations concerning the provision and use of products and services were recorded in 2011.

Performance indicators – Mining and Metals Sector Supplement (2010)

Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.	63		8 7	
MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place.	62-63		8 7	
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks.	63		8 7	The amounts reported are provided in hectares, to provide a comparative indicator of these materials within the total mining footprint. Volumes of these materials will be provided in subsequent reports.
MM4	Number of strikes and lock-outs exceeding one week's duration, by country.	40			
MM5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities.	48-51; 52 GRI table			The only operations that took place in or adjacent to Indigenous Peoples' territories were the Snap Lake and Victor Mines in Canada territories. In total, seven formal agreements have been entered into with Indigenous Peoples' Communities in relation to these operations.
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples.	50; GRI table; Risk summary			Our materiality process indicates that land claims is a lower-level risk and is therefore only reported on in brief.
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and the outcomes.	50; 52; GRI table			The structure and form of grievance mechanisms vary across the Family of Companies. In 2011 an assessment and benchmarking of existing grievance mechanisms commenced, to be completed in 2012.
MM8	Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks.	GRI table	X		The materiality process for our 2010 Report to Society indicated that artisanal mining was a lower-level risk for the Family of Companies and it was removed from the materiality matrix. In 2011, our materiality process again indicated artisanal mining as a lower-level risk and this issue is not reported in the 2011 Report to Society.
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process.	52; GRI table			During the course of 2011 a small community of 72 persons, in 16 households, was resettled in the Lunda Norte region of Angola, in order for safe exploratory drilling to occur. The resettlement process was undertaken in line with the IFC Performance Standards, and externally assured. In addition to compensation agreed through extensive consultation with the community, on-going agricultural projects supported by De Beers will continue to focus on livelihood restoration.
MM10	Number and percentage of operations with closure plans.	53; 61-62			All mining operations have closure plans. These are at varying degrees of resolution dependent on the remaining life of mine. Exploration operations have EMP that cover closure of the exploration sites.
MM11	Programmes and progress relating to materials stewardship.	58		8 7	See also figure 2.

Performance indicators – Reporting Guidance on HIV/Aids

Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
Good governance					
Indicator 1	Describe the organisation's HIV/Aids policy	43		4-6	
Indicator 2	Describe the overall strategy for managing the HIV/Aids risk	43		4-6	Our approach to preventing HIV infection, both within our workforce and more broadly, is built on awareness-raising, testing and research. Awareness and training interventions are oriented towards preventing and managing HIV and Aids, as well as related risks such as tuberculosis.
Indicator 3	Describe preparedness and contingency planning in anticipation of expected impacts	GRI table		4-6	Given that the Family of Companies operates in hyper-endemic countries such as Botswana, Namibia and South Africa, the impacts of HIV and Aids are current rather than anticipated. The Family of Companies has a long-standing and comprehensive HIV and Aids management programme in place in order to address the impacts of the disease.
Indicator 4	Describe how your organisation monitors its progress and reports in terms of Indicators	GRI table		4-6	The Family of Companies conducts operational and 'in-field' research projects to improve the effectiveness of our existing HIV and Aids risk management.
Indicator 5	Describe how the organisation involves stakeholders in the formulation of policy, strategy and implementation 43	10-11; 43		4-6	Our HIV and Aids principals engage actively with external organisations at local, regional and international levels. Our ART programmes in Botswana, Namibia and South Africa are coordinated externally by Aid for AIDS. We engage in research partnerships, for example, a longitudinal study with the Health Economics and HIV/AIDS Research Division (HEARD) at the University of KwaZulu Natal on the factors that challenge adherence to HIV treatment services.

Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
Measurement, monitoring and evaluation					
Indicator 6	Indicate current and projected future HIV/Aids prevalence and incidence rates among relevant populations (workforce, service providers, communities, target consumers, direct suppliers)	GRI table			<p>According to UNAIDS,¹ almost 60 million people have been infected with HIV and 25 million have died since the beginning of the epidemic. There are 33.3 million people living with HIV worldwide. The 2009 national infection rate estimates for HIV amongst adults (15-49 years) in our countries of operation are as follows:</p> <ul style="list-style-type: none"> • Angola: 2% • Canada: 0.2% • China: 0.1% • Belgium: 0.2% • Botswana: 24.8% • DRC: no estimate • India: 0.3% • Israel: 0.2% • Japan: <0.1% • Luxembourg: 0.3% • Namibia: 13.1% • South Africa: 17.8% • United Kingdom: 0.2% • United States of America: 0.6% <p>¹www.unaids.org/documents/20101123_GlobalReport_Annexes1_em.pdf</p>
Indicator 7	Report current HIV/Aids-associated costs and losses to the organisation	–	X		
Indicator 8	Indicate total assumed future HIV/Aids-associated costs/losses	–	X		









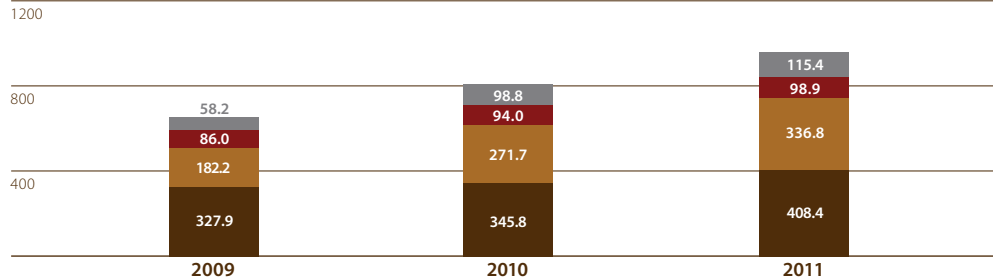
Indicator	Description	Page reference	Extent	UN Mechanisms	Notes
Workplace conditions and HIV/Aids management					
Indicator 9	Describe the workplace and workplace-related HIV/Aids programmes and interventions and the extent to which they maintain a workplace environment respectful of human and legal rights	43		4-6	Routine HIV Counselling and Testing (HCT) through Provider Initiated Counselling and Testing (PICT) facilitates HIV testing of employees during medical consultations at mine clinics, either during occupational medical examinations or primary care consultations. HIV tests are available to all employees, spouses, life partners and contractors. Private-public partnerships also help to make testing available in communities near our operations. Anti-Retroviral Treatment (ART) is available free to HIV-infected employees and their spouses or life partners where it can be provided in a responsible and sustainable manner. Our ART programmes in Botswana, Namibia and South Africa continued to be coordinated externally by Aid for AIDS as our principal Disease Management Service Provider. Our goal is to encourage all HIV positive employees and spouses or life partners to join a disease management programme as early as possible and to maintain 100% accessibility of treatment in the countries affected by HIV and Aids.
Indicator 10	Indicate total allocated budget dedicated to HIV/Aids programmes per annum	51		4-6	Approximately 0.4% of total Community Social Investment spend was allocated to HIV/Aids programmes in 2011.
Depth, quality and sustainability of programmes					
Indicator 11	Detail the organisation's Voluntary Counselling and Testing (VCT) programme	43; GRI table		4-6	See Indicator 9.
Indicator 12	Describe other support and counselling programmes and measures	GRI table		4-6	See Indicator 15.
Indicator 13	Describe the organisation's HIV/Aids education and training programmes	43; GRI table		4-6	See Indicator 9.
Indicator 14	Describe the organisation's condom and femidom distribution programme	GRI table		4-6	Condoms and femidoms are available free of charge to employees through on-site medical centres, clinics, restrooms and offices.
Indicator 15	Describe the organisation's general health care and wellness provision for employees (and/or ex-employees) and their families with specific mention of STD-treatment for those Aids sick	43		4-6	In addition to ART, our Disease Management Programme provides employees with access to programmes that address physical and psycho-social wellbeing related to HIV infection and treatment. This includes: <ul style="list-style-type: none"> • Post-exposure prophylaxis; • Medication to prevent opportunistic infections; • Pathology; • Counselling and support; • Wellness advice; and • Nutritional supplements.
Indicator 16	Describe additional benefits and support for employees sick, dying or deceased from Aids-related conditions	–		4-6	

Figure 1a:

EC6 – Preferential procurement spend, 2011 (US\$ million)

■ Namibia* (Namibian suppliers) ■ Canada (aboriginal spend) ■ South Africa (HDSA owned, empowered, influenced)
 ■ Botswana (citizen spend, local spend)



Data note: * Preferential procurement spend in Namibia has been restated for 2009 and 2010 to reflect spending with Namibian suppliers. Previously, reported spending in Namibia was based on proposed preferential procurement categories due to be passed into Namibian law. This legislation has not been passed and preferential procurement has been restated to reflect local (in country) spending.

Figure 1b:

Preferential procurement spend as a proportion of total procurement spend, 2011 (US\$ million)

Country	Total spend (US\$ million)	% preferential procurement
Botswana	587	69.6%
South Africa	542	62.1%
Canada	212	46.7%
Namibia*	143	80.9%

Data note: * Preferential procurement spend in Namibia has been restated for 2009 and 2010 to reflect spending with Namibian suppliers. Previously, reported spending in Namibia was based on proposed preferential procurement categories due to be passed into Namibian law.

Figure 2:

EN1 – Materials used by weight or volume, 2009-2011

Materials	2009	2010	2011
Ferrosilicon (tonnes)	9,114	13,111	11,938
Oils and hydraulic fluid (litres)	2,558,300*	4,438,632	4,066,709
Grease (kilograms)	200,117*	287,964*	403,307
Hydrochloric acid (litres)	149,602	197,984	112,959
Sulphuric acid (litres)	17,250	21,705	25,202
Hydrofluoric acid (litres)	53,777	69,931	63,945
Nitric acid (litres)	14,094	35,438	38,321
Sodium hydroxide (litres)	14,678	5,832	9,484
Calcium carbonate (kilograms)	28,225	51,300	36,106
Sodium hydroxide (kilograms)	43,360	91,540	154,564

* Certain 2009 and 2010 data points have been restated from those reported in the 2010 Report to Society. This change reflects improved accuracy in data reporting and collation.

Figure 3:

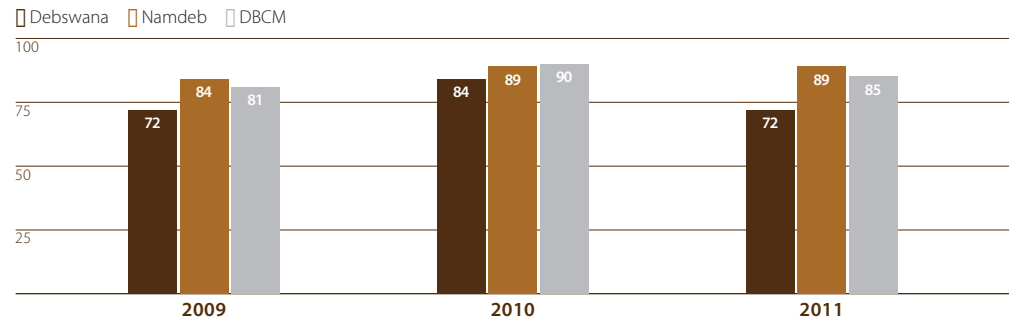
EN22 – Total weight of waste by type and disposal method, 2009-2011

Waste Type	2009	2010	2011
Non-Hazardous Waste to Land-Fill (cubic meters)	81,993	152,904*	59,509
Solid Hazardous Waste (cubic meters)	53,117	2,327	210,868
Liquid Hazardous Waste (litres)	537,077	516,467	376,143
Waste Incinerated (cubic meters)	35,786	47,236	23,186
Cardboard/Paper Sent for Recycling (tonnes)	2,738	8,879	1,602
Scrap Metal Sent for Recycling (tonnes)	43,606*	52,155*	25,041
Cans Sent for Recycling (tonnes)	178	7	19
Earthmoving Tyres Sent for Recycling (number)	264	33	76
Light Vehicles Tyres Sent for Recycling (number)	340	111	686
Conveyor Belting Sent for Recycling (tonnes)	96	215	139
Drums Sent for Recycling / Re-use (number)	2,764*	1,450	2,331
Lead Acid Batteries Sent for Recycling / Re-use (number)	1,442*	3,619	1,333
Plastic Sent for Recycling / Re-use (tonnes)	454	165	82
Toner / Ink Cartridges Sent for Recycling / Re-use (number)	1,076*	1,104	5,599
Electrical And Electronic Items Sent for Recycling / Re-use (kilograms)	543	37,104	10,871
Used Oil / Grease Sent for Recycling / Re-use (litres)	1,999,250	2,244,201	2,709,501
Re-used Oil / Grease (litres)	442,720	988,549*	568,164
Contaminated Water (litres)	1,203,808	1,112,670	1,176,389
Glass Sent for Recycling (tonnes)	13	15	60

* Certain 2009 and 2010 data points have been restated from those reported in the 2010 Report to Society. This change reflects improved accuracy in data reporting and collation.

Figure 4:

LA4 – Union membership of semi-skilled workers at African operations, 2009-2011 (%)



Debswana data for 2009 and 2010 has been restated based on improved and more accurate reporting. Our operations in Canada are not unionised.

Figure 5:

LA7 – LTIFR and LTISR by business, 2011

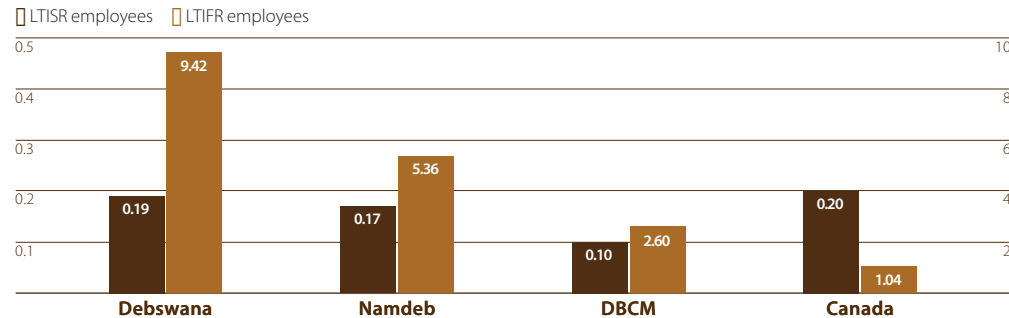


Figure 6:

LA10 – Average training hours per employee, 2011

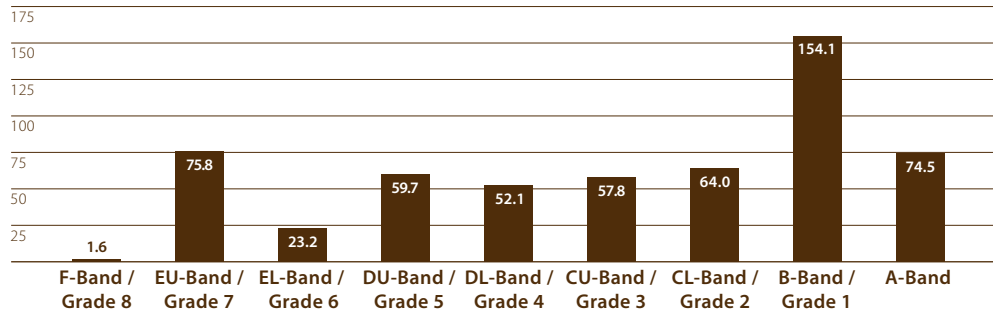


Figure 7:

Percentage of employees receiving regular performance and career development reviews, 2011 (%)

Job Band/Grade	De Beers Canada	De Beers Consolidated Mines	Debswana	Namdeb
F-Band/Grade 8	n/a	100	100	100
EU-Band/Grade 7	n/a	100	100	100
EL-Band/Grade 6	100	100	100	100
DU-Band/Grade 5	100	98	100	100
DL-Band/Grade 4	100	97	100	100
CU-Band/Grade 3	100	89	*	100
CL-Band/Grade 2	100	84	*	
B-Band/Grade 1	100		*	
A-Band	n/a		*	

* Debswana A-C band employees were not formally appraised in 2011 as there was no PMS agreement in place with the Botswana Mine Workers Union in 2011.

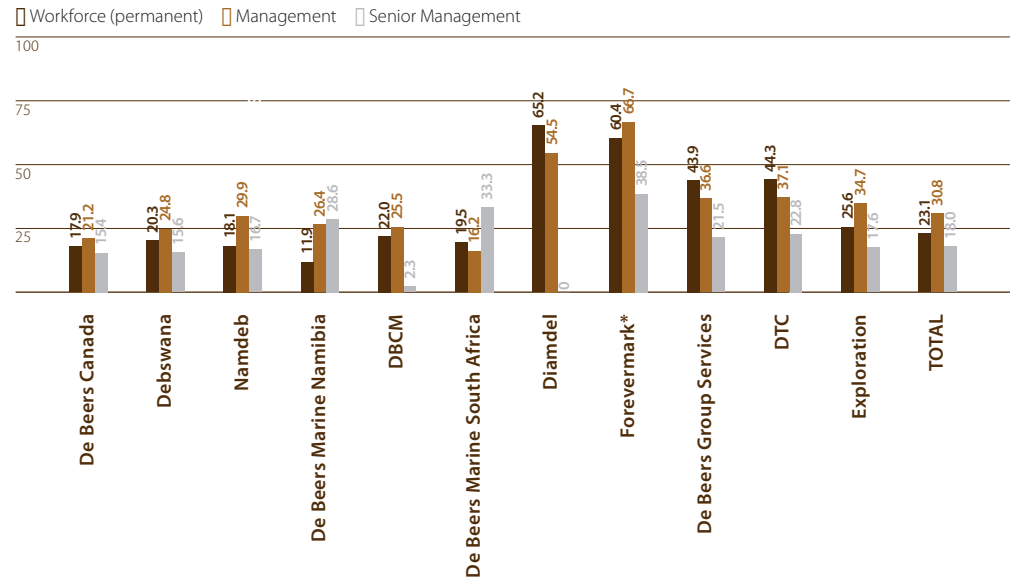
Figure 8a:

LA13 – Workforce and management diversity: Historically Disadvantaged South Africans (HDSAs), Historically Disadvantaged Namibians (HDNs) and local Botswana citizens, 2011 (%)

	DBCM (HDSA)	Namdeb (HDN)	Debswana (local citizens)
Workforce	77.0	87.8	96.1
Management	31.4	43.9	73

Figure 8b:

LA13 – Workforce and management diversity 2011: Women (%)



* Forevermark figures for women in management and senior management exclude Forevermark Belgium.

Figure 9a:

LA14 – Male and female salary ratios, 2011 (by operation)

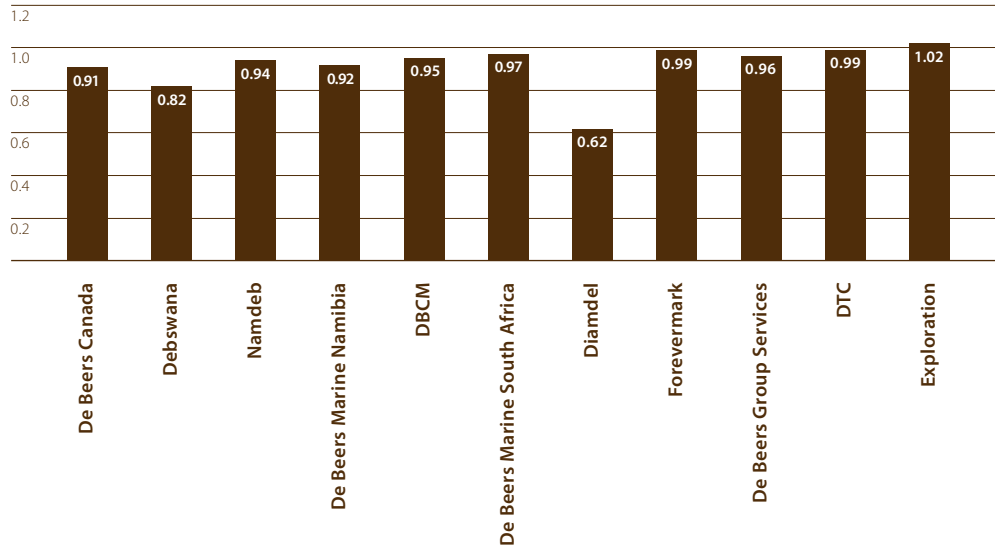


Figure 9b:

LA14 – Male and female salary ratios, 2011 (by grade)

