

BUILDING FOREVER

OUR MATERIAL TOPICS: PROGRESS REPORT 2019



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COVER IMAGE

Red hartebeest at sunset on Dronfield Nature Reserve, part of the Diamond Route in South Africa.

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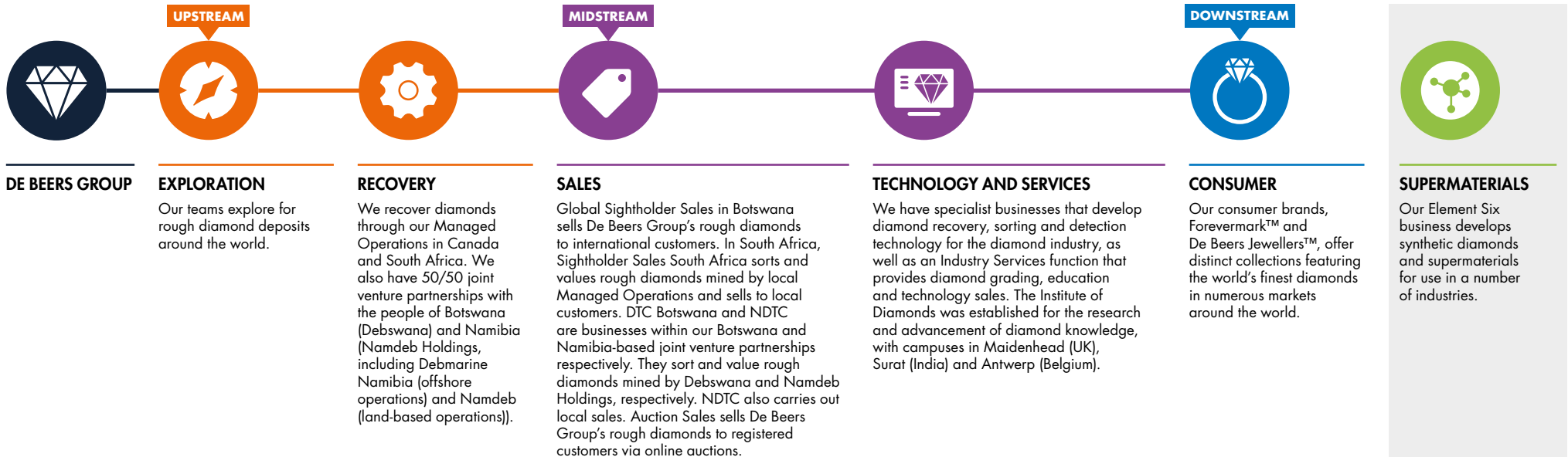
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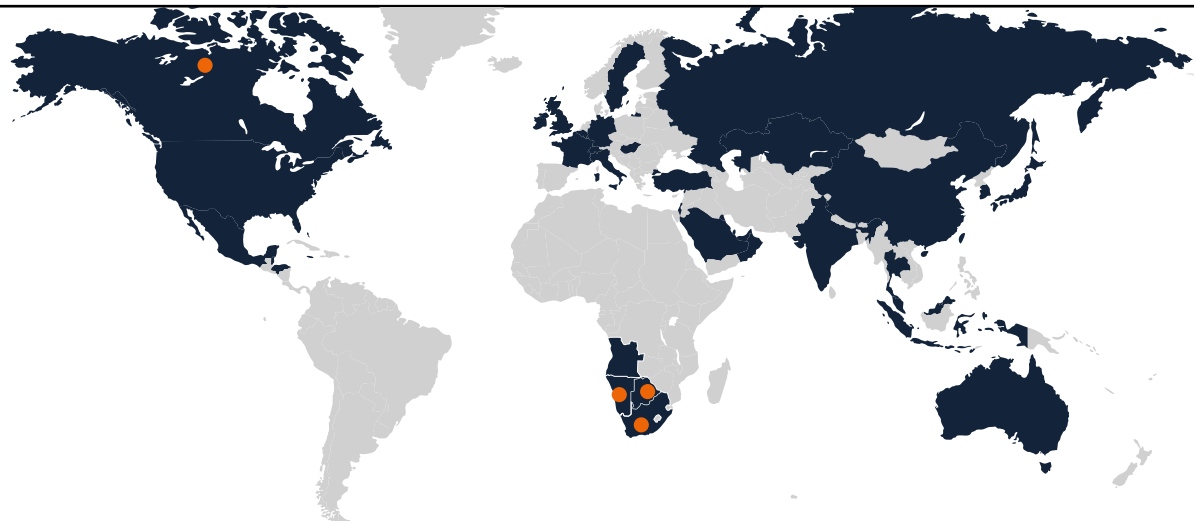
This PDF report contains updates on our management approach and progress across our material sustainability topics, from January to December 2019.

DE BEERS GROUP: AT A GLANCE



A GLOBAL BUSINESS

- Countries in which De Beers Group's diamond recovery operations are located.
- Countries in which De Beers Group conducts one, some or all of the following functions: exploration, recovery, rough diamond sales, technology, services, consumer marketing and retail.



BUILDING FOREVER: OUR DRIVING FORCE AND STABILISING KEEL



Bruce Cleaver
CEO, De Beers Group

2020 has been a year unlike any other for De Beers Group, as for so many around the world. With work reconfigured, processes adjusted and priorities realigned, we have seen the landscape shift for our business, our communities, our partners and our consumers.

Over the last few months our people and our communities have demonstrated, more than ever, the attributes that are intrinsic to diamonds: strength, resilience and beauty. Living up to these attributes has taken on a new importance for us during the pandemic, and I'm immensely proud of how the business has pulled together in this effort. Through it all, Building Forever has been our driving force and stabilising keel, focusing us on providing support where it is needed most.

We remain steadfast in our commitments to strengthening our communities, preserving the environment, standing with women and girls and leading ethical practices across the industry. We have worked with partners around the world to help communities prepare for the crisis through education and public health initiatives. We have also supported the emergency response by contributing more than \$5 million in southern Africa to national relief funds and community and logistical support, and working with authorities to supply food and water to those who are most vulnerable. Looking ahead, we are already working to support the economic recovery of our producer partner countries in the wake of the pandemic.*

This report covers 2019, a year in which we achieved a great deal, forging new partnerships and strengthening old ones to deliver more across the countries in which we operate. These partnerships and programmes were designed because there was a real societal and environmental need for them. The fact that they have continued to operate through lockdown, albeit virtually in some cases, is a testament to how crucial these programmes are for our business and our communities.

It is this work which set us in good stead for 2020. While we never could have predicted the current circumstances, the progress we have made and our commitment to work hand-in-hand with our partners for the long-term mean that we have been able to mobilise quickly and make an immediate impact.

2020 will be a year we will look back on as an extraordinary time of crisis - but also a time when we were given an opportunity to step back and reflect on our priorities with new perspective. In this new light, our protection and support of our planet and its people are more important to us than ever, and we remain deeply committed to them both as we continue to Build Forever.

* To find out more about our approach to supporting employees, communities and partners through the Covid-19 pandemic, please visit www.debeersgroup.com.

OUR COMMITMENT TO BUILDING FOREVER

WHAT BUILDING FOREVER MEANS TO US

De Beers Group is built around forever.

From the formation of our diamonds over billions of years to the timeless emotions they represent for those who buy them, diamonds are the closest thing to forever that we can hold in our hands.

But we know that forever cannot be taken for granted; it takes effort. That is why we talk about 'Building Forever'.

Building Forever is our commitment to creating a positive lasting legacy that will endure well beyond the recovery of our last diamond. It is our blueprint for a holistic, integrated approach to create a better future – one that is fairer, safer, cleaner and healthier, where safety, human rights and ethical integrity continue to be paramount, where communities thrive, and where the environment is protected.

To succeed, we must create partnerships, forge connections and constantly push ourselves to think differently and develop better and more innovative ways of doing things to ensure that our positive impact continues far beyond our mines.

WHY BUILDING FOREVER IS IMPORTANT TO US

Building Forever is not a 'nice to have' for De Beers Group. It is mission critical to creating a stronger business by helping us to strengthen trust and pride with our partners, our consumers and each other.

We have a fundamental responsibility to ensure that diamonds deliver meaningful value to the people of Botswana, Namibia, South Africa and Canada. Building Forever guides our approach to partnering with governments and local communities to create long-term socio-economic benefits. Our ability to operate successfully relies on having trusted relationships with these partners and we want them to feel proud to work with us.

We also want our consumers to feel proud to wear our diamonds. Through Building Forever we can give them the confidence that their diamonds have had a beneficial impact on people and places. Equally, for our own people, Building Forever brings them together around common shared goals, motivating them to build an ever-stronger business and instilling a sense of pride in their work.



Giraffes and zebras at Debswana's Orapa Game Park, part of the Diamond Route in Botswana.

OUR BUILDING FOREVER FRAMEWORK

BUILDING FOREVER PILLARS



COLLABORATIVE REGIONAL DEVELOPMENT

CRITICAL FOUNDATIONS

CRITICAL FOUNDATIONS

Our approach to Building Forever is built on what we call 'Critical Foundations' – priorities and initiatives that have formed part of our strategy, our ethos, and our DNA at De Beers Group for decades. These are:

ZERO HARM

No diamond is worth illness or injury. The health and safety of our people and our communities is our top priority. We have pledged to always put their wellbeing before production and profit. Zero harm is our goal.

HUMAN RIGHTS

Respect for human rights is deeply embedded in our business and across our interactions with the wider diamond value chain. We hold ourselves and all those we work with accountable for honouring human rights laws and meeting industry-leading requirements.

INCLUSION AND DIVERSITY

We believe an inclusive culture that values diversity will power our business growth and drive innovation. We strive to enable a working environment where people feel empowered to speak freely and can thrive by bringing their whole self to work.

LEADERSHIP AND CULTURE

We are building a values-based leadership culture, designed to help our people to thrive in the future world of work. We reward collaboration, innovation and safety over individual performance, and integrate sustainability into our leadership training, to help us build a stronger, more competitive business.

GROUP STANDARDS AND LEGAL COMPLIANCE

Through robust systems and processes we ensure compliance against all applicable Anglo American Group management standards, our Best Practice Principles Assurance Programme, local laws and regulations and permitting commitments.

These foundations are critical to how we do business. They are fundamental to the way we operate, every day, everywhere. Drawing on the deep experience and significant investment of our past, we have developed approaches that enable us to raise the bar. But we are constantly rethinking and refocusing our efforts to improve. In line with the UN's 2030 Sustainable Development Goals and the Anglo American Sustainable Mining Plan, we are setting our sights higher than ever before.

COLLABORATIVE REGIONAL DEVELOPMENT

We want to be a catalyst for regional socio-economic growth and development beyond our mining operations. We recognise that working in partnership with stakeholders from across a region enables us to have a much more significant impact. That is why we are committed to working collaboratively, bringing together multiple stakeholders – community representatives, faith groups, businesses and entrepreneurs, government, academics and NGOs – to develop initiatives that take a long-term view and that are scalable, inclusive and financially sustainable.

FOUR STRATEGIC PILLARS

Our critical foundations and collaborative approach to regional development underpin four strategic focus areas where we feel we are uniquely placed to make a significant difference to people and the planet. We describe these pillars and our vision for each one on the following page.

BUILDING FOREVER: INTRODUCING THE FOUR PILLARS

Our pillars align with the UN 2030 Sustainable Development Goals and were selected based on extensive consultation internally and externally, to ensure we achieve the greatest positive impact both within our operations and beyond our mine gates.

PROTECTING THE NATURAL WORLD

Our vision is to be carbon and water neutral and to deliver a positive impact on biodiversity.

Our diamonds come from deep within the earth. We cannot disregard the environmental impact that comes with recovering them; yet, by preserving biodiversity and water, along with tackling climate change, we are exploring ways not only to recover nature's treasures, but also to treasure nature.



Venetia Limpopo Nature Reserve, part of the Diamond Route in South Africa, is home to many species including zebra.

PARTNERING FOR THRIVING COMMUNITIES

Our vision is to be a catalyst for a step change in skills, health and livelihoods to enable community resilience and a diversified economy in our host countries.

We have a long history of working in partnership with government and local communities, and by collaborating to promote skills for the future, health and wellbeing and livelihoods, we hope to continue to remain a partner of choice and build communities that remain strong and resilient well beyond the recovery of our last diamond.



Students follow a class led by Dr Tiro Mampane, CEO and Founder of Boitekanelo College in Botswana.

BUILDING FOREVER: INTRODUCING THE FOUR PILLARS *continued*

STANDING WITH WOMEN AND GIRLS

Our vision is to enable equal access to opportunity for women and girls in our partner communities and gender parity across our workforce.

We hold our commitment to standing with women and girls close to our hearts because we know that by supporting financial resilience and technical and leadership skills for women and girls, and challenging harmful stereotypes, we can create a multiplier effect for community development and build a more innovative and productive business.



LEADING ETHICAL PRACTICES ACROSS INDUSTRY

Our vision is to use our leadership position to drive positive change across the diamond value chain.

Our long-term success depends on strong ethical foundations. We are constantly working to raise the bar across our industry through responsible sourcing, advancing industry standards and finding scalable solutions to improve the livelihoods of artisanal miners; ultimately working towards strengthening trust, pride and confidence in diamonds.



In partnership with UN Women, we offer STEM scholarships in Canada, to women at the University of Waterloo and the University of Calgary (pictured).



An artisanal miner working with the GemFair toolkit.

CHANGING OUR APPROACH TO REPORTING

This year, as in previous years, we are reporting on all of our material topics, focusing on our management approach and progress against each topic. From next year onwards, we plan to report against the structure of our Building Forever framework, as described on the previous pages. All of our material topics will be

covered through this new approach. Many will be addressed in the context of Critical Foundations, since managing our material topics is critical to retaining our licence to operate. Several will also be covered in the narrative around our four Pillars, since they are areas where we have a particular strategic focus.

We have created the table below to demonstrate how our material topics align with our Building Forever framework.

For more detail on our material topics, see our [GRI Index submission](#) in the Appendix to this report.

MAPPING OUR MATERIAL TOPICS TO OUR BUILDING FOREVER FRAMEWORK

Material topic	Building Forever pillars					
	Critical Foundations	Collaborative Regional Development	Protecting the natural world	Partnering for thriving communities	Standing with women and girls	Leading ethical practices across industry
Biodiversity and conservation	●		●			
Climate change	●		●			
Mine closure and asset transfer	●	●				
Water availability and quality	●		●			
Waste management and pollution prevention	●					
Women and girls' empowerment	●			●	●	
Economic impact on producer countries	●	●		●	●	
Community development for producer countries	●	●		●	●	
Human rights	●					●

CHANGING OUR APPROACH TO REPORTING *continued*

MAPPING OUR MATERIAL TOPICS TO OUR BUILDING FOREVER FRAMEWORK *continued*

Material topic	Building Forever pillars					
	Critical Foundations	Collaborative Regional Development	Protecting the natural world	Partnering for thriving communities	Standing with women and girls	Leading ethical practices across industry
Artisanal and small-scale mining	●					●
Partnerships and government relations		●	●	●	●	●
Indigenous communities	●	●	●	●	●	
Land access and resettlement	●					
Technology and innovation			●	●	●	●
Safety	●					
Health and wellbeing	●			●		
Employee attraction, development and diversity	●				●	
Industrial relations	●					
Diamond value chain sustainability	●					●
Conflict diamonds	●					●
Consumer demand for diamonds						●
Business integrity	●					●
Transparency	●					

ENGAGING OUR STAKEHOLDERS

We engage with many different stakeholder groups every day across our business. Understanding their needs and expectations, building relationships with them based on trust, and partnering with them to deliver meaningful, positive impact is crucial to the success of Building Forever.

GOVERNMENTS AND LOCAL AUTHORITIES



We work closely with national, regional and local governments and with local authorities in the countries where we operate. We want to understand their national and local socio-economic and environmental goals, so that through our business, we can make a positive contribution – for example by creating jobs and skills, promoting entrepreneurship, and getting young people interested in mining careers.

EMPLOYEES AND TRADE UNIONS



We engage our employees and their trade union representatives on a wide range of topics. For example, we run Group-wide engagement campaigns to change attitudes and behaviours around safety, wellbeing, and gender diversity. We also conduct periodic wage negotiations with national mining unions.

LOCAL COMMUNITIES



We engage local communities around our mines via community fairs, town hall meetings, and local events. Our aim is to understand their needs so that we can create opportunities, develop infrastructure such as schools and hospitals, and provide resources that will benefit the community in the long term.

CUSTOMERS



We build strong working relationships with our Sightholders (term-contract rough diamond customers) and other key players along the diamond value chain. Our Best Practice Principles (BPP) Assurance Programme is the formal mechanism we use to ensure that all those who handle a De Beers Group diamond meet the highest social, environmental and ethical standards. We also host events and meetings on important industry developments or updates to the BPP programme.

ENGAGING OUR STAKEHOLDERS *continued*

SUPPLIERS



We have hundreds of suppliers who provide us with goods and services to help us run our mines and offices effectively. Through our inclusive procurement policy, we ensure that priority is given to suppliers in varying categories specific to each country we operate in. For example in Canada, we give priority to companies owned by indigenous people – like the Bouwa Whee Catering company, which provides catering and other site services at Gahcho Kué mine.

INDUSTRY BODIES



We play an active role in raising industry standards, working alongside industry peers and experts. We are founding members of the Kimberley Process and System of Warranties, the Responsible Jewellery Council, and the Diamond Development Initiative. We're also members of industry bodies such as the International Council of Mining and Metals, the Natural Diamond Council, and the World Diamond Council. We host a series of roundtable events called the 'Diamond Dialogues', which bring together key players from our industry and other sectors to discuss important issues and challenges related to responsible, sustainable business practice.

NGOS AND CIVIL SOCIETY



As part of the Anglo American Group, we are members of the Extractives Industry Transparency Initiative, which sets standards for transparent disclosure among extractives companies. We also work in partnership with several environmental NGOs, including Fauna and Flora International and the Endangered Wildlife Trust, on various biodiversity and conservation initiatives.

ANGLO AMERICAN GROUP



As the primary shareholder in our company, we engage with Anglo American on all aspects of our business. We work together to share knowledge and best practice on issues such as health, safety, environment, socio-economic development and community engagement, and to develop long-term strategies for sustainable business growth.

OUR MATERIAL TOPICS



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A miner reports from the viewing point at Venetia mine, South Africa.

BIODIVERSITY AND CONSERVATION

CRITICAL FOUNDATIONS

BUILDING FOREVER PILLARS



SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

Protecting the natural world is a key focus for De Beers Group as part of our commitment to Building Forever. It reflects the fact that we see biodiversity and conservation as an area where we can use our unique position and partnerships to do lasting good.

We set ourselves a commitment in 2009 to achieve no net loss of significant biodiversity, where any loss of significant biodiversity resulting from our operations would be matched by gains from our conservation activities. Then, in 2016, we signed the Secretariat of the Convention on Biological Diversity's Business and Biodiversity Pledge, making us the first mining company to commit in this way to taking action in support of biodiversity. In 2018, in line with the Anglo American Sustainability Strategy, we went one step further, pledging to have a net positive impact on biodiversity, so that the biodiversity impacts we have are outweighed by our conservation actions.

Guided by the Anglo American Biodiversity Standard, our approach is first to avoid areas of significant biodiversity, then to do all we can to minimise our impact. Finally, we work to fully rehabilitate any affected areas. We have environmental management plans in place at all our operations, including biodiversity criteria and actions. We use the Anglo American Biodiversity Value Assessment (BVA) methodology, developed in partnership with external experts, to understand the biodiversity

significance of all natural habitats affected by our operations.

We have completed BVAs at all our mining operations.

THE DIAMOND ROUTE

The Diamond Route is a collection of eight biodiversity conservation sites across southern Africa, owned and managed by De Beers Group and Debswana. Spanning nearly 200,000 hectares, its unique habitats are home to vulnerable, threatened and endangered species.

We maintain these nature reserves and game parks with the help of dedicated and passionate teams focused on biodiversity conservation. We recognise our responsibility to be the custodians of this land and of the flora and fauna that exist there.

RESPECTING AREAS OF HIGH BIODIVERSITY VALUE

Naturally, we respect legally designated Protected Areas and areas with significant biodiversity, and we never operate within World Heritage Site Core Areas. We use the Anglo American Biodiversity Overlay Assessment Tool to check on our current areas and also assess whether any new areas of interest overlap with areas of high biodiversity value.

This is not always straightforward. In 2012, for example, we discovered that the licence area for our Venetia mine in South Africa had been included in a newly assigned buffer zone (2009) for the Mapungubwe Cultural Landscape in the Limpopo province (proclaimed as a World Heritage Site in 2003). Following engagement

with a number of stakeholders, a revised buffer zone was proposed, this time excluding the Venetia mine area. We received Ministerial approval to continue operating in the area in February 2013 and the UNESCO World Heritage Committee accepted the revised buffer zone in June 2014.

We also know that some of our exploration licence boundaries in South Africa, Botswana and Namibia overlap with portions of known International Union for Conservation of Nature (IUCN) Category I-IV Protected Areas.

We allow no exploration activities in these overlap areas.

Some of our Namibian land-based operations are in the Tsau/Khaeb National Park, which has multiple zones and IUCN categories I-VI. Namdeb mining licences fall within a Category VI: Protected Area with sustainable use of natural resources. Diamond recovery is permitted here, but we have ensured a heightened responsibility to operating in the area.

Also in Namibia, an Ecological or Biologically Sensitive Area (EBSA), as defined by the UN Convention on Biological Diversity, was declared off the Orange River mouth. This overlaps with portions of our marine licence areas. We are working with representatives of the EBSA to understand the scientific background to the boundaries, and the implications for our operations.

BIODIVERSITY AND CONSERVATION *continued*

The EBSA is not formally protected and does not prohibit mining in the area. Management measures for the area are still being determined.

In Canada's remote Northwest Territories, a new National Park has been established within 50km to the east of the Gahcho Kué mine. The Thaidene Nene National Park was established and will be jointly managed in partnership with the Lutsel K'e Dene First Nation. Territorial Protected Areas have also been set up close to the park increasing the total protected area to around 26,000km². The mine is the closest development to the park, and has been highly supportive of its establishment. We are looking forward to a long and close collaboration with the park and the Lutsel K'e Dene First Nation to the benefit of this important shared environment.

OUR PROGRESS

We are continuously refining our Building Forever approach and as part of this work in 2019 we restructured our biodiversity activities under four key strategic areas. Below, we discuss our progress in 2019 across each of these areas.

1. CUSTODIANSHIP

As custodians of the land and wildlife around our mines, we are working on a number of important on-the-ground conservation projects. Many of these take place across our Diamond Route – nearly 200,000 hectares of land across southern Africa that we have set aside for conservation.

Moving Giants elephant translocation project

In 2019, our pioneering Moving Giants project saw us move 53 elephants 1,700km from our Venetia Limpopo Nature Reserve (VLNR) in South Africa to their new home in Zinave National Park in Mozambique. This meticulously planned, expertly managed operation made the safety of our team and the elephants our top priority at all times.

Part of a major conservation effort, Moving Giants is a collaboration between De Beers Group, the Mozambique and South African Governments, and Peace Parks Foundation, a leading not-for-profit organisation that specialises in cross-border ecosystem protection. The programme started because the VLNR could no longer adequately support its elephant

population, whose numbers had flourished through natural reproduction. This was placing the ecosystem at the VLNR under strain, with a detrimental effect on other species.

By contrast, elephant numbers are low in Mozambique following a 15-year civil war, which ended in 1992. Mozambique's 408,000-hectare Zinave National Park provides an ideal new home for the elephants, with plentiful water, food and space. There are also benefits to the park, as elephants help to pave pathways, disperse seeds and attract tourists to the area.

Strong anti-poaching measures were already in place at Zinave, but we are strengthening them with a US\$500,000 donation from the Anglo American Group Foundation over five years. The funding will be used to employ and train 25 new field rangers, install a digital radio network and buy a small plane for aerial surveillance.

Since Moving Giants began in 2018, a total of 101 elephants have been moved and are settling in well, with new calves spotted in the area. The goal is to move 200 elephants as part of the project.

Protecting rhino in the wild

In 2019, our jewellery brand Forevermark™ donated £40,000 to African wildlife conservation charity TUSK, to support anti-poaching and rhino conservation activities. The donation is targeted directly at protecting the estimated 4,800 black rhinos and 20,000 white rhinos that remain in the wild in Africa.

In October, Forevermark Chairman Stephen Lussier took part in a podcast with Charles Mayhew the CEO of TUSK and Kester Vickery from Conservation Solutions, who has been involved in our Moving Giants programme. They discussed the positive impact that natural diamonds, De Beers Group and a brand such as Forevermark can have on wildlife conservation. Recorded during Positive Luxury's Positive Week, the podcast covered a range of topics, from the devastating impacts of poaching to responsible sourcing and consumer engagement.

Debswana is also embarking on an initiative that will contribute to the protection and repopulation of the white and black rhino. Using advanced tracking technology the project will capture real-time data on the location, movement, speed and interactions of rhinos in Botswana. The data will provide biodiversity management teams with a better understanding of rhino health, which in turn will inform veterinary services and emergency support. It will also enable better genetic profiling and modelling to encourage high levels of success in rhino repopulation efforts.

BIODIVERSITY AND CONSERVATION *continued*

Monitoring caribou in Canada

Employees at Gahcho Kué mine continued to support efforts to protect barren-ground caribou herds, which are in decline in Canada's Northwest Territories. Caribou migrate in large herds along a route that often takes them across the ice road, which connects to the mine. Mine staff work with the region's First Nations on a monitoring programme that collects information on the timing of the caribou migration, their preferred travel routes and their behaviour. They then provide this data to the Government of the Northwest Territories and local communities.

This work expanded in 2019 to include a university study examining the potential effects of industrial development on caribou behaviour. Using a combination of chemical analysis (measuring hormone levels in caribou droppings), behavioural observations and GPS tracking, the study will provide valuable insights that can be integrated into the ongoing monitoring programme.

Towards net positive marine diamond recovery

As part of our commitment to a net positive impact on biodiversity, De Beers Group worked with Fauna & Flora International to determine how to achieve this in the marine environment. The work assessed the biodiversity sensitivities and impacts of our offshore operations in southern Namibia. We are currently working through the resulting findings and recommendations to guide our future actions.

2. KNOWLEDGE

De Beers Group is facilitating and supporting several ground-breaking research projects across our Diamond Route conservation sites in partnership with experts from universities and NGOs. Some 19 different projects took place in 2019, looking at a wide range of topics from impacts on plants and vegetation to the risks faced by species such as giraffes, elephants, white-backed vultures and black-footed cats.

Using advanced technology

Many of the research projects use cutting-edge technology. For example, in the giraffe study, special 'collars' are fitted on the heads of the giraffes, carefully positioned between their ossicones (horns). The collars capture precise data on the giraffes' range, enabling researchers to assess the effect of climate change and other ecological impacts on their movement patterns. In the elephant study, meanwhile, the research team is using remote sensing techniques to model the effect the elephants are having on woody vegetation in the VLNR.

Protecting wildlife on South Africa's roads

We also continued to support research by the Endangered Wildlife Trust (EWT) into the issue of wildlife deaths on South Africa's roads. African economies are growing rapidly, driving plans for significant expansion of roads, railways and energy transmission lines, many of which will pass through environmentally sensitive areas. EWT's Wildlife and Transport and Wildlife and Energy programmes are developing strategies to minimise risks to wildlife from this development.

The organisation's innovative and holistic approach was recognised in September 2019 when it won the International Stewardship Award at the International Conference on Ecology and Transportation in California. De Beers Group sponsorship enabled one of EWT's field officers to attend the conference, where he presented research on roads in parks, with a focus on South Africa's Kruger National Park.

3. CONSERVATION CHAMPIONS

We are helping people progress careers in conservation, supporting them in two main ways: through our Conservation Leadership Programme, and via schools training programmes that help with the education of the next generation of conservationists.

Future conservation leaders

We sponsored eight up-and-coming conservationists from South Africa, Namibia, Canada, India and China to attend a two-week Conservation Leadership course in Brazil delivered by partners Flora & Fauna International, Birdlife International and the Wildlife Conservation Society. Following the workshop, they form part of a mentoring programme and global network of early-career conservationists. Describing his positive experience of the programme, one of the participants from South Africa called it 'a turning point for me'.

4. COMMUNITY-BASED CONSERVATION

We are investing in community-based conservation projects that put people at the centre of conservation efforts and benefit local communities. Our work in this area is still in development.

Junior Rangers Programme

In 2019 we supported the Junior Rangers programme at Venetia, aiming to introduce children to the natural wonders of the VLNR. Children and their families take part in a two-day eco trail around the nature reserve, completing activities along the way that teach them about native birds, mammals and trees. Afterwards, they are awarded an official Junior Ranger patch and they make a personal pledge to put their love for nature into action.

CLIMATE CHANGE

CRITICAL FOUNDATIONS

BUILDING FOREVER PILLARS



SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

Climate change is a stark reality for our business and for the local communities around our operations. It has serious and permanent implications globally and locally. That is why we are taking action to minimise our contribution to climate change and mitigate its most significant risks.

MINIMISING OUR IMPACTS

Around half of our current greenhouse gas emissions come from our use of fossil fuels (particularly diesel, marine fuels and petrol), with the other half coming from our use of fossil-based electricity from the grid. In 2015, we launched Programme Terra, a six-year initiative to address our key energy and carbon impacts.¹ At launch, the goal was to introduce efficiency projects that would translate into a nine per cent reduction in carbon emissions by 2020.

In line with the sustainability strategy of our parent company, Anglo American, we have subsequently adopted a more ambitious longer-term target. This holds us to reducing our greenhouse gas emissions and energy intensity by 30 per cent by 2030 (against a 2016 baseline).

¹ Programme Terra originally included targets for water reduction as well as energy and carbon emissions. However, because of changes in the way Anglo American measures water reductions, Programme Terra has been updated to focus solely on energy and carbon emissions. Water reduction targets and associated actions are covered under separate environmental initiatives. See [Water availability and quality](#) for more information.

² We calculate our greenhouse gas emissions using the World Resources Institute's Greenhouse Gas Protocol and carbon conversion factors for purchased electricity, as relevant to each site. Standard conversion factors are used for liquid fuels across all companies within the Anglo American Group.

Our ultimate ambition, however, is to become carbon neutral and in 2019 we established a clear Carbon Neutral Roadmap. This will help us make significant investments across our business and embrace new innovations and technologies to:

- reduce energy intensity
- replace fossil fuels
- replace fossil electricity
- recover (remaining) carbon emissions.

A key objective in reaching our carbon neutral ambition is to be the first company in the world to have a carbon-neutral mine.

UNDERSTANDING CLIMATE RISKS

We have carried out research studies on the climate related risks and opportunities that De Beers Group faces. At our Venetia mine in South Africa, for example, our two most serious risks related to climate change are both water-related: reduced water availability on the one hand, and flooding as a result of extreme weather on the other. We are currently implementing adaptation measures to manage these risks.

OUR PROGRESS

STRATEGIC REVIEW

While our total Group CO₂e emissions for 2019 fell to 1.68 million tonnes (2018: 1.85 million tonnes), our cumulative Programme Terra emissions savings during the year were just 2.4 per cent – well short of our nine per cent 2020 target.²

It was clear to us at the end of 2018, that if we continued with our current approach, we would not meet either our 2020 or 2030 targets. We therefore undertook a strategic review in early 2019 to determine how we needed to change our approach. Over the following six months, we developed an ambitious Carbon Neutral Strategy, which was approved by our Executive Committee. Below, we discuss our current progress and future plans against the four key areas of the strategy.

1. REDUCE ENERGY INTENSITY

Our total Group energy use for 2019 was 13.68 million GJ (2018: 16.2 million GJ). This represents a considerable reduction in energy consumption versus the previous year and was due in part to successful energy efficiency measures, but also to the closure of several of our mines, including Victor mine in Canada, downscaling at Namdeb and Voorspoed mine, and one of Debmarine Namibia's ships being refurbished.

CLIMATE CHANGE *continued*

Examples of energy-saving projects across the Group during 2019 included:

- Fitting trucks with lightweight steel bodies, thereby reducing the amount of diesel they consume per ton of earth moved
- Fitting ‘Ecobee’ thermostats and a better energy management system in the dormitories at Gahcho Kué mine, substantially reducing the amount of diesel required to heat them during the long, cold arctic winters
- Introducing the DEEMS Energy Management system for our haulage fleet, resulting in improved fuel efficiency
- Replacing High Pressure Injection engines with Modular Common Rail Fuel System engines on our haul fleet at Jwaneng, resulting in improved fuel efficiency.

Our overall cumulative energy savings since 2016 stand at 3.4 per cent – far below our original 2020 target of an eight per cent reduction. We will now accelerate our efforts to reduce the energy intensity of our operations, continuing to implement energy-saving projects and using energy more efficiently.

2. REPLACE FOSSIL FUELS

Currently, all fuel we use in our operations is fossil-based. Around half of our Group-wide carbon emissions result from the use of these fossil fuels. We are therefore taking significant steps to move to more sustainable fuel sources. These efforts include investigating options

to replace the diesel fuel we currently use to power our mines with low-carbon options such as biofuels.

We are also aiming to convert our plant and equipment to run off clean electricity, batteries and hydrogen fuel cells.

In a potentially major development, the Technology Development Unit at our parent company, Anglo American, is currently re-engineering one of its dump trucks to enable it to run off clean hydrogen, using hydrogen fuel cells. If trials are successful, we will introduce this innovation at suitable De Beers Group mines, more than halving our diesel usage there.

3. REPLACE FOSSIL ELECTRICITY

We already use renewable electricity at some of our operations, and our aim now is to extend its use across the whole of De Beers Group. We will buy some of this from Independent Power Producers. Where this is not possible, we will seek agreements with renewable energy developers to jointly develop new solar photovoltaic (PV) plants or windfarms and purchase the energy via long-term Power Purchase Agreements. We expect some of these joint developments to be onsite at our own operations and others to be offsite.

We have already commissioned two solar PV plants in Surat in India, and one at Maidenhead near London in the UK. Also in the UK, we have entered into renewable-electricity purchase agreements for our De Beers Jewellers Old Bond Street store and Maidenhead sites,

so the electricity used there will be certified 100 per cent renewable.

Looking ahead, we are planning to install solar PV at a number of our other sites, including at Gahcho Kué and Venetia mines and several office locations. In Botswana, Debswana is looking to partner with the Government and the Botswana Power Corporation to buy renewable electricity for our Orapa and Jwaneng mines from two solar PV plants currently in planning.

We are also considering a number of other offsite renewable energy developments, some privately held and others at our own mines that are already closed or at the planned-closure stage. These developments have significant potential for positive impact, both in terms of land use and for local communities.

4. RECOVER CARBON EMISSIONS

Scientists have found that kimberlite, the rare type of volcanic rock that contains diamonds, offers ideal properties for carbon storage. This is thanks to a process called ‘mineral carbonation’. Originating deep within the earth, kimberlite acts like a sponge when brought to the surface, taking carbon dioxide into its structure and storing it in stable, non-toxic carbonate minerals. These carbonate minerals form naturally in our processed kimberlite – the ore left over after diamonds are removed.

In a ground-breaking research initiative called CarbonVault™ (previously Project Minera), De Beers Group is working with world-leading scientists, to find ways to accelerate the mineral carbonation process.

This will allow us to speed up the natural process of capturing and storing carbon, which we hope will support us in our ambition to create carbon-neutral mines.

To date, this work has focused on two mines – Venetia in South Africa and Gahcho Kué in Canada – where detailed carbon-storage assessment studies have been carried out. Laboratory-scale experiments using processed kimberlite collected from the two mines are ongoing. The team is using the results to assess the potential of various mineral carbonation technologies (physical, chemical, biological and point-source injection).

Results from the lab have helped to shape the design of field trials, the first of which was carried out at Gahcho Kué in July 2019. This successfully demonstrated effective mineral carbonation using point-source injection technology at the mine site. Field trials using processed kimberlite from Venetia mine have started, and initial work on evaluating the carbonation potential at our Jwaneng and Orapa mines in Botswana is also underway.

In July 2019, the Canadian Government’s Clean Growth Program awarded C\$2 million to a consortium of mineral carbonation researchers, led by the CarbonVault™ team at the University of British Columbia, to study carbon capture in mine tailings. This funding boost is another positive step in accelerating our progress towards carbon-neutral mining.

MINE CLOSURE AND ASSET TRANSFER

CRITICAL FOUNDATIONS

COLLABORATIVE REGIONAL DEVELOPMENT

SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

When we close a mine, we want to leave a positive legacy in terms of the environment and a sustainable socio-economic future for local communities. Achieving this requires careful and detailed planning, so we start the closure process years before a new mine even opens.

A mine's social and environmental performance during its operational lifetime should always be accurately reflected in the implementation of its closure plan. This is why our Environmental Policy and Lifecycle Planning and Management Standard require all De Beers Group operations to have detailed and adequately funded closure plans.

We are committed to adopting the 'mitigation hierarchy' approach at every stage of the mining lifecycle – from exploration to closure. This means we aim first to avoid, then to minimise, and finally to rehabilitate the environmental impact of our mining activities.

Closure plans are refined and improved over the life of the operation and, as a result, they become increasingly detailed as the mine reaches the final years of production. We develop all De Beers Group closure plans in accordance with the Anglo American Mine Closure Toolbox.

With three of our mines heading into closure – Victor and Snap Lake in Canada, and Voorspoed in South Africa – we are currently reviewing our approach and asking ourselves:

'How can we create more value for all stakeholders by embracing a collaborative closure design process that looks at broader needs and opportunities?'

Achieving this holistic approach will involve engaging with stakeholders from all areas – including communities, governments and regulators. We want to look 'beyond the fence line' of the operation and at the surrounding region, working with stakeholders to find common ground. By undertaking this process, we hope to build partnerships that will result in environmentally responsible closure and a positive legacy for the people of the region.

EXTENDING MINE LIFE

Closing a mine is not always the only or preferable option. Wherever possible, we aim to sell an asset to other operators who have the technical and financial experience to create value and extend the productive life of the mine. This is clearly the best way of prolonging socio-economic benefits for the community.

We are highly selective about potential buyers, and our conditions of sale include receiving assurances that buyers are capable of creating employment, supporting communities and restoring environments. In South Africa, we also require equity ownership by Black Economic Empowerment groups.

TRANSFERRING TOWN MANAGEMENT

Historically in some cases, particularly in remote areas, mining companies have developed and continued to manage towns to serve the needs of mining operations.

As closure approaches, there is a need to transfer responsibility for infrastructure and public services to the relevant government authorities in a process called 'proclamation'.

In South Africa's Namaqualand, the once privately-owned mine town of Koingnaas was officially handed over to the local municipality in 2016. The municipality now operates all public assets and residential services.

Kleinzee, the other former mining town in the South African region of Namaqualand, was proclaimed in 2012. We are still involved in delivering municipal services to the town, while we work towards handing over full responsibility to the local municipality.

In Oranjemund in Namibia, we have transferred all municipal services except electricity provision to Oranjemund's Town Council. We have also made good progress with moving property, currently owned by Namdeb, into private ownership and finalising agreements on sustainable solutions for healthcare and education with the respective government ministries.

In Botswana, we are working with local and national government bodies to plan for the eventual economic diversification of Orapa town. The plan, which is aligned with the Botswana Government's development priorities, will set out a long-term vision for the area around the Orapa mine, focusing on its potential as a tourism hub and centre for light industry.

MINE CLOSURE AND ASSET TRANSFER *continued*

OUR PROGRESS

CLOSURE UPDATES

We ceased production at our open-pit mine at Voorspoed near Kroonstad in South Africa in December 2018. We have since carried out design work to decide how best to achieve closure of the site's mining and support infrastructure in an environmentally responsible way. Rehabilitation work on the mine rock pile is complete, and we are awaiting regulatory approval of the closure plan.

In Canada, we presented the final closure and reclamation plan for our Snap Lake mine to the Mackenzie Valley Water Board in early 2019 and expect a decision in 2020. Also in Canada, although Victor mine only ceased production in May 2019, we have advanced reclamation work at the site. In parallel, as part of the rehabilitation of the area, we have planted 1.26 million trees and sown 2.5 tonnes of seed. Our aim, as far as possible, is to restore all affected ecosystems to the best possible state. This means returning them to a condition that allows the area's sites and natural resources to be used productively by local Indigenous people, for example enabling them to carry out traditional harvesting activities.

At our Namdeb operations in Namibia, we have started to update and review our biophysical closure planning cycle. This happens every three years and involves engaging with key external stakeholders.

Improvements following the last cycle included the development of a risk profile and domain approach to biophysical rehabilitation.

MINE SALES

In South Africa's Namaqualand, the Buffels Marine Mining right has been subject to a sales option agreement since it was put on care and maintenance in 2009. It has been available for sale since the option agreement lapsed in early 2019, and a pre-emptive right remains in effect.

We are working with the Department of Mineral Resources and Energy, together with the Northern Cape Provincial Government to assess the options available to us.

In Namibia, a suitable operator has been identified and the sales agreement concluded to continue the operations of Namdeb's Elizabeth Bay Mine operations after a comprehensive selection process. The finalisation of the sales process is awaiting final approval from the Namibian authorities.

We have been unsuccessful in finding suitable operators for our Snap Lake and Voorspoed mines and we have now announced the closure of both sites. In late 2019, we also terminated our efforts to find a buyer for the Voorspoed mine's tailings which date back to before 1912. We started the closure of our Victor mine during 2019, having established that extending its life was unfeasible.

THE TRANSFORMATION OF ORANJEMUND

The year of 2019 was a landmark in the transformation of Oranjemund in Namibia, which has been a 'closed' mining town for more than 80 years. Significant progress was made in many areas, including the transfer of residential property to private ownership, municipal authorities taking over provision of public services and the development of an improved healthcare and education infrastructure.

In addition, the OMDis Town Transform Agency – an independent non-profit organisation – was formed to help drive local economic diversification and enable Oranjemund to become a sustainable town independent of mining. Areas including agriculture, tourism, retirement living and renewable energy were identified as viable options, and many ventures were launched or further developed during the year to support these activities. These include a local agriculture project that supplies much of the town's fresh produce, a new tourist information centre and an e-bike scheme. In the long term, there are plans to develop a museum, which will showcase the region's cultural heritage, including its diamond mining past.

WATER AVAILABILITY AND QUALITY

CRITICAL FOUNDATIONS

BUILDING FOREVER PILLARS



SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

Water scarcity is a significant risk in southern Africa, not only to the continuity of our operations, but also to the communities close to where we operate and to food production and biodiversity. Meanwhile, in Canada, protecting water quality in the region around our mines is a key value we share with the residents of the region.

As a signatory to the United Nations CEO Water Mandate, our water stewardship role includes a commitment to take action on water policy, management and performance.

The Anglo American Water Standard guides how we manage water at our mines. We are participating in the process underway in 2020 to develop a new Anglo American water reporting framework. As part of this process, we will be re-baselining our water data for 2020, tracking performance towards the 2020 and 2030 targets and determining all freshwater savings opportunities. Thereafter, we will set site-specific targets towards reaching our 2030 goal of a 50 per cent reduction in the withdrawal of freshwater.

Our ultimate ambition is to be water neutral. This means minimising our water usage as much as possible, ensuring that water is only used in ways that limit its impact and by extending water access to local communities.

OUR PROGRESS

WATER TARGETS AND PERFORMANCE

During 2019, Anglo American started a process to change how it sets targets, manages and reports on water use. As a result, De Beers Group will re-baseline our water use statistics in line with the Anglo American framework in 2020. This will enable us to set site-specific targets that will feed into our overall 2030 water-reduction goal and our ambition to be water neutral.

Our total freshwater use in 2019 fell to 52 million cubic metres (2018: 81 million cubic metres), putting us on track to achieve our 2020 target of reducing the abstraction of freshwater in water-scarce regions by 20 per cent. The closure of Victor mine in Canada in early 2019 was a major contributor to this decrease in water use.

Our rainwater harvesting decreased from 2018, reaching 2.71 million cubic metres (2018: 3.3 million cubic metres). Our total seawater use was 17 million cubic metres (2018: 32 million cubic metres). We had planned discharges of 4.7 million cubic metres of water (2018: 37 million cubic metres) and no unplanned discharges.

At Gahcho Kué mine in Canada, we updated our water-balance model to include financial modelling and incorporate various climate change scenarios more fully. We also installed a real-time tracking system for water and electricity usage at the camp. This supports

water and energy conservation by enabling employees to understand their consumption more accurately and set targets for reduction.

We also purchased additional water quality analysis equipment for the onsite Environment Lab at Gahcho Kué. Our environmental technicians are now able to analyse the water samples they collect on a daily basis, enabling close monitoring of water quality trends for key constituents such as nitrate, from around the site prior to discharge. This ability to analyse water onsite provides valuable information to the mining team as it works to reduce nitrate concentrations in collection pond water. By collaborating on improved nitrate management practices, we are working to improve water quality for discharge to the surrounding environment.

At Snap Lake mine, which is currently on care and maintenance (i.e. no mining is taking place), we submitted final designs to the regulator for the closure landscape, along with an application for the renewal of our water licence. This has enabled closure planning to progress, with the full assurance that water remains good to drink and the fish remain healthy. Victor mine entered the early stage of its closure in 2019, when we ended open-pit mining and flooded the pit with natural groundwater inflows. Final closure planning is also progressing at Victor with the submission of the final closure plan and the receipt of the certificate of approval for the demolition landfill.

WATER AVAILABILITY AND QUALITY *continued*

At the Chidliak exploration site, also in Canada, we completed baseline water quality, fish, wildlife, air quality and hydrology studies. We also gathered many other environmental data sets to support an eventual application for a small diamond mine.

DESALINATION PLANT IN CAPE TOWN

South Africa experienced a severe drought in 2018 – an increasing occurrence as a result of climate change. To reduce our dependence on a shared fresh water supply in this changing environment, De Beers Marine has installed a desalination plant in Cape Town to meet the freshwater requirements of our ship repair activities.

This plant is now capable of producing 200,000 litres of freshwater from the sea every day. As the daily amount of freshwater required fluctuates significantly during the maintenance of a vessel, we have created a storage buffer of approximately 2 million litres. We continued to use the plant throughout 2019, and we expect not to use any freshwater from the Cape Town Municipal supply in our future in-port maintenance activities. We are also now looking at renewable energy options for powering the plant.

WATER EXTRACTION PILOT AT ORAPA

Work is underway on a pilot project at our Orapa mine in Botswana to pioneer a new way of extracting water from the tailings and slimes left over after diamonds have been extracted. In 2019, we commissioned the development of a new plant containing innovative ATATM technology, which rapidly processes tailings and slimes into solids, leaving clarified water that can be immediately reused.

The new plant was delivered to Orapa in early 2020 and is currently undergoing testing. If successful, the technology could have a major impact on how we manage our tailings and slimes in future and contribute to our water reduction target.



Watering hole at Orapa Game Park, Botswana

WASTE MANAGEMENT AND POLLUTION PREVENTION

CRITICAL FOUNDATIONS

SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

We aim to reduce waste across our operations and to reuse and recycle as much as possible. We have two main waste streams: non-mineral, comprising a range of disposed waste, recycling and re-use streams; and mineral, in the form of fine and coarse residues.

For non-mineral waste, we separate it at source to enable appropriate recycling or disposal via landfill or incineration. For mineral waste, at each active operation an external operator handles the fine residue deposits and an independent legal advisor assures the integrity of the facilities. Every three months, a multidisciplinary team of internal and external specialists conducts onsite reviews to confirm compliance with all requirements, including environmental, safety and technical aspects.

Diamond mining is a largely physical process that does not require the use of hazardous substances. However, the treatment process for diamond-bearing ore does require the addition of some substances under controlled conditions. All our operations and facilities focus on controlling the risks associated with hazardous substances, effluents, wastes and emissions. Preventing pollution is a key commitment for all ISO 14001-certified operations, and we ensure that we manage all potential sources of pollution.

We store any hazardous waste responsibly onsite before disposing of it at certified hazardous waste sites. For example, we

dispose of hazardous waste from our operations in Botswana at certified sites in South Africa. Its transport is fully compliant with the Basel Convention on transboundary transit.

We never dispose of tailings in rivers. In Namibia, material from the treatment plant forms part of the required beach accretion to enable mining. Processed seabed material is disposed of overboard from each of our mining vessels back into the mined areas. All our tailings are managed in accordance with the requirements of the Responsible Jewellery Council.

OUR PROGRESS

WASTE

In 2019, we sent 2,271 metric tons of non-hazardous waste to landfill (2018: 1,840 metric tons) and 1,211 metric tons of hazardous waste (2018: 871 metric tons). We incinerate waste onsite wherever this is feasible. This totalled 1,398 metric tons in 2019 (2018: 592 metric tons).

Separating waste at source results in the need to send a range of waste and recycling streams to external parties. Most significantly in terms of mass, these included 10,860 metric tons of metal during 2019 (2018: 8,375 metric tons). Other materials include waste glass, paper, plastic, used oil and grease, earthmoving and light vehicle tyres, conveyor belting, drums, lead acid batteries, printer cartridges and electrical and electronic items. We return oily water that our ships cannot discharge to sea for recycling by a land-based facility.

CIRCULAR ECONOMY

In 2019, our parent company, Anglo American, started developing a new waste strategy based on the principles of the circular economy. This recognises that to limit our impact on the environment we need to design our operations in such a way that they generate minimal waste and pollution. We also need to understand the end destination and end use of any waste that we do generate. In addition, we need to eliminate waste across the full lifecycle of a diamond, keeping materials in use for as long as possible – reducing, reusing and recycling to divert as much waste as possible from landfill.

Beyond this, we need to reimagine new circular business models, enabling us to grow our business while reducing resource use to sustainable levels, creating systems and ways of working that are regenerative by nature.

One such transformational model we're working on uses mineral carbonation technology to lock carbon into our mineral waste – the processed kimberlite from our mines. This process has the potential to give what was once a waste stream a new purpose as a valuable means of sequestering carbon from the atmosphere. (See more in [Climate change](#).)

WOMEN AND GIRLS' EMPOWERMENT

CRITICAL FOUNDATIONS

BUILDING FOREVER PILLARS



SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

With more than 90 per cent of diamond consumers being female, gender equality represents a natural area for De Beers Group to focus on – across our business, in our communities and through our brands. Our vision is a workforce with equal gender representation as well as equal access to opportunity for women and girls in our host communities.

We hold our commitment to gender equality and standing with women and girls close to our hearts. It's not just the right thing to do for society, it makes good business sense. We know that greater diversity of thought will drive a stronger, more innovative and adaptable business. This is supported by research¹, which shows that companies in the top quartile of gender diversity are 15 per cent more likely to have financial returns above their national industry median. Research also shows that women tend to reinvest earned income at a much higher rate than men, which means investing in women and girls can have an exponential impact on community and national development.

Through challenging gender stereotypes and supporting financial resilience and technical and leadership skills for women and girls, we know we can both create a multiplier effect for community development and build a more innovative and productive business. We can also make a meaningful contribution to Sustainable Development Goal 5: Gender Equality.

¹ 'Why Diversity Matters', McKinsey & Company, January 2015

OUR PARTNERSHIP WITH UN WOMEN

In September 2017, De Beers Group announced a three-year partnership with UN Women. We pledged to accelerate the advancement of women across our organisation, in our diamond-producing countries and through our marketing campaigns. We made three specific commitments:

- **Community:** to invest US\$3 million over three years to support women and girls in our diamond-producing countries
- **Company:** to achieve parity in the appointment of women and men into senior leadership roles by 2020
- **Consumer:** to ensure that De Beers Group's brands are a positive force for gender equality through our marketing campaigns.

De Beers Group CEO Bruce Cleaver became a UN Women HeForShe Thematic Champion alongside other influential leaders. These include the Prime Minister of Canada, Justin Trudeau and the CEO of Danone, Emmanuel Faber. The Thematic Champions pledged to make gender an institutional priority by implementing a bold, game-changing commitment to advancing and achieving gender equality.

OUR PROGRESS

SUPPORTING WOMEN'S FINANCIAL RESILIENCE

The AWOME programme

Our Accelerating Women-Owned Micro-Enterprises programme (AWOME) provides mentoring, networks, business and life skills to women micro-entrepreneurs across South Africa, Namibia and Botswana. Launched in 2018 in partnership with UN Women and local governments, it aims to run for three years and support at least 1,250 women.

AWOME expanded into Botswana during 2019, having launched in Namibia and South Africa in 2018. By the end of 2019, more than 850 female entrepreneurs had received training. They represent a wide range of businesses, from mechanics and children's entertainers, to farmers, hairdressers and tailors.

The programme uses a 'train the trainer' approach, training selected local community members who then train entrepreneurs. This will enable the programme to be sustainably embedded in the long term.

Describing the impact of the programme, Alex Shinana, one of the Namibia-based trainers, said: "What I see as a trainer is that attitudes change. The women gain self-confidence, fall in love with their businesses and realise they can make a living through their own hard work."

WOMEN AND GIRLS' EMPOWERMENT *continued*

Sunny-Girl Hawanga, one of the AWOME participants who runs her own automotive business, said: "I started my business in 2016, offering car body repairs, including panel beating and spray painting, and I now have six men working for me. I felt so proud when I was selected to join the AWOME programme. I've learnt a huge amount and I'm already doing many things differently".

Following the programme's success, the One Economy Foundation, a programme under the Office of the First Lady of Namibia, is the AWOME programme to train its beneficiaries.

PROMOTING TECHNICAL AND LEADERSHIP SKILLS

Our WomEng partnership in southern Africa

In July 2019, De Beers Group launched a three-year partnership with WomEng, an International organisation based in South Africa, with a mission to develop the next generation of highly skilled women for the engineering and technology industries. We are investing US\$315,000 over three years in programmes that aim to encourage young women in South Africa, Namibia and Botswana to study STEM (science, technology, engineering and mathematics) subjects and to pursue engineering careers.

There are three elements to the partnership programme:

1. Sponsorship of the WomEng fellowship event in South Africa. This took place in July 2019 in Johannesburg, bringing together 60 female engineering students from South Africa, Namibia and Botswana in their pre- and post-graduate years. The week-long event was designed to strengthen the students' employability and leadership skills, cultivating innovative entrepreneurial thinking through the WomEng Innovation Challenge. In this, students were asked to develop an engineering business solution to meet the Sustainable Development Goals. De Beers Group hosted an evening with the students, giving them the opportunity to find out more about the diverse roles at De Beers Group, and the feedback received was very positive.
2. Running GirlEng workshops to raise awareness around STEM subjects and career opportunities among female secondary school students in Botswana, South Africa and Namibia. This was a series of four half-day workshops in August and September, each involving around 200 students. The workshops took the students through a process of imagining what they want to achieve in their career and included presentations from women in technical roles at De Beers Group.

Supporting STEM careers in Canada

Meanwhile, in Canada we are working with UN Women and Scholarships Canada to provide university scholarships to young women to study STEM subjects – part of a three-year, US\$600,000 commitment we announced under our UN Women partnership. So far, we have awarded nearly 30 scholarships and our aim is to award approximately 40 by the end of the programme.

We have a particular focus on supporting indigenous women from the communities around our operations. Over 2018 and 2019, funding from De Beers Group helped send 18 teenage girls from the Northwest Territories, Nunavut and Northern Ontario to the University of Waterloo's Impact Summer Camp for Indigenous Girls. The camp, lasting two and a half days, aims to build girls' confidence and encourage them to consider a career in STEM.

CHALLENGING GENDER STEREOTYPES

Through our campaigns and sponsorships

Our jewellery brands are standing with women and girls by challenging gender stereotypes in their marketing and beyond.

De Beers Group has developed inclusive marketing guidelines to ensure all genders are portrayed positively in their campaigns. For example, the latest bridal campaign from

Forevermark™, 'I Take You, Until Forever', celebrates everyday moments of real love and honest vows, demonstrating a diverse mix of couples in an equal light. For the first time, it includes a woman proposing marriage to a man.

Beyond advertising, the brands continue to raise awareness of gender equality. Forevermark held events around International Women's Day 2019 with leading publications in China and India, helping to raise awareness of the HeForShe movement. De Beers Jewellers, meanwhile, donated to UN Women a percentage of its profits from sales, worth around US\$55,000, during March 2019.

In Canada, De Beers Group sponsored the first-ever UN Women HeForShe #GetFree Tour in 2019. The five-city tour covered 5,600km over six days, and reached 60,000 students and thought leaders from academia, government and industry. Five universities across the country were visited, where participants from HeForShe and De Beers Group joined in panel discussions and other activities. The focus of the campaign was on engaging students to take action for a gender equal world.

Commenting on the tour, Phumzile Mlambo-Ngcuka, Under-Secretary-General and Executive Director of UN Women, said: It is inspiring to see that our partnership with De Beers Group has attracted Canada's leading STEM institutions and brightest young minds to explore how we can work together to create a more equal world.

WOMEN AND GIRLS' EMPOWERMENT *continued*

In the workplace

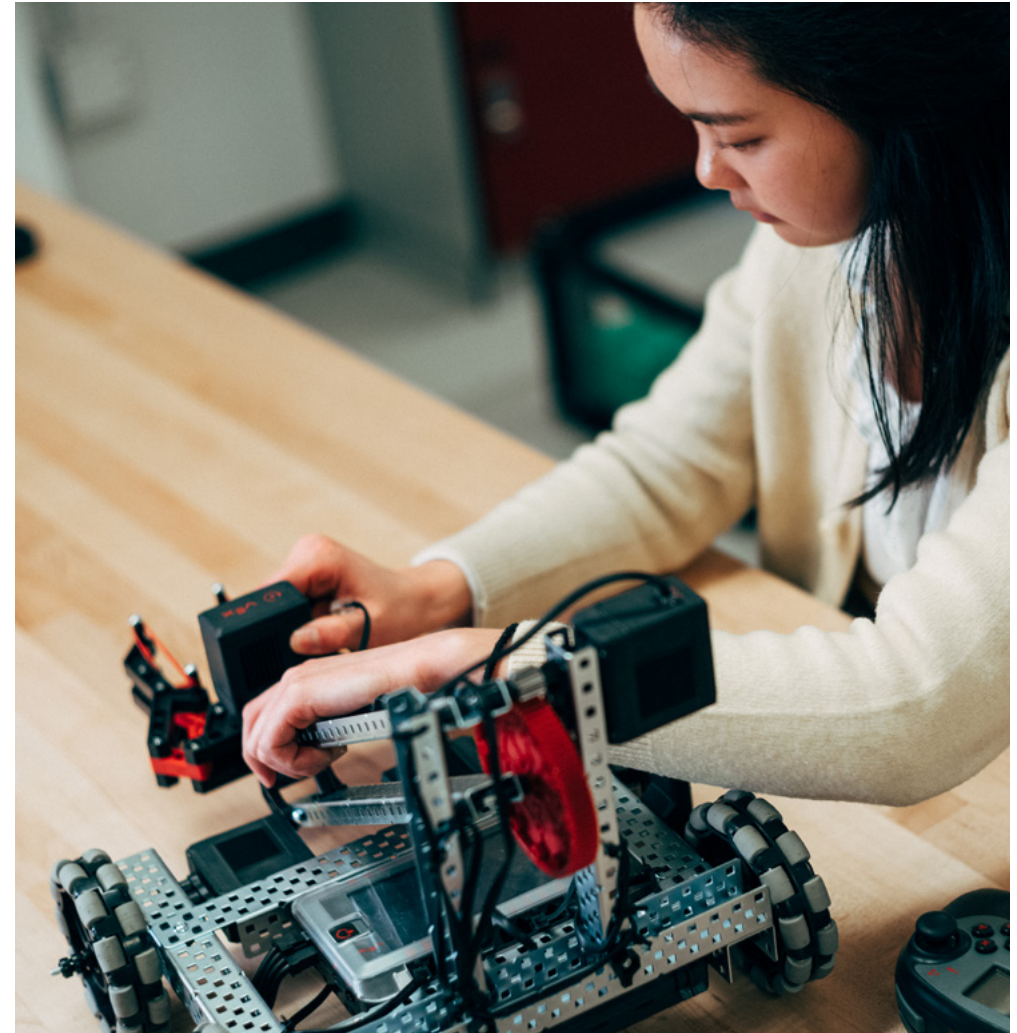
Internally within De Beers Group, we are working hard to achieve a target of 40 per cent gender parity in our appointment rate of women into senior leadership roles. From a starting point in 2017 of 22 per cent, we are currently at 38 per cent, and aim to achieve 40 per cent by September 2020.

Across the world, our operations are implementing many initiatives in support of greater gender equality in the workplace. In Botswana, for example, we award bursary grants for female employees to study engineering degrees. We have also made simple changes to accommodate parents, including allocating reserved parking bays for pregnant women and giving up to five days' leave each year for parents to care for children who fall ill.

In Canada, we are planning several initiatives for the coming year. For example, we will be launching a 'change the conversation' programme to raise awareness of the importance of inclusive language. In South Africa, we have developed new personal protective equipment, designed by women for women and have set up lactation rooms in our mining operations to make life easier for mothers returning to work.

EXTERNAL RECOGNITION FOR OUR WORK

In 2019, we received a number of external awards for our commitment to standing with women and girls. In South Africa, for example, we received a prize for skills development at Standard Bank's Top Women Awards 2019, which recognise organisations that play an active part in changing the role of women in the public and private sectors. In Canada, our three-person Corporate Affairs team received the Gold Quill of Merit Award from the International Association of Business Communicators, marking their work to support inclusion and diversity initiatives in 2017 and 2018.



An engineering student works on a robotics project.

ECONOMIC IMPACT ON PRODUCER COUNTRIES

CRITICAL FOUNDATIONS

COLLABORATIVE REGIONAL DEVELOPMENT

BUILDING FOREVER PILLARS



SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

We strive to create lasting socio-economic benefit for our producer countries, working in partnership with governments and communities. This is a central focus of 'Partnering for thriving communities' – a key pillar of our Building Forever approach and part of our commitment to supporting SDG 8: Decent work and economic growth.

We continuously explore ways to support our communities to diversify their skills and build resilient livelihoods. We want to make sure that they can prosper well beyond the recovery of our last diamond, and be part of strong, diversified national economies.

We support economic growth and diversification through enterprise development, inclusive procurement and beneficiation (see definition below). We also ensure local and historically disadvantaged citizens form the majority of the workforce in our producer countries. For example, in Botswana more than 98 per cent of our workforce are local citizens.

ENTERPRISE AND SUPPLIER DEVELOPMENT

Our enterprise and supplier development programmes, particularly Zimele in South Africa and Tokafala in Botswana, are an important part of our local business support. These programmes build the capacity and competitiveness of local citizen-owned enterprises. Where appropriate, they support them to become suppliers to De Beers Group.

'Zimele' comes from the Zulu word meaning 'to stand on your own two feet'. We created the programme in 2009 as a catalyst to develop emerging black-owned businesses, to empower entrepreneurs and to facilitate job creation in South Africa. It features a network of business hubs and walk-in centres across the country, enabling entrepreneurs and small and medium-sized enterprises to access business facilities, knowledge, finance, mentorship and support. We currently have Zimele hubs in South Africa – at Kimberley, Voorspoed, Venetia and Kleinzee – and Debmarine runs a hub in Namibia.

Tokafala ('to improve' in the Tswana language) launched in 2014 as a partnership between the Government of the Republic of Botswana, Debswana, Anglo American and De Beers Group. It aims to promote economic development and job creation in the country by helping local entrepreneurs develop the skills they need to build successful and sustainable businesses. It also provides long-term support to individual small and medium-sized enterprises. Tokafala has a youth development component called STRYDE (strengthening youth development through enterprise). STRYDE builds young people's personal and professional capabilities to help them start and grow businesses and find jobs.

INCLUSIVE PROCUREMENT

Through our inclusive procurement approach we generate shared prosperity for local suppliers and those in the communities surrounding our operations. We do this by committing to choosing local workers, businesses, and products and services, involving black-owned, women-owned and youth-owned entities wherever possible.

In South Africa, for example, we give priority to suppliers that are Exempted Micro Enterprises, Qualifying Small Enterprises, black and black women-owned enterprises. We also have in place a two-year supplier-development programme that supports local businesses appointed through the inclusive procurement initiative. In Botswana, we prioritise local and citizen-owned businesses. In Namibia, we give preference to local providers. And in Canada, we prioritise Indigenous suppliers and businesses from the areas where we operate.

BENEFICIATION

'Beneficiation' is our most significant method of keeping diamond wealth in our countries of production. It means we sell an agreed proportion of our rough diamonds to Sightholders – rough diamond customers – based in our producer countries. This helps to ensure that as much of the diamond value chain as possible stays within the country, in particular, the value-adding steps such as cutting, polishing and sales.

ECONOMIC IMPACT ON PRODUCER COUNTRIES *continued*

De Beers Group's Designers Initiative is another element of our beneficiation approach. A skills-development initiative, it recognises and celebrates emerging jewellery designers, giving them a valuable platform to build their careers in the jewellery industry. The Shining Light Awards, run in conjunction with Forevermark™, are a central part of this initiative. Established for over 22 years in South Africa, almost 10 years in Botswana and Namibia, and since 2018 in Canada, the awards are open to jewellery designers in the four countries where De Beers Group operates.

The winner from each country receives a one-year apprenticeship at the POLI.design school in Milan. The first runners-up receive a three-month internship at the Forevermark Design & Innovation Centre in Milan, and second runners-up can join a jewellery design skills development programme at a local university.

OUR PROGRESS

EMPOWERING SOUTHERN AFRICA'S ENTREPRENEURS

Our three-year partnership with Stanford Graduate School of Business continued to promote entrepreneurship and innovation across southern Africa in 2019.

The second cohort of 50 entrepreneurs completed the Stanford Go-to-Market boot camp in Gaborone, Botswana. To date, 99 entrepreneurs have gone through the programme, representing diverse industries and different districts of Botswana. The intensive one-week course helps budding entrepreneurs gain the confidence and skills to develop their business ideas and get them to market quickly. Many of the alumni have gone on to scale up their businesses using the learning from the programme.

SPOTLIGHT ON MAUNGO CRAFT

2019 was a great year for Maungo Craft, which makes artisanal, hand-crafted, award-winning preserves. The business won several competitions internationally and Managing Director Bonolo Monthe was part of a delegation representing Botswana at international trade fairs and expos. She also spoke at the International Trade Centre's She Trades Global Conference.

Our other initiative under the Stanford partnership – the Seed Transformation Programme – also supported its second cohort of companies during 2019. A year-long leadership programme, it provides business leaders and their teams with management training and networking support. The recent Seed Annual Survey showed exceptional progress for alumni of the programme. Notable examples include:

- Two businesses registered and expanded to Ghana and Sierra Leone.
- One Botswana-based business attracted its first round of funding from an angel investor.
- More than 319 new full-time hires were recruited across the first and second cohort companies.
- Companies reported a 60% change in revenues and \$10 million has been raised in financing since joining Seed.

SUPPORTING LOCAL SUPPLIERS

We spent US\$1.4 billion on procuring goods and services from local suppliers in 2019. This was 65 per cent of our total procurement spend (2018: US\$1.25 billion, 61 per cent) across the De Beers Group. In Botswana, the figure was 80 per cent and in South Africa it was as high as 97 per cent. We also supported local suppliers through our supplier-development programmes in each country.

One of our approaches is to encourage small suppliers to partner with larger, more established suppliers that have the systems and scale to meet the needs of an international organisation like De Beers Group. This helps smaller suppliers learn from the biggest and best in their sector. At the same time, we get the quality of goods and services we need, while supporting economic diversification and job creation beyond mining.

An example of a successful supplier partnership in 2019 was one between a local woman-owned tyre company and Bridgestone Tyres and Global Wheel. The partnership enabled the local business to supply our mine with the specialist tyres and wheels we need. Another example was a partnership between a local auctioneer and Aucor Auctioneers, one of southern Africa's biggest auctioneering companies. They came together to form a new company called Aucor Limpopo. Aucor Limpopo has a five-year agreement with Venetia mine for the sale of all redundant assets and equipment on behalf of the mine.

ECONOMIC IMPACT ON PRODUCER COUNTRIES *continued*

TOKAFALA CONTINUES TO GROW

Having successfully secured a three-year, US\$3 million funding commitment from the Government of the Republic of Botswana in 2018, Tokafala's focus in 2019 was on recruiting new participants for its core enterprise development programme and the STRYDE youth programme. Micro, small and medium-sized enterprises were recruited from across the urban centres of Gaborone, Jwaneng, Francistown, Letlhakane and Maun.

In total, Tokafala supported 130 enterprises during the year, 55 per cent of which were owned by women (2018: 40 per cent). Together, these businesses supported 807 jobs (2018: 598). Since its launch in 2014, Tokafala has supported almost 700 enterprises and over 4,200 jobs.

Going forward, the Tokafala team aims to establish a new supplier-development initiative to support larger enterprises that have the potential to become suppliers to De Beers Group. Recognising that it currently attracts more micro enterprises than small and medium-sized businesses, Tokafala also plans to bring in new skills and expertise that will improve its offering to larger companies.

ZIMELE GOES FROM STRENGTH TO STRENGTH

Zimele's focus in 2019 was on providing high-quality mentorship, training and business development support to local enterprises. Over the year, the programme supported 120 enterprises, 33 per cent of which were owned by women. Together, these enterprises supported 475 local jobs. Zimele provided loans to many of the businesses, amounting to almost US\$1 million in total.

During the year, new supplier-development programmes were established to build the capacity of local suppliers appointed via our inclusive procurement initiative. Zimele also partnered with South Africa's Small Business Development Agency and National Youth Development Agency to further expand its services and gain additional resources and skills.

One of the highlights of the year was the establishment of the Moringa Cooperative project. Under this, 60 farmers in South Africa's Limpopo Province are set to benefit from a project that involves growing moringa trees and selling the seeds and leaves. Our Venetia mine is working on the project with four partners, with the aim of creating 300 jobs in three areas in the Blouberg municipality, where levels of unemployment are high.

UNLOCKING THE POTENTIAL OF NAMIBIA'S ENTREPRENEURS

The Olafika Development Mentorship Programme for small and medium-sized enterprises has supported its first cohort of 70 entrepreneurs from Namibia's jewellery making industry to develop skills and knowledge for business success. Drawn from all regions of the country, the entrepreneurs joined the Olafika programme in February 2019 and graduated in March 2020.

They received training on topics such as business planning, finance, sales and marketing, combined with mentoring from experienced business professionals. The mentors helped the entrepreneurs lay the foundations for business growth, widen their exposure and connections, and boost their competitiveness.

SME development is a national priority for the Namibian government. Through the Olafika programme, the Namibia Diamond Trading Company hopes to unlock the potential of the country's entrepreneurs and support sustainable community and economic development.

BENEFICIATION BOOSTS SOUTH AFRICA'S DIAMOND INDUSTRY

In April 2019, the owners of five black-owned South African diamond cutting and polishing companies graduated from the De Beers Enterprise Development Project for Diamond Beneficiators. The three-year programme, which provided training and mentoring on business skills, aims to help the diamond cutting and polishing industry in South Africa grow and transform.

The five businesses – two of them 100 per cent women-owned, and another one 50 per cent female-owned – have experienced significant turnover growth and created new jobs since graduation. De Beers Group's ambition is for them to eventually become Sightholders – rough diamond customers of De Beers Group – and the programme provided support to help them work towards this by training them on the requirements of our Best Practice Principles programme. So far, two of the businesses have completed the Forevermark™ Pipeline Integrity process, making them eligible to be Forevermark suppliers.

The programme also sponsored the business participation at international trade shows including those in Hong Kong and Las Vegas.

ECONOMIC IMPACT ON PRODUCER COUNTRIES *continued*

THE DIAMOND SYMPOSIUM

On 5 November 2019, De Beers Group hosted a conference in Gaborone, Botswana, in partnership with the Ministry of Mineral Resources, Green Technology and Energy Security. The event attracted over 1,000 corporate leaders, government officials and thought leaders. The theme of the conference focused on new opportunities in a fast-changing world. It aimed to highlight Botswana's position at the centre of the diamond industry and also to recognise the industry's role in leading sustainable development.

The keynote speaker was Botswana's President Dr Mokgweetsi Masisi. Sharing the stage were senior ministers from other African governments and leading figures from within De Beers Group, including CEO Bruce Cleaver.

Two days later, De Beers Group hosted the W Summit – a leadership conference that brought together 350 female thought leaders and influencers from business, government and civil society. Led by the First Lady of the Republic of Botswana, Mrs. Neo Jane Masisi, the theme of the conference was 'Bridging Leadership and Purpose for Socio-Economic Impact'.

From a socio-economic perspective these two conferences employed nearly 750 people from service providers from across Botswana, Namibia and South Africa.

SHINING LIGHT AWARD WINNERS CELEBRATE 'HEROINES AND HERITAGE'

One very talented winner and two runners up from each participating country were selected from the 110 applications we received for the 2018/19 Shining Light Awards. This brings the number of finalists to 12, the most ever awarded in a single competition. The theme of the awards was 'Heroines and Heritage', reflecting De Beers Group's commitments to standing with women and girls, and protecting the natural world.

The winning jewellery designs were brought to life at the Shining Light Awards red-carpet banquet at the Diamond Conference in Gaborone. This was attended by stakeholders from across the diamond value chain, including the President of the Republic of Botswana, Dr. Mokgweetsi Masisi, and First Lady Mrs. Neo Jane Masisi.

The first prize winners began their one-year scholarship at the POLI.design school in Milan in late 2019, while the first runners up started their three-month internship with Forevermark™ in March, also in Milan. The third-placed designers are benefitting from a one-year scholarship at Akapo Jewellers in South Africa, which they began in January 2020.

FINANCIAL AND OPERATIONAL UPDATE

2019 was a challenging year for rough diamond demand. Total revenue for De Beers Group decreased by 24 per cent to US\$4.6 billion, with rough diamond sales falling by 26 per cent to US\$4.0 billion. This was due to both a decrease in consolidated rough diamond sales volume and a reduction in average realised price.

There was a knock-on effect in our returns to producer countries, with the total decreasing to US\$4.3 billion compared to US\$5.1 billion in 2018. Payments to partners, joint ventures and suppliers totalled US\$3.5 billion (2018: US\$4.2 billion), while our payments in government taxation came to US\$173 million (2018: US\$195 million). Of our payments to stakeholders, 72 per cent were made to stakeholders in Africa (2018: 76 per cent).

Rough diamond production decreased by nearly 13 per cent to 30.8 million carats, primarily due to lower production in South Africa. Although trading conditions have improved since the third quarter of 2019, production was lower in response to softer rough diamond demand conditions (when compared with 2018).

We invested US\$31 million in exploration across the Group.

COMMUNITY DEVELOPMENT FOR PRODUCER COUNTRIES

CRITICAL FOUNDATIONS

COLLABORATIVE REGIONAL DEVELOPMENT

BUILDING FOREVER PILLARS



SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

Communities are hugely important to us for many reasons. They are a source of local employees and suppliers; they are critical in enabling us to maintain our licence to operate; and living up to their expectations helps us manage risks and create a stable operating environment, which in turn benefits our business.

We have a long history of working in partnership with communities. Our vision is to be a catalyst for a step change in skills, health and livelihoods, to enable community resilience and diversified local economies. This is why 'Partnering for thriving communities' is a key pillar in our Building Forever strategy.

We recognise that we have a responsibility to protect the local communities around our mines from any adverse impacts or inequalities, by working with them to ensure the benefits of mining are felt by everyone.

COLLABORATIVE REGIONAL DEVELOPMENT

Our approach to community development seeks to create long-term economic growth across regions, through collaboration and partnership. Collaborative Regional Development (CRD) promotes development initiatives that are scalable, take a long-term view beyond the life of a mine, are financially sustainable, and adopt inclusive ownership models. The approach delivers these initiatives in collaboration with partners from across a region – community representatives, faith groups, businesses and

entrepreneurs, government, academics and NGOs.

CRD starts by identifying the development opportunities with the greatest potential in a particular region, through spatial analysis of the physical and human environment. The next step is to bring together relevant stakeholders to develop those opportunities. Supported by De Beers Group, the stakeholders establish a community organisation, which provides the backbone structure and acts as a catalyst in the development of initiatives across six key focus areas: economic development, health, education, environment, service delivery and social empowerment. The organisation helps to secure funding, identifies the right group of implementation partners for a particular initiative, and monitors, evaluates and shares best practice learnings.

Following extensive preparations to build relationships and lay the groundwork, we have put in place this type of collaborative partnership in the Limpopo region of South Africa, which includes our Venetia mine. In 2019, Debswana began planning a similar approach in the regions surrounding our Jwaneng and Orapa mines.

MANAGING OUR IMPACTS

All our operations have the potential to have significant social impacts on communities. These can include population changes as people join the community to seek work, as well as changes to the local economy and people's livelihoods. Other potential impacts can stem from increasing pressures on local infrastructure

and public services, the quality and availability of natural resources, and 'social nuisance' factors such as dust and noise.

Through our approach to community development we aim to:

- deliver a lasting positive contribution to communities
- manage risks and impacts
- respect human rights
- engage with affected and interested stakeholders
- be inclusive of vulnerable and marginalised groups
- integrate social performance within relevant operational processes.

This strategy is aligned with the Anglo American Social Way, our governing framework for social performance. It applies across the whole lifecycle of our operations, from exploration to closure, including the acquisition and sale of assets. At every year end, we formally address the requirements of the Social Way and identify improvement actions at each operation.

Anglo American carried out an extensive internal and external consultation process during 2019, with the aim of updating the Social Way's requirements in line with evolving best practice and stakeholder expectations.

COMMUNITY DEVELOPMENT FOR PRODUCER COUNTRIES *continued*

SEVEN PILLARS

The Social Way identifies and assesses seven pillars of socio-economic development. These represent the different ways our mining operations can contribute to long-term socio-economic development. They ensure we have a strong focus on harnessing our core business activities to create the most beneficial local impact. The pillars are:

1. **Local procurement:** supporting local small and medium-sized enterprises in supplying goods and services to De Beers Group; also, offering mentoring and capacity-building, including health and safety training.
2. **Local workforce development:** helping local people to develop skills and access employment opportunities at De Beers Group and elsewhere.
3. **Enterprise development:** encouraging small and medium-sized enterprises to grow through mentoring, enabling access to sources of finance, identifying links to supply chains and partnering opportunities.
4. **Employee volunteering:** supporting our employees who want involvement in socio-economic development programmes, encouraging them to share their skills with local communities.
5. **External capacity development:** working with local institutions to improve their social programmes through capacity building.

6. **Synergies with infrastructure:** covering extra costs generated by changes to the design of our operational infrastructure to enable maximum benefit for local communities.
7. **Corporate social investment:** supporting communities through financial contributions including strategic investments, philanthropic donations and gifts in kind.

Across the seven pillars, we place a strong emphasis on supporting women and girls, in line with a key pillar of our Building Forever framework.

ASSESSING OUR IMPACT ON COMMUNITIES

The Social Way requires all our mining operations to develop a long-term Social Performance Strategy. This is supported by annual Social Management and Stakeholder Engagement Plans that track the commitments made, and by our widely publicised and easy-to-access complaints and grievance procedure.

All our operations also implement Anglo American's Socio-Economic Assessment Toolbox (SEAT), which profiles local communities and engages with them to assess their needs, identify impacts and develop or update community investment activities. All our operations carry out the SEAT assessment process every three years and use it to develop management plans and report back to stakeholders.

We carry out Environmental and Social Impact Assessments during development of a mine or when planning significant changes to existing operations. These enable us to identify the potential effect on communities, to develop any necessary mitigation measures and to identify key opportunities for improvement.

GRIEVANCE MECHANISMS

Effective grievance mechanisms for local stakeholders are a key requirement of the Social Way and our Best Practice Principles programme. They give local stakeholders a voice and enable our operations to identify any new concerns.

We align our grievance mechanisms with the UN Guiding Principles for Business and Human Rights. Responsibilities include informing local community stakeholders that the mechanisms exist and providing an appeals process. Grievance systems are included in our annual Social Way assessments and are verified by a third party through the Best Practice Principles Assurance Programme. When appropriate, we translate mine grievance procedures into local languages.

SOCIAL INVESTMENT

Social investment is part of our approach to socio-economic development in the countries where we operate. Initiatives focus on capacity building, community development programmes, donations and emergency relief, all with a strong emphasis on partnerships.

In some countries, we direct a proportion of our social investment through formal agreements with government or local communities. In South Africa, for example, we agree Social and Labour Plans with the Government to set targets for promoting socio-economic growth and empowering Historically Disadvantaged South Africans. In Canada, we use Impact Benefit Agreements – formal community investment agreements with any Indigenous groups affected by our operations.

In Namibia, the Debmarine-Namdeb Foundation contributes strategic investments to create a positive impact and leave a lasting legacy in Namibia.

COMMUNITY DEVELOPMENT FOR PRODUCER COUNTRIES *continued*

OUR PROGRESS

ENGAGING WITH LOCAL COMMUNITIES

Engaging with local communities is the key to ensuring that our community development and social investment activities meet their genuine needs. Each of our operations has an annual stakeholder engagement plan to ensure that our engagement is consistent and inclusive.

One of the new requirements of the updated Social Way will be for each operation to establish a Community Engagement Forum (CEF) – an inclusive forum for all local stakeholders, with the mine being just one party among several. Venetia mine is well advanced with the establishment of its CEF. We have held discussions regarding its format and objectives with all local stakeholders. The CEF is a key element in our Collaborative Regional Development approach, which seeks to engage a wide range of stakeholders.

SOCIAL PERFORMANCE OF OUR MINE SITES

At the end of 2019, we assessed how each of our eight operations complies with the requirements of the Social Way. There were no cases of serious non-compliance at any of them. To help with future planning and resourcing, this included a baseline assessment against the requirements of the updated Social Way, which was launched in 2020.

SOCIAL INVESTMENT

Total Social Investment spend across De Beers Group in 2019 was US\$26.9 million (2018: US\$24.7 million). Of this, we invested 97 per cent in projects in Africa and three per cent in North America (mostly in Canada).

We focus our investment where we can have the biggest positive impact and in 2019 the largest investments were in health (US\$11.6 million), community development (US\$8.1 million) and education (US\$5 million). These investments support a wide range of long-term programmes and shorter-term projects, which vary in size and duration. Our longer-term investments include enterprise development programmes such as De Beers Zimele and funding hospital facilities and health programmes to enable community access to health services. Our shorter-term projects include one to support the renovation of a local homeless shelter for women in the community of Yellowknife in Canada's Northwest Territories. (See more in [Indigenous communities.](#))

TRANSFORMING SCHOOLS IN SOUTH AFRICA

De Beers Group is piloting Anglo American's pioneering South African Schools Initiative in 25 schools near our Venetia mine. Launched in 2018, this aims to improve educational outcomes for primary school children, particularly in reading, writing and numeracy. Our goal is for these schools to be among the top 20 per cent of the country's state-run schools by 2030.

During 2019, we carried out an initial workshop at each of the 25 schools, and coaching support was started for the principals and school management teams. Towards the end of the year, all the primary schools had been through the onboarding process. Teacher training and coaching started in January 2020.

An assessment of early childhood development sites was carried out in 2019, and we are currently selecting a shortlist to join the pilot. We are also putting in place a monitoring and evaluation approach that will enable us to measure the impact of the programme on the hundreds of participating pupils and teachers.

DEBMARINE-NAMDEB FOUNDATION

In Namibia, the Debmarine-Namdeb Foundation invested more than US\$196,000 in projects in the areas of education (US\$41,000), access to opportunity (US\$37,000), conservation and biodiversity (US\$32,000), and women and girls (US\$48,000). US\$38,000 was also spent on other initiatives.

Aligned with De Beers Group's Building Forever focus areas of 'Standing with women and girls' and 'Protecting the natural world', the foundation worked with the Ombetja Yehinga Organisation to address social challenges connected with teenage pregnancy. It also supported several conservation charities including Project Pristine Namibia, the Cheetah Foundation and Save the Rhino.

EMPLOYEES AS AMBASSADORS FOR GOOD

Ambassadors for Good (AfG) is an employee volunteering programme that gives Anglo American and De Beers Group employees the chance to use their skills to help social projects in their communities, backed by funding of up to £5,000 per project from the Anglo American Foundation. Employees with an idea for a project organise themselves into diverse teams of up to five people with a local partner organisation, such as a charity or community group. To be selected, projects must align with our Building Forever focus areas. If their idea is funded, team members can use up to three volunteering days to implement it.

We initially piloted AfG in 2018 in the UK and South Africa, rolling it out in South Africa, the UK and Canada during 2019. The impact assessment from 2018, which covered both Anglo American and De Beers Group, showed that AfG funded 65 projects and supported 63 partner organisations. In total, 228 volunteers gave 3,786 total volunteer hours to benefit 117,090 people.

More than 70 per cent of employees said they acquired, improved or developed teamwork and collaborative skills as a result of their participation in AfG. Nearly all (97 per cent) of our partner organisations said they would participate in the programme again and would recommend it to others.

HUMAN RIGHTS

CRITICAL FOUNDATIONS

BUILDING FOREVER PILLARS



SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

Respect for human rights is at the heart of our operating philosophy, deeply embedded in our business and the wider diamond pipeline. It is one of the Critical Foundations of our Building Forever approach.

We are committed to the United Nations Guiding Principles on Business and Human Rights and set strict requirements relating to human rights, labour rights, non-discrimination, and child and forced labour, to ensure we are compliant with local legislation and that all our diamonds are certified as conflict-free.

We hold ourselves and those we work with accountable for honouring industry-leading requirements set out by the Social Way (our management standard for inclusive engagement and social impact assessments), the Kimberley Process, and our Best Practice Principles (BPP) Assurance Programme (see [Diamond value chain sustainability](#)).

From our Sightholders and Accredited Buyers to their contractors engaged in diamond cutting, polishing and jewellery manufacturing, we work in close partnership to strengthen trust and confidence throughout the pipeline, supported by third-party auditing to verify compliance with our requirements.

POLICIES AND PROCEDURES

We have several policies related to human rights in place, including our Employee Human Rights Policy, our Security and Human Rights Policy and the human rights elements of our Social Performance Policy. We have also integrated the UN Guiding Principles on Business and Human Rights into our social performance management systems. In addition, all our mining operations have carried out human rights risk assessments.

Our Human Rights Working Group co-ordinates how we review our approach to human rights. We measure our progress on implementing the UN Guiding Principles on Business and Human Rights in several ways, including through our Social Way assessments, our BPP programme assessments, annual Security Effectiveness Reviews and our Responsible Jewellery Council re-accreditation process, which takes place every three years.

RESPECTING THE RIGHTS OF EMPLOYEES

We are committed to providing a working environment in which every employee is treated fairly and has the opportunity to realise his or her full potential. Our Employee Human Rights Policy states that there will be no unfair discrimination on the basis of race, colour, sex, religion, political opinion, gender orientation, national extraction or social origin. It also states that employees will receive equal pay for work of equal value.

We assess the risk of child and forced labour at all our operations. Our Employee Human Rights Policy prohibits the employment of anyone under the age of 16. It also prohibits the employment of people under 18 in roles that may be hazardous to health, wellbeing or safety, including any night work, underground work and work involving machinery. The policy also sets out that employees will not be subjected to any forced labour and that overtime will be voluntary and restricted to the national permitted level. As part of the policy, we respect the right of our employees to associate freely and bargain collectively.

SECURITY AND HUMAN RIGHTS

Security is very important to our business. We are committed to the Voluntary Principles on Security and Human Rights, ensuring that we act responsibly in relation to security. We have completed self-assessments across all our security functions, aligned to implementation guidance in the Voluntary Principles.

Our Security Services and Human Rights Policy applies to all employees and contractors at every level of companies that are majority-owned and managed by De Beers Group. The policy is aligned with the Voluntary Principles.

We regularly assess the operational effectiveness of our security practices and procedures against key criteria. Multi-disciplinary teams carry out these assessments, and the results are assured via a series of internal reviews.

HUMAN RIGHTS *continued*

All security personnel receive training that includes human rights. Since 2006, we have required external contractors to ensure their employees are trained in the human rights aspects of security. Public security officials and community members have also attended classroom sessions that we hold as part of our training programme.

Our security and human rights training curriculum, developed jointly with Anglo American and International Alert, covers all aspects of the Voluntary Principles on Security and Human Rights. It presents an understanding of why the principles are needed and what can and should be done to protect people in the workplace. The curriculum consists of several e-learning training modules that have been rolled out to all De Beers Group business units.

OUR PROGRESS

HUMAN RIGHTS RISK MANAGEMENT

During 2019, we reviewed and updated, as necessary, risk assessments at all our mining operations. The operations also reviewed incidents and grievances to identify any potential human rights-related issues. This enables them to understand any emerging human rights impacts that should be addressed through risk assessments and management plans.

Working with contractors to address potential risks to the workforce and the community is a common focus across all our mining operations. At our Jwaneng and Venetia mines, we included contractor representatives in our reviews of risk and management plans. At Orapa, we included community stakeholders and contractors in reviewing priority risks and management measures.

In line with UK legislation, in July 2019 we submitted our Modern Slavery Act (MSA) Statement for the 2018 financial year. While preparing our statement, as well as reviewing our own practices, we reviewed the standards in place with contractors to ensure they comply with the MSA.

Our BPP programme includes a dedicated section on human rights. This sets out strict requirements on how each participating entity (there are more than 2,700 in the diamond value chain) must identify, mitigate and respond to any human rights issues, risks or concerns within their operations.

During the 2019 BPP cycle, we brought together all the human rights risks that our independent auditors have identified while reviewing policies and procedures during visits to third-party sites.

STRENGTHENING OUR APPROACH TO RESPONSIBLE SOURCING

We are committed to responsible sourcing and are currently aligning all of our sourcing practices with the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, known as 'the OECD Guidance'. This will ensure that, from mine through to retail, the strict policies and procedures governing our sourcing practices meet the rigorous standards set out by the OECD. (See more in [Diamond value chain sustainability](#).)

Since we are at the beginning of the diamond supply chain, we understand our responsibility for ensuring that our customers, their customers and others further up the value chain can undertake due diligence as far back down the chain as possible.

HUMAN RIGHTS TRAINING

A total of 1,078 training hours was devoted to human rights in 2019 across De Beers Group (2018: 1,153). The number of people who received training in human rights policies and procedures stood at 3,023 (2018: 2,288).

We have rolled out the Anglo American Voluntary Principles on Security and Human Rights e-learning curriculum across De Beers Group over the last two years. A total of 399 people completed the programme in 2019,

including members of our permanent in-house security staff, privately contracted security personnel, cross-functional stakeholders and police officers.

De Beers Group employees also attended a Conflict Analysis and Management workshop facilitated by International Alert. This was part of an ongoing learning process designed to help them better assess and identify the root causes of conflict and understand how peaceful conflict can escalate into violence.

SECURITY AND HUMAN RIGHTS PERFORMANCE

We established our security strategy in 2018 with the aim of making the transition from a control-focused approach to a risk-based, information-led security function. The new approach uses analytics and predictive monitoring to help us understand in real time the status and effectiveness of our critical security controls and other activities.

We will complete the strategy's roll-out in phases over the next few years.

COMPLIANCE

We identified no operations where the right to exercise freedom of association and collective bargaining had been violated or put at significant risk. Equally, there were no reported incidents of child or forced labour.

We established no significant investment agreements with the potential to directly affect human rights in 2019. The De Beers Group Investment Committee considers all major investment decisions.

ARTISANAL AND SMALL-SCALE MINING

CRITICAL FOUNDATIONS

BUILDING FOREVER PILLARS



SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

It is estimated that artisanal and small-scale mining (ASM) operations are responsible for between 10 and 20 per cent of global diamond production. Conditions within these operations can be unsafe and there is potential for exploitation, human rights abuses and negative environmental impacts.

At De Beers Group, we see ASM as an industry-wide issue, and we want to play a role as a key industry stakeholder. We also believe it is vital to recognise that banning ASM diamonds is neither a feasible nor a sustainable option when millions of people rely on this type of mining for their livelihoods.

Since 2018, we have been piloting a programme called GemFair™, with the aim of creating a secure and transparent route to market for ethically sourced ASM diamonds. Using dedicated, innovative technology, GemFair enables ASM miners to record, value and track their diamonds. It also gives them the option to sell their diamonds via De Beers Group's distribution channel.

Through Gemfair, we have built a model for responsible sourcing that will see artisanal miners receive a fair value for their diamonds and benefit from improved livelihoods and enhanced working conditions. GemFair is also developing their knowledge and understanding of diamond valuation.

GemFair is working with the Diamond Development Initiative (DDI) – a not-for-profit organisation – to ensure that participating mine sites take part in either the GemFair Responsible Artisanal and Small-Scale Mining Assurance Programme or the Maendeleo Diamond Standards Programme (MDS). De Beers Group became a founding member of the DDI in 2005. We sit on its board, take a keen interest in its work and provide financial support.

OUR PROGRESS

GEMFAIR: CREATING A BRIGHT FUTURE FOR ARTISANAL DIAMOND MINERS

Since we launched GemFair in Sierra Leone in June 2018 with just 16 vetted mine sites, it has seen a near six-fold increase in coverage. The programme achieved several major milestones in 2019, including:

- Training for 161 individual miners on key topics related to responsible mining and business practices and mentoring support at 25 mine sites
- Evolution of the GemFair digital solution, which now enables a fully traceable diamond journey from mine to export and beyond
- Digitalisation of data collection for the onboarding and mine site monitoring assessments
- The launch of the GemFair Responsible ASM Assurance Programme, which is aligned with the OECD's guidelines on due diligence, and will allow GemFair to operate in areas the DDI's MDS do not cover
- A threefold increase in community outreach versus 2018. This included sharing the results of a livelihoods assessment, which highlighted issues around the importance of road and mine safety.

ARTISANAL AND SMALL-SCALE MINING *continued*

GemFair™ regularly engaged throughout the year with local and international NGOs, seeking their advice and input on the programme's challenges and successes. The NGO community and the Sierra Leonean Government have praised the programme's positive and tangible impact.

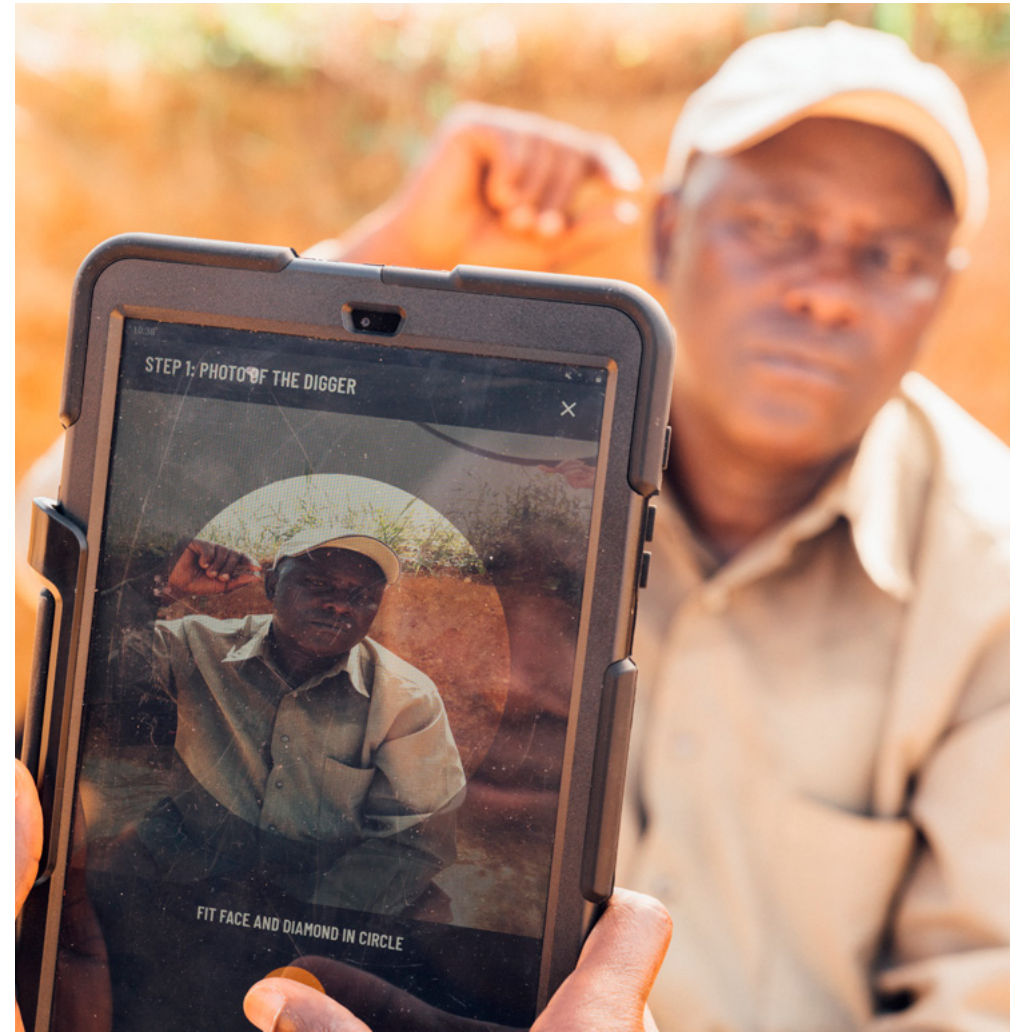
OUR SUPPORT FOR THE DDI

The DDI is a multi-stakeholder partnership of the private sector, civil society and governments, focused on finding practical solutions to the challenges of informal mining. It grew out of the recognition that the Kimberley Process does not ensure that diamond mining contributes to the socio-economic development of artisanal mining communities.

Achieving this will require systemic change in the ASM sector, supported by a wide range of stakeholders from governments, communities and the private sector. That is why De Beers Group has been involved from the outset. De Beers Group became a founding member of the DDI in 2005. We sit on its board, take a keen interest in its work and provide financial support.

De Beers Group's financial support to the DDI totalled US\$100,000 in 2019 (2018: US\$100,000), helping to fund programmes that bring the largely unregulated artisanal mining sector into the formal economy. This benefits many groups, including miners, their communities, regional and national economies and the diamond and jewellery industry as a whole.

The Anglo American Foundation is also supporting the DDI from 2019 to 2021 with a three-year grant fund of US\$500,500. This funding will support the DDI's core operations and contribute to a land-rehabilitation project in Sierra Leone.



The GemFair app is used to log details about a diamond.

PARTNERSHIPS AND GOVERNMENT RELATIONS

COLLABORATIVE REGIONAL DEVELOPMENT

BUILDING FOREVER PILLARS



SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

Partnerships are the cornerstone of our business. They are the foundation for our relationships with governments and communities in the countries where we operate. Through working in partnership, we strive to maximise the economic and social benefits from diamonds and leave a positive, lasting legacy long after we've recovered our last carat.

We have a proud history of successful partnerships that span many decades. In Botswana and Namibia, our businesses are 50/50 joint venture partnerships with the countries' respective governments. In South Africa, we partner with Ponahalo Holdings, a leading Black Economic Empowerment entity. And in Canada, Mountain Province Diamonds is our partner in operating Gahcho Kué – the world's largest new diamond mine, which was opened in 2016.

At a local level, we partner with the communities around our mines to ensure they benefit from diamond mining and build strong local economies. We have formal agreements in place that set out how we work together. In Canada, these are called Impact Benefit Agreements, and in South Africa they are Social and Labour Plans. We also work to our own robust standards and guidelines. For more details, see [Community development for producer countries](#).

Partnerships also underpin our activities across the four pillars of our Building Forever approach. They are crucial to the delivery of our projects and to the achievement of our goals and objectives. We've formed a number of flagship partnerships to drive positive change in areas where we believe we can make a real difference. For example, in August 2017, we announced a three-year partnership with Stanford Graduate School of Business to promote entrepreneurship and innovation to help transform the economies of southern African countries.

A month later, in September 2017, we announced a three-year partnership with UN Women to improve the prospects of women and girls in our producer countries. As part of this, we are investing US\$3million in female micro-entrepreneurs and in promoting STEM (science, technology, engineering and mathematics) skills for girls and young women.

Our partnership approach extends to our work with global stakeholders, both in and outside the diamond industry. We take part in a wide range of economic, environmental and social charters, principles and initiatives that address crucial global challenges such as gender equality, human rights, biodiversity and anti-corruption. We recognise that these issues can only be solved through collaboration and we are committed to playing our part. See [GRI Index](#) for a full list of initiatives we are part of.

PARTNERSHIPS AND GOVERNMENT RELATIONS *continued*

OUR PROGRESS

CELEBRATING 50 YEARS OF PARTNERSHIP WITH BOTSWANA

In June 2019 we celebrated the 50th year of our partnership with the Government of the Republic of Botswana – a collaboration that has been praised internationally as a leading example of a successful public-private partnership. To mark the occasion, gala events took place at Debswana’s Jwaneng and Orapa mines and at the company’s corporate office in the capital, Gaborone, where the keynote speaker was Botswana’s President Dr Mokgweetsi Masisi.

Over the last half century, Botswana has gone from being one of Africa’s least developed nations to a country of upper middle income status. Diamond revenues and social investment have helped transform the country’s health and education systems and its road infrastructure. They have also contributed to biodiversity and conservation programmes, local sports and cultural initiatives, and community development.

Debswana is now the largest private sector employer in the country with more than 5,500 employees and at least 6,000 contractors. The multiplier effect of all these employees has had a great impact on the country’s business sectors. With Gaborone now the centre of De Beers Group’s rough diamond sales operation, we look forward to seeing how diamonds continue to drive Botswana’s positive progress.

For 2019 progress updates on our partnership with Stanford University, see [Economic impact on producer countries](#). For updates on our partnership with UN Women, see [Women and girls’ empowerment](#) and [Employee attraction, development and diversity](#).



A polished diamond is analysed using a loupe and tweezers at the Global Sightholder Sales Academy in Botswana.

INDIGENOUS COMMUNITIES

CRITICAL FOUNDATIONS

COLLABORATIVE REGIONAL DEVELOPMENT

BUILDING FOREVER PILLARS



SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

Indigenous communities often have cultural and spiritual connections to traditional or ancestral lands. Livelihoods and lifestyles are also often closely connected to the local environment.

Three of our mines, all in Canada, operate in or close to Indigenous land areas. These are in Ontario (Victor mine, currently in its closure phase) and the Northwest Territories (Snap Lake mine, currently on extended care and maintenance, and Gahcho Kué mine).

We assess the rights of Indigenous peoples through the Social Way, our framework for managing social performance. And we assure these rights through our Best Practice Principles programme.

IMPACT BENEFIT AGREEMENTS

Ensuring that local Indigenous communities benefit from mining has always been important to us. At each of our Canadian mines we have signed Impact Benefit Agreements (IBAs) with Indigenous groups. These agreements provide commitments through which the communities will benefit from our operations.

We currently have six IBAs in place at Gahcho Kué mine. The four in place at Snap Lake mine remain on hold while the site is on extended care and maintenance.

Although Victor mine closed in 2019, we are maintaining our IBA commitments right through the reclamation and closure process, which is expected to run until 2022. We have ensured that our IBA partners can participate fully in the reclamation and demolition work involved, awarding both the reclamation and demolition contracts to joint-venture Indigenous companies.

INCLUSIVE PROCUREMENT

We make it a priority, through our Inclusive Procurement Policy, to buy goods and services from Indigenous suppliers. When evaluating bids from prospective suppliers or contractors, our procurement team allocates significant positive weighting to companies that can demonstrate they provide skills and capacity-building for Indigenous people.

Wherever possible, we seek to establish long-term contracts. These allow us to work closely with Indigenous suppliers and identify joint opportunities for capacity-building and development. One such contract, signed in 2016, awarded the provision of catering, housekeeping and janitorial services at Gahcho Kué to Bouwa Whee Catering. This community-based business is wholly owned by the Yellowknives Dene First Nation, an IBA beneficiary of our Snap Lake and Gahcho Kué mines.

OUR PROGRESS

EMPLOYABILITY TRAINING FOR IBA COMMUNITIES

We continued to run our employability training programme for IBA communities throughout 2019, in partnership with industry, government and other local agencies. The programme, which began in 2018, provides practical training on skills like CV writing and interview techniques to help community members apply for jobs and navigate the recruitment process.

Also in the Northwest Territories, we implemented an on-the-job training programme with the local college and the Yellowknives Dene First Nation. By providing a training opportunity for community members completing the Heavy Equipment Operator Programme, the programme resulted in two people – one female and one male – gaining full-time employment at Gahcho Kué.

SUPPORTING A LOCAL WOMEN'S SHELTER

De Beers Canada worked with the Government of the Northwest Territories and the Anglo American Foundation to support a major renovation of the Yellowknife Women's Society shelter, which provides housing for one of the area's most vulnerable populations. The Foundation donated US\$250,000 to the project, while Gahcho Kué mine provided more than US\$60,000 in-kind, through the reallocation of a project manager from the mine to oversee the renovation.

INDIGENOUS COMMUNITIES *continued*

The project created permanent, supportive housing for 16 women, with new single-occupancy rooms replacing the previous multi-occupant rooms. The women will be supported by 24-hour staff as well as an on-site doctor and nurse.

Bree Denning, Executive Director of the Yellowknife Women's Society said:

"These changes will allow the shelter to focus much more on the actual needs of the women, supporting them to improve their physical and mental health and wellbeing".

The women will rent the rooms using income support, helping them build a rental and credit history, which is a major step towards gaining financial independence and being able to rejoin society.

COMPLIANCE

No violations involving the rights of Indigenous peoples were recorded in 2019.



Shelter Director, Margaret Beauchamp, and Rob Coolen from Gahcho Kué mine, who served as Project Manager for the renovation.

LAND ACCESS AND RESETTLEMENT

CRITICAL FOUNDATIONS

SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

We aim first and foremost to avoid having an impact on access rights to land, wherever possible. However, when there is no alternative we work closely with communities to provide the most appropriate solution, should resettlement remain the only option.

When resettlement is essential, De Beers Group commits to minimising its impact, engaging with all key stakeholders to help restore and improve the livelihoods of those affected. In doing so, we work to the International Finance Corporation Performance Standard 5: Land Acquisition and Involuntary Resettlement (IFC PS5).

OUR PROGRESS

ORAPA RESETTLEMENT

Debswana has been working with the Government of the Republic of Botswana to implement a resettlement process at Orapa mine in Botswana. Physical relocation has been completed and the focus during 2019 was on working with the relevant government authorities to restore the livelihoods of the households affected.

LAND CLAIMS

A total of 37 formal land claims have been made in South Africa under the Restitution of Lands Act. Of these, 34 are in Limpopo Province, and the other three in the Northern Cape Province. They relate to properties owned by De Beers Consolidated Mines near Venetia mine in Limpopo Province, and at Rooipoort Farm, near Kimberley in the Northern Cape.

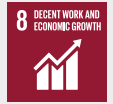
The claims in Limpopo were made by three different communities, namely the Machete community, the Tshivhula Tribal Authority and the Vhalea Tribe. The three claims in Rooipoort Farm, in the Northern Cape Province, were made by Richard Hoogstaander on behalf of the Rooipoort Community, Lentikano Cattleboi Mogwadi. De Beers Group is working with a joint Land Claim Committee that is chaired by both Anglo American and the National Land Claims Commissioner.

TECHNOLOGY AND INNOVATION

BUILDING FOREVER PILLARS



SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

Rapid advancements in technology are expected to bring a fundamental change in the way people live, work and relate to each other, affecting all businesses and parts of society. Innovations like artificial intelligence, cloud computing, robotics, 3D printing, the Internet of Things, and advanced wireless technologies have enabled the fusion of the digital, biological and physical worlds as never before.

In the coming years, we anticipate step-change innovations in technology, digitalisation and sustainability that will transform how we source, mine, process, move and market our products.

At De Beers Group, we believe, in line with our parent company Anglo American, that mining has a safer, smarter and more sustainable future – and that is the future we are working towards. It is a future where we eliminate workplace fatalities once and for all, a future where we radically improve our productivity and the way we use land, energy and water, and a future where our communities thrive – with better health, education and increased levels of employment – long beyond the life of any mine. This is at the heart of our innovation-led approach to sustainable mining, which Anglo American calls FutureSmart Mining™.

We discussed technology and innovation at length as part of our annual materiality assessment and will be implementing formal systems to manage any associated risks. In coming years, we will report on the programmes and initiatives we implement.

COLLABORATIVE REGIONAL DEVELOPMENT

Long-term sustainable development of host communities beyond the life of mine has long been a focus for De Beers Group, and 'Partnering for thriving communities' is a pillar of our Building Forever commitment. Our goal is to enable a step change in skills, health and livelihoods to support community resilience and a diversified economy in our host countries.

Exploring the potential of innovation and technology to benefit communities is an essential part of our Collaborative Regional Development programme. We are collaborating across industries and governments to build partnerships to prepare for the transition to a more technological future. For our people, we are investing in developing the skills they need to thrive.

The Collaborative Regional Development approach was first piloted in the Limpopo region of South Africa in 2016, and the model is now being expanded to Brazil, Botswana (by Debswana), Colombia and Peru.

SAFETY

CRITICAL FOUNDATIONS

SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

We value the health and safety of our people above all else. No diamond is worth the cost of illness or injury. Zero harm is our goal, and we are committed to developing innovative solutions to achieve it, while living up to our value to Put Safety First.

Our approach to safety is guided by the Anglo American SHE (Safety, Health, Environment) Way. This framework describes our systematic approach to managing SHE-related risks and opportunities and how this integrates with our business processes.

We also have a Group Safety Policy and a set of standards and guidelines that set the foundations for safety excellence, leadership and behaviour change across De Beers Group. Our cross-company Safety Peer Group meets regularly to share best practice and reflect on learnings. And we hold a bi-annual CEO Safety Summit for all De Beers Group companies, hosted by Group CEO Bruce Cleaver.

We review our occupational health risks every year as part of our Operational Risk Management process and our approach and safety performance are constantly under review. Our main safety risks are vehicle and fatigue-related incidents, fall of ground, falling objects and working at height.

OUR SAFETY PLEDGE

At our sixth CEO Safety Summit in February 2020, we signed our new Group safety pledge:

We value the safety of our people and pursue it without hesitation or compromise. In every situation, on every site, around every corner, at home and in every decision we take, we will seek out risks to our people and address them relentlessly and with urgency. We will always put the wellbeing of our people before production and profit, and we celebrate our colleagues who demonstrate that their personal safety, and the safety of their colleagues, is their most important responsibility.

We are committed to honouring this pledge by leveraging our leadership capabilities, bringing our contractors with us on our safety journey, staying focused on safety risks, and responding proactively to lessons learned.

OUR PROGRESS

A NEW SAFETY FRAMEWORK

We held our fifth CEO Safety Summit in August 2019, bringing together executive management from across the De Beers Group to critically reflect on our current safety performance and establish the priorities for the next phase of our safety work. The executives identified five key focus areas for our safety work going forward:

1. Critical control management: ensuring that critical safety controls are in place and working effectively
2. Leadership and culture: instilling a strong culture of safety behaviours
3. Building capacity: providing safety training and improving the competence of all our employees and contractors
4. Learning and sharing leading safety practices: sharing excellence across the Group to accelerate the take-up of safety best practices
5. Contractor management: aligning the safety practices of our contractors with those of De Beers Group.

To oversee this work, we have strengthened our governance and established an Operational Transformation Steering Committee, which is chaired by CEO Bruce Cleaver. Our '100 Day Activation' Safety Working Committee supports the safety aspects of the Steering Committee's work.

SAFETY *continued*

SIXTH CEO SAFETY SUMMIT

At the sixth CEO Safety Summit in Johannesburg in February 2020, executives renewed their commitment to ensuring that De Beers Group remains at the forefront of the mining industry's move towards zero harm. They discussed the focus areas of our new safety framework (outlined above) and our latest thinking and plans in several of these areas.

On the subject of leadership and culture, for example, they agreed that every person in De Beers Group is a safety leader, and those in top executive positions have a responsibility to set the tone and be 'the strongest link'.

With regard to critical control management, they discussed how safety is dependent on controls being in place 24/7. Technology has a key role to play in this and an example is the Advanced Driving Assistance System, which is designed to monitor driving behaviour and promote a safe driving culture. This technology has been rolled out at our Venetia mine and is being piloted at other operations, with the goal of eventually having the technology in every vehicle used to transport people.

In terms of capacity building, the discussion centred on the roll-out of a series of training programmes, known as the A Series. These are designed to give all De Beers Group employees an understanding of the different levels of safety risk within the business and train them in risk management procedures.

With regards to contractor management, it is extremely important to De Beers Group that our contractors are in total alignment with our safety philosophy and procedures. We are finalising a new Standard for Contractor Management, with the aim of ensuring we all work towards our common goal of Zero Harm.

Plans for a new internal safety award were also finalised at the Summit. Named the Albert Milton Award in honour of Debswana's late Managing Director, it will recognise individuals or teams within the Group who have made significant contributions to safety.

BEING THE STRONGEST SAFETY LINK

Alongside the strategic work delivered via the CEO Safety Summit, we placed significant emphasis in 2019 on re-engaging every one of our employees on the importance of safety. The central message focused on our individual responsibility to be safe – that every single one of us is responsible and accountable for our own safety and that of our co-workers, 24 hours a day, seven days a week, 365 days a year.

We brought this message to life through our Global Safety Day campaign: 'Safety 365 – I will be our strongest link every day'. This emphasises that our people are the strongest link to ensuring zero harm and that we need every day to live our values of Put Safety First and Build Trust. Part of being the strongest link means recognising and learning from our own mistakes, and doing things differently next time to become an even stronger link than the day before.

On Global Safety Day, we delivered interactive workshops across the Group, aligned with the Leadership and Culture element of our safety framework. Feedback was very positive, with employees saying the workshops brought home the importance of being uncompromising when it comes to safety and living our values.

SAFETY PERFORMANCE AND AWARDS

There were zero fatalities across De Beers Group in 2019. Our Total Recordable Case Frequency Rate (TRCFR) was 1.83 against a target of 1.72 (2018: 2.10). Lost time injury frequency rate (LTIFR) was 0.55 against a target of 0.49 (2018: 0.72). There were a total of 86 high or major incidents reported across the Group.

In October 2019, Voorspoed mine in South Africa won in two safety-related categories at the South Africa Mining Industry Awards:

- Year on Year Improvement Safety Awards – (Best Improved Safety Performance)
- Best in Class Award – Best Safety Performance (John T Ryan Plaque 2019).

In Canada, Victor mine received the Eastern Region John T Ryan safety award from the Canadian Institute of Mining, Metallurgy and Petroleum in May 2019. This is the fourth time that Victor mine has received this award.

The Yellowknife Chamber of Commerce gave Gahcho Kué mine its Workplace Health and Safety Award in October 2019. The Gahcho Kué rescue team won the title of Top Overall Surface Team at the NWT/Nunavut Mine Rescue Competition held in Yellowknife in June 2019, where it also won four individual events. Finally, the team was named Top Overall Surface Mine Rescue Team at the National Western Region Mine Rescue Competition in Fernie, British Columbia in September 2019.

HEALTH AND WELLBEING

CRITICAL FOUNDATIONS

BUILDING FOREVER PILLARS



SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

Alongside safety, occupational health is a major part of our commitment to zero harm. Employee health is essential to the effectiveness of our operations, and to the wellbeing and participation of employees in their local communities.

Noise-induced hearing loss, musculoskeletal disease, exposure to respirable hazards, psychological health and HIV/AIDS are our top health risks.

We protect our people by managing these risks through, for example, our hearing conservation programme, respiratory protection programme, and musculoskeletal protection and fatigue management programmes. Our occupational health risks are reviewed annually as part of our Operational Risk Management process.

Our approach to occupational health is guided by the Anglo American SHE (Safety, Health, Environment) Way – a framework that governs our work in these three interrelated areas. We are also guided by our Group Occupational Health Policy and associated technical standards. We have a cross-company Health Peer Group that meets regularly to share best practice.

MANAGING HIV/AIDS

The threat of HIV/AIDS is an everyday fact of life for our employees and people living in the communities around our operations in southern Africa. We launched our first HIV/AIDS initiative in Debswana in 2001 when prevalence rates of HIV were high. Today, we deliver an advanced programme built around four pillars: prevention, treatment, care and support.

We are resolved to keep driving down the rate of infection among our people. One strategic approach we have adopted is the UNAIDS goal of 90-90-90. This means we aim for:

- 90 per cent of our employees to be aware of their status
- 90 per cent of HIV-positive individuals to be on a treatment plan
- 90 per cent of those on a plan to be achieving viral suppression.

WELLNESS IN THE COMMUNITY

Our approach to health and wellness goes beyond the mine gates and extends to our local communities. We own and manage hospitals near our Jwaneng and Orapa mines in Botswana, and near our former Oranjemund mine in Namibia, which local communities have access to. We also run wellness campaigns and programmes in the local community.

OUR PROGRESS

A HOLISTIC APPROACH TO WELLBEING

In 2019, we launched a new approach to employee health called 'Total Worker Health'. It's a holistic programme, which takes into account people's social, physical and psychological health. It also recognises the close link between health and safety: if people are physically healthy and emotionally present at work, they are more likely to practise safe behaviours and avoid mistakes.

A key focus of the Total Worker Health programme is helping employees to manage stress and develop their resilience and coping strategies. Another is around creating an environment where people feel able to raise their hand and say 'I'm struggling'. The common theme is empowerment – encouraging and supporting our employees to be proactive in looking after their health.

Across the Group, employees take part in various activities around health and wellbeing. For example, in our London office we offer free Pilates and yoga classes and provide free access to the Headspace meditation app. On International Men's Day (19 November 2019), De Beers Group carried out a range of activities to highlight awareness of male health issues that are often overlooked, including the difficulty that men often have in asking for help to cope with stress.

HEALTH AND WELLBEING *continued*

ACHIEVING OUR UNAIDS GOALS

We are extremely proud that in 2019 we achieved our UNAIDS 90-90-90 goals. A total of 90 per cent of our employees in southern Africa now know their HIV status, 93 per cent of employees diagnosed with an HIV infection are receiving sustained anti-retroviral therapy, and 90 per cent of employees receiving this treatment are successfully suppressing the virus, reducing the risk of transmission.

These achievements are the result of many years of focused awareness raising and engagement with our employees through our pioneering HIV/AIDS programme, which was the world's first workplace initiative to tackle HIV/AIDS. 2019 was also a record year for another reason: it marked the 11th year that no HIV-positive babies were born to employees or their partners receiving treatment on the programme.

The effectiveness of our HIV/AIDS programme is also contributing to the fight against tuberculosis (TB). We have now cut incidences of TB in our Group workforce to fewer than 100 per 100,000 people in southern Africa, a region that generally reports between 500 and 800 cases per 100,000 people. In 2019 our operations in South Africa achieved a full 12 months without a TB case being diagnosed among permanent employees.

Despite this progress, there is more work to be done. We are still seeing some new cases of HIV/AIDS among our employees, with 80 new cases in 2019 across our southern African operations (2018: 124). In total, 1,193 of our employees are living with HIV/AIDS, and 1,109 are receiving anti-retroviral therapy through our HIV/AIDS programme.

HEALTH IN OUR LOCAL COMMUNITIES

Promoting positive health in our local communities is an important part of our Building Forever strategy and our contribution to UN SDG 3: Good Health and Wellbeing. Based on the results of an assessment we undertook in several of our local communities in 2018, during 2019 we worked with partners in London, South Africa and Botswana to plan and design specific initiatives for implementation in our communities. We are setting ambitious targets that we hope will lead to ground-breaking and transformative outcomes in the years to come.

FUNDING A PIONEERING DIAGNOSTIC TEST FOR MALARIA

In September 2019, De Beers Group provided grant funding to a medical start-up company that is developing an innovative diagnostic test for malaria. The company, ERADA Technology Alliance, has pioneered the world's first saliva-based rapid diagnostic test for the killer disease.

Traditionally, a blood test, administered by a trained clinician, is used to diagnose malaria. ERADA's new saliva-based test can be administered in the community by healthcare professionals, teachers and parents. It has the potential to be a major catalyst in the battle against malaria, which kills an estimated 435,000 people each year, many of them children under the age of five living in Sub-Saharan Africa.

The funding from De Beers Group, part of our corporate social investment spend, will aid the final stages of field trials.

OCCUPATIONAL HEALTH PERFORMANCE

The proportion of our workforce exposed to occupational health hazards above the occupational exposure limit was 25 per cent (2018: 20 per cent). These employees all operate in environments where there are controls in place to minimise their exposure.

The biggest occupational health hazard at our mining operations is noise. Regrettably, in 2019, there was one reported case of noise-induced hearing loss. Overall, however, there was a decrease in the number of employees exposed to noise, and we continue to take steps to reduce this risk. There was also a decrease in the numbers exposed to respirable dust, and no employees were exposed to inhalable hazards that can be a cause of cancer.

More work is underway to improve our controls and our overall control strategy. Our Jwaneng and Gahcho Kué mines are implementing a real-time monitoring technology called Operational Intelligence Suite. This will monitor and alert us when controls are not performing adequately, providing an opportunity to make changes or withdraw from an area with particular health exposure risks. We have in place effective hearing and respiratory protection programmes that are focused on reducing noise and airborne pollutants.

EMPLOYEE ATTRACTION, DEVELOPMENT AND DIVERSITY

CRITICAL FOUNDATIONS

BUILDING FOREVER PILLARS



SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

Our business success depends on the commitment and expertise of our people. That is why we work hard to bring out the best in our employees, supporting them to reach their full potential as part of a highly skilled workforce.

We provide a range of training and development programmes designed to help people progress in their careers. Our recruitment, talent management and succession planning processes help us ensure we have the best people in place in each role. We regularly review our overall strategy to make sure we will have the skills and approaches in place to enable our employees and our business to grow and succeed in the future.

We focus our approach to performance management on helping our employees work together towards shared goals. We believe that teamwork drives innovation, which in turn delivers better business performance.

We use regular dialogue and feedback to assess our employees' individual performance.

INCLUSION AND DIVERSITY

We believe an inclusive culture is one that values diversity, reflects our company values and underpins our ambitious business objectives. This type of culture will also power business growth and drive innovation.

Our focus is on creating a safe and inclusive working environment, so people can bring their 'best self' to work. An inclusive workplace will make us a better business in every sense – higher performing, more attractive to employees and more representative of the communities in which we operate.

Our inclusion and diversity strategy comprises three key areas:

- Leadership and culture
- Talent attraction, retention and development
- Working practices.

The strategy is underpinned by policies on global inclusion and diversity, and harassment and bullying, supported by our Group Flexible Working policy.

OPPORTUNITIES FOR FLEXIBLE WORKING

In 2019, we introduced a new Flexible Working Policy to help us better meet the needs of people with commitments outside work, such as working parents or those with carer responsibilities. For office workers, this means the ability to work from home. For miners and those working in secure diamond-sorting environments, it means flexible shift patterns that can fit around family and personal life.

OUR PROGRESS

CLOSING THE GAP ON GENDER DIVERSITY

Mining has historically been a male-dominated industry, but we are working hard to achieve a target of 40 per cent gender parity in line with our commitment under our UN Women partnership. Our appointment rate of women into senior management positions (Band 5 and above) is now at 38 per cent, and we aim to achieve 40 per cent by September 2020.

When we launched our UN Women partnership in 2017, our workforce was 24.5 per cent female. That figure now stands at 26.3 per cent (2018: 26.1 per cent). In 2019 women represented 29.8 per cent of management positions (2018: 29.3 per cent; 2017: 28.3 per cent) and 24.2 per cent of senior management positions (2018: 20 per cent; 2017: 14.4 per cent). For more information on our work around gender diversity, see [Women and girls' empowerment](#).

We are also focused on increasing the proportion of historically disadvantaged citizens in our workforce. In South Africa, they represent 85.9 per cent of the workforce (2018: 89.1 per cent) and 47.3 per cent of senior management roles (2018: 33.3 per cent). In Botswana, they make up 98.6 per cent of the workforce (2018: 98.3 per cent) and 83.3 per cent of senior management roles (2018: 83.3 per cent). And in Namibia, they represent 90.5 per cent of the workforce (2018: 89.7 per cent) and 66.7 per cent of senior management roles (2018: 57.1 per cent).

EMPLOYEE ATTRACTION, DEVELOPMENT AND DIVERSITY *continued*

A NEW APPROACH TO MANAGING PERFORMANCE

During the year, we rolled out a new approach to performance management across all our wholly-owned operations. Called TEAM+, this approach focuses on collaboration and team effort, and is based on the principle that the sum is far greater than each individual contribution.

To support the TEAM+ approach, we have introduced a new annual incentive rewarding collaboration, innovation and safety.

TAKING A STANCE ON HARASSMENT AND BULLYING

We ran a study in 2019 to look at the prevalence of harassment and bullying across De Beers Group. We held focus groups to understand the issues employees face and created an action plan to address the findings. This included an online training course for colleagues at middle management level and above.

One of the study's findings highlighted the importance of anonymous reporting in empowering people to speak up. The new YourVoice whistleblowing service we introduced in 2019 uses the latest technology to protect anonymity, confidentiality and personal information. (See more in [Business integrity](#).)

RECIPROCAL MENTORING

We continued our successful reciprocal mentoring programme, expanding it from executive officer level to the next level of senior management. A total of 44 mentors were matched with 51 mentees, addressing various aspects of diversity including gender, generational leadership and cultural differences. The programme is specifically designed for both mentoring partners to learn from one another.

One mentee who took part in the programme in 2019 was Vedantha Kundalram, a Systems Specialist based in South Africa. Vedantha was partnered with Domingos Valbom, General Manager of Debmarmine South Africa. Both of them have spoken about how valuable and meaningful the experience has been for them.

Vedantha said: "As a result of the programme, I have learnt to be more confident and sure of my skills. Having observed Domingos with his team, I am constantly evaluating myself in terms of how I engage and collaborate with my own colleagues, and I am looking for opportunities to emulate his leadership traits."

Domingos added his thoughts, saying: "Vedantha sees things differently from my views and has brought a new perspective, which is important to enrich your considerations. It's been an excellent programme to be part of."

LEARNING AND DEVELOPMENT

We introduced our new LEARN+ online e-learning platform in 2019 to give our people personalised, flexible, continuous and on-demand learning. It not only features external perspectives and best practice in multiple digital formats, but also contains briefing materials, tools and guidelines on our new performance management approach, TEAM+.

Our overall training and development spend in 2019 was US\$19.4 million (2018: US\$29.9 million). More than 10,000 employees received over 630,000 hours of training or development, an average of 61 hours per employee (2019: 19,000 employees, 760,000 hours, an average of 40 hours per employee). This represents a return to 'normal levels' after an exceptional 2018. It also reflects the shift to more digital and remote learning, thanks to LEARN+, which is enabling us to achieve more hours of learning at a reduced cost.

LEADERSHIP COURSES

Employees from across De Beers Group took part in a number of Anglo American leadership training programmes. These included 16 employees who took part in The Achiever Programme, which helps young and aspiring leaders build their personal and communication skills and business acumen.

A further 22 took part in the Accelerators Programme (formerly the Programme for Management Excellence), which provides middle managers with tools and training to put them in control of their own development and career. Both programmes are delivered in partnership with the University of Pretoria's Gordon Institute of Business Science.

'Leader as coach' training was provided to 61 De Beers Group employees and a further 18 took part in Connect, a four-day intensive course that takes high-potential talent through the Anglo American business strategy and develops leadership capabilities. Seven people participated in Future Shapers, where leaders gain insights that will help prepare them and the business for a future shaped by new strategic challenges. Our people also participated for the first time in GameChangers: the Anglo American Sustainability Leadership Programme.

The programme consists of two modules and is designed for senior managers across the group and in our partner organisations to develop informed, skilled and effective leaders who can lead ambitious change to respond to social, environmental and economic challenges in ways that create long-term value for stakeholders.

Participants will develop a deeper understanding of the organisation's operating context, gain insight into expectations from host governments, communities and other stakeholders and build the skills and capabilities to lead within complex systems. Six people from De Beers Group took part in 2019.

EMPLOYEE ATTRACTION, DEVELOPMENT AND DIVERSITY *continued*

TECHNOLOGICAL IMPROVEMENTS

We initiated a programme of HR technology enhancements during 2019, in partnership with Anglo American. This included a review of our recruitment processes, core HR systems and data and reporting.

Moving forward, we aim to implement new recruitment technology, which will enable us to better communicate on social media channels like LinkedIn, so as to reach a wider talent pool. We plan to migrate most of our employee records on to one global HR information system, giving us the foundation we need to digitise other HR processes such as more effective learning management.

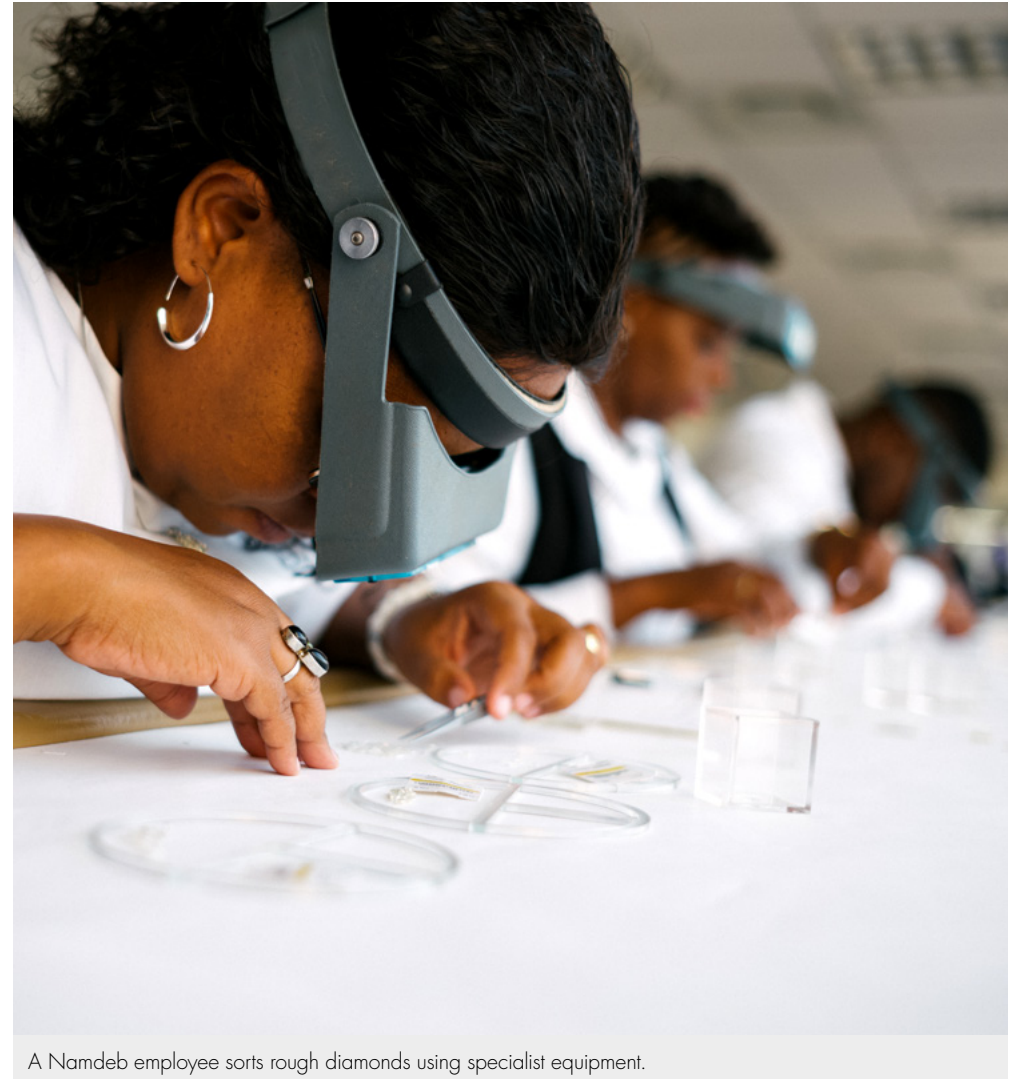
WORKFORCE UPDATE

Overall, our workforce numbers decreased slightly in 2019. Across the diamond pipeline, we employed 19,150 people – 14,616 direct employees and 4,534 contractors (2018: 20,875 people – 15,037 direct employees and 5,838 contractors). Of these, 81 per cent were based in Africa (2018: 81 per cent). The proportion of employees on fixed-term contracts rose to 9.1 per cent (2018: 8.4 per cent).

Employee turnover, which includes resignations, redundancies, retirement, dismissals and completion of fixed contracts, increased slightly in 2019 to 9.8 per cent (2018: 8.3 per cent), with the rate for women standing at 12.7 per cent (2018: 9.7 per cent) and the rate for men at 9.6 per cent (2018: 7.8 per cent).

In Canada, we continued to support employees from Victor mine, which ceased production in April 2018. We focused on finding alternative jobs for as many people as possible and supported others through the redundancy process. Victor mine went to full scale decommissioning in June 2019 and moved to care and maintenance in April 2020.

We supported the exit of most production staff at our Voorspoed mine in South Africa at the end of 2018. The operation moved to closure during 2019, with a small number of employees staying on to work on the decommissioning of the mine site.

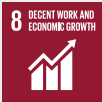


A Namdeb employee sorts rough diamonds using specialist equipment.

INDUSTRIAL RELATIONS

CRITICAL FOUNDATIONS

SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

Our approach to industrial relations is guided by International Labour Organization conventions, covering areas including employment, forced labour and child labour. We are also guided by our Code of Conduct, our Human Rights Policy, and our Best Practice Principles programme, which set out the high labour standards and conditions we expect not only in our own operations but across our value chain.

Trade union participation is high at our African mining operations, many of which are covered by collective bargaining agreements. Collective bargaining is regulated by national labour laws in each country and agreed by each of our individual business units with their local mineworkers union. In South Africa, for example, it is regulated by the Labour Relations Act and by separate collective agreements between the National Union of Mineworkers and our in-country units.

Typically, we negotiate agreements annually, but often for up to three years. These tend to cover areas such as wages, housing or accommodation allowances, holiday allowances and medical aid schemes. Almost half of the direct employees at our African operations are covered by collective bargaining agreements.

Local labour courts or other statutory bodies adjudicate any disputes or alleged violations relating to labour rights, which are kept on public record.

OUR PROGRESS

RELATIONSHIPS WITH UNIONS

Namibia

Labour relations between Namdeb and the Mineworkers Union of Namibia remained harmonious as both parties continued to foster positive relations during 2019. In July, the parties signed a historic three-year wage agreement, which paved the way for employees and private enterprises to own property in Oranjemund – one of our former mining towns, where we are in the process of transferring ownership of the town's properties and services to the local municipality. (See more in [Mine closure and asset transfer](#).)

Namdeb marked this milestone with the handing over to private owners of the first 10 title deeds on 29 July 2019. This sale of properties is helping to create sustainable communities, support our commitment to Oranjemund's economic diversification and align with the government's focus on home ownership as a priority area. The agreement also allows the company to discount house prices for employees who are entitled to buy in Oranjemund. In addition, it enables one-off financial assistance for employees who do not have an option to buy in Oranjemund but wish to own properties elsewhere in Namibia.

The parties have also agreed to introduce capping limits on water and electricity costs, and these were rolled out in March 2020.

The caps have been introduced to help ease the transition for employees and other local residents who are now taking financial responsibility for their own water accounts, which historically would have been paid for by Namdeb. Namdeb also continues to raise awareness around water and energy efficiency to empower residents to reduce their usage and hence their utility bills.

The company management and Union Leadership continue to engage with one another on other matters of mutual interest.

Botswana

In Botswana, relations with the Botswana Mining Workers Union were generally positive in 2019 and Debswana successfully and amicably concluded talks with the union on collective labour agreements.

INDUSTRIAL RELATIONS *continued*

South Africa

In the context of South Africa's economic and political environment, the general industrial relations climate remains challenging. Despite this, our relationship with South Africa's National Union of Mineworkers was cordial in 2019.

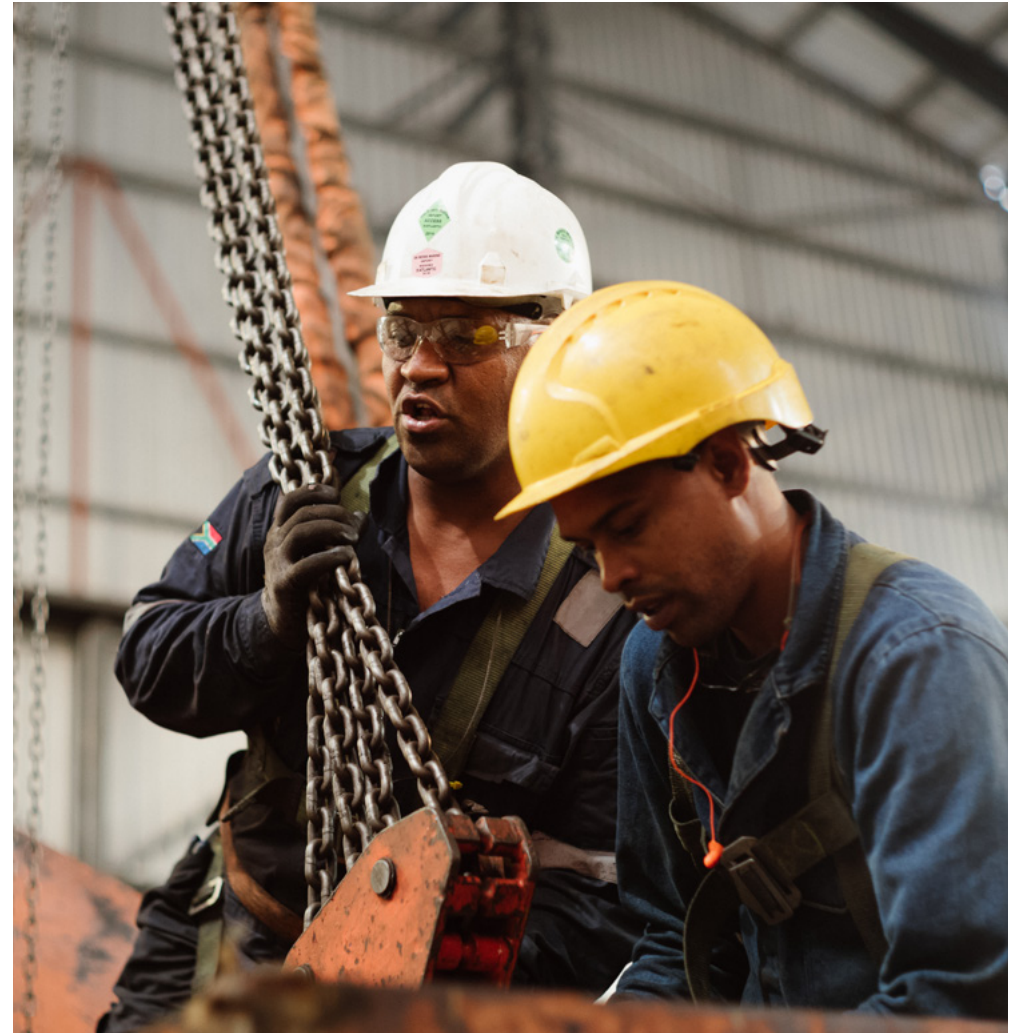
De Beers Consolidated Mines (DBCM), De Beers Sightholder Sales South Africa (DBSSSA) and De Beers Marine (South Africa) were all in the final year of three-year wage agreements during 2019. The bargaining unit in De Beers Group Services: Supply Chain Services also entered into a new long-term wage agreement during 2019.

Discussions continue around establishing an Employee Share Ownership Plan for DBCM and DBSSSA, aligned with the revised National Mining Charter. There were no industrial relations implications arising from the closure of Voorspoed mine at the end of 2018.

Our contractors had no significant work stoppages during 2019. However, we are observing an increasing tendency for our own and our contractors' employees to involve local communities in industrial disputes. This often results in illegal protest action by non-employee members of communities, which can include blockading our buses and transport to and from our operations. This hampers our ability to operate and affects our relationships with communities and organised labour. It is important that we collectively find a lasting solution to this situation.

COMPLIANCE

We identified no instances in 2019 where employees' rights to exercise freedom of association and collective bargaining had been violated or were at significant risk.



Engineers at work at Paarden Eiland Marine workshop, part of Cape Town Marine Operations.

DIAMOND VALUE CHAIN SUSTAINABILITY

CRITICAL FOUNDATIONS

BUILDING FOREVER PILLARS



SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

Ensuring stakeholders can trust that our diamonds are genuine, conflict-free, and brought from mine to finger in a way that respects people and the planet, is fundamentally important to us.

Our Best Practice Principles are a set of strict standards developed by De Beers Group that sets out our requirements on a wide range of ethical, social and environmental responsibilities. We update the BPP programme's standards annually in response to emerging risks and changing legislation or international standards. These include international human rights principles and labour regulations.

We apply the standards at every stage of our value chain through the implementation of the BPP programme from exploration to retail. The standards cover our own operations and are a mandatory requirement for our Sightholders and Accredited Buyers – customers who purchase rough diamonds from us. This covers over 2,700 entities across 77 countries, protecting more than 346,000 employees.

Every entity participating in the BPP programme, including our own business units, must provide an annual self-assessment against every relevant standard. A reputable third-party verifier, Société Générale de Surveillance, then independently audits a randomised selection of these assessments both on-site and remotely.

WHAT THE BPP PROGRAMME MEANS IN PRACTICE

The BPP programme sets standards across three broad areas: business, social and environmental. There is also a mining standard, which applies only to De Beers Group mining operations. Each category contains detailed requirements that De Beers Group and our customers and their contractors must abide by. This is how the BPP programme manages to raise standards across the diamond pipeline.

The business section of the programme includes requirements around topics such as anti-bribery, anti-corruption and anti-money laundering. There are also requirements specific to the diamond sector, including those relating to the Kimberly Process and the World Diamond Council's System of Warranties, as well as measures around product security to mitigate the risk of undisclosed synthetic diamonds entering the diamond pipeline.

The social category covers topics such as health and safety, human rights, child and forced labour, employment and non-discrimination. Allied to our determination to support equality in the workplace and our commitment to standing with women and girls, requirements include paying equal wages to all employees carrying out work of equal value and making the workplace suitable for pregnant and nursing women.

In the environmental and mining sections we set similarly high standards, reflecting our focus on protecting the natural world. These include the need to have a robust environmental management system in place, strict controls around the use of chemicals and hazardous substances, requirements around biodiversity and conservation and around mine closure planning.

We also have a voluntary section that asks companies to demonstrate how they are contributing to the UN Sustainable Development Goals (SDGs) through corporate social investment and business impact. We have featured some of these case studies [online](#), to showcase the important work that our customers and we are doing to support the achievement of the SDGs.

RESPONSIBLE JEWELLERY COUNCIL

De Beers Group is a certified member of the Responsible Jewellery Council (RJC). This not-for-profit standard-setting and certification organisation includes as members more than 1,000 companies spanning the jewellery supply chain, from mine to retail.

Members commit to the RJC Code of Practice and are independently audited against it. The code addresses human rights, labour rights, environmental impact, mining practices, product disclosure and many more important topics in the jewellery supply chain. De Beers Group's latest audit against the RJC Code of Practice took place in October 2018, when we successfully achieved our three-year re-certification for the third time.

DIAMOND VALUE CHAIN SUSTAINABILITY *continued*

There are De Beers Group representatives on both the RJC Executive Committee and the Standards Committee, the group responsible for setting and periodically reviewing the Code of Practice. Our BPP programme is closely aligned with the code and we regularly report to the RJC Standards Committee with updates from the programme.

OUR PROGRESS

UPDATES TO BPP PROGRAMME REQUIREMENTS

In 2019 we updated the human rights requirements of the BPP programme. This was part of our annual benchmarking exercise to ensure that our programme meets international best practice standards. The new requirements challenge our customers to think more deeply and strategically about human rights risks across their activities. Customers also need to take clear steps to mitigate or remedy any impacts. We have tailored the requirements to allow for the different sizes and circumstances of the various types of organisation across the global diamond value chain.

During 2019 we also conducted an in-depth review of all BPP requirements to identify areas requiring elevation and better alignment with international standards and principles. We identified two key areas for improvement: the environmental section and the mining supplement. We researched, analysed and

reviewed leading best practice requirements in both of these areas to inform the update of these sections.

We have since elevated our environmental standards in recognition of the greater focus companies must put on demonstrating the highest standard of environmental protection. Within our mining supplement, which applies only to our own mining operations, we have substantially upgraded our requirements in the areas of biodiversity, natural resource management, tailings and waste rock management, environmental and social impact assessments, and community engagement and development.

As a result of our in-depth review, we have established a new section relating to the responsible sourcing of diamonds. It is in alignment with the OECD Due Diligence Guidance From Conflict Affected And High Risk Areas and will apply to all participants of the BPP programme. The focus is on taking a risk-based approach to helping our customers better identify from where they are sourcing their diamonds, through defining a framework to support them in sourcing responsibly.

The changes to these three sections will be rolled out to all BPP participants during the 2020 BPP Cycle, as will the integration of new requirements from the RJC. As a member of the Standards Committee, De Beers Group was involved in shaping the RJC's new standard, which was published in April 2019.

BPP PROGRAMME PERFORMANCE

The BPP programme has traditionally operated on an April-to-March annual cycle, but from 2020 it is moving to a January-to-December cycle. This made 2019 a shorter, nine-month cycle. Requirements and expectations for self-assessments and third-party auditing remained the same, however, and the efficiencies of our online management platform helped us to meet all deadlines and delivery responsibilities.

The BPP programme now covers over 346,000 people and 2,718 entities across 77 countries. During 2019, we carried out 13 visits to De Beers Group sites and 109 to Sightholder sites to assess their compliance with the BPP programme. There were five infringements within De Beers Group – one major and four minor. Their identification demonstrates the rigorous approach we take in applying the BPPs to ourselves. The major infringement related to a health and safety issue found at one of our office-based operations. The rating of this infringement as major demonstrates the importance De Beers Group places on safety. Corrective action has since been implemented.

Among Sightholders, there were 363 infringements – 85 relating to business practices, 267 to social practices, nine to environmental practices, and two to the overall integrity of the BPP programme. Most of these were minor, with just 28 classed as major infringements.

TRACR™ LAUNCHES EDUCATION RESOURCES

Tracr™ is an end-to-end diamond traceability blockchain-based platform that we are developing in collaboration with the diamond industry. The platform took its first steps towards mass adoption in 2019, with the launch in May of the Tracr Community – an online educational resource and collaboration space for all Tracr-related topics. As more companies join the Tracr programme, the community will become a portal for collaboration and education on diamond provenance, authenticity and traceability.

INDUSTRY-LEADING EDUCATION, GRADING AND TECHNOLOGY

De Beers Group Industry Services provides high-quality verification, education and grading services to the diamond industry. We offer these services to the whole sector, from diamond manufacturers to traders, jewellery manufacturers, luxury groups, brands and retailers. In this way, the services help to grow and strengthen consumer confidence across the diamond industry.

DIAMOND VALUE CHAIN SUSTAINABILITY *continued*

We continued to develop our range of educational courses in 2019 to ensure they are practical and beneficial to the sector. Following our partnership with the National Gemstone Testing Center (NGTC) in China in 2018, in June 2019 we announced a partnership with the International Institute of Gemology in India to deliver diamond education courses throughout the country. In the UK, we collaborated with the Jewellery Quarters of Hatton Garden and Birmingham to deliver a course on detecting laboratory-grown diamonds, covering theory and practical lab-based methods of detection.

We also entered the world of consumer-facing education, in collaboration with the auction house Christie's. The De Beers Group Institute of Diamonds hosted onsite diamond-grading workshops at the Christie's 'Rare Treasures of the Earth' exhibition and private sale, helping consumers understand the complete story behind their diamond purchases.

Our instruments were again recognised for their innovation, winning the Leading Lights award in September 2019 for 'Best Use of Technology'.

QUANTIFYING THE IMPACT OF THE DIAMOND INDUSTRY

The Natural Diamond Council (NDC) is an alliance of the world's leading diamond mining companies, of which De Beers Group is a member. During 2019, the NDC released its first independent research report on the industry's impact on local communities, employees and the environment. 'The Socioeconomic and Environmental Impact of Large-Scale Diamond Mining' was authored by Trucost ESG Analysis, part of the ratings agency S&P Global.

Trucost measured NDC members' activities across 21 key socio-economic and environmental indicators. Their analysis revealed that NDC members generated US\$16 billion in net socio-economic and environmental benefits through their mining operations. It also found that:

- The average employee or contractor of a NDC member is paid 66 per cent more than his or her national average salary and receives nearly five times the local living wage.
- 60 per cent of the total benefits from NDC members are injected into local communities through the sourcing of goods and services, taxes and royalties, infrastructure investment and social programmes such as health and education.
- The environmental cost of producing a diamond is 37 per cent of a single one-way airline flight from New York City to Los Angeles.

Building on the Trucost report, the NDC launched the [Total Clarity](#) website, designed as a transparent and reliable source of information on the socio-economic and environmental impact of the diamond industry.

CONTRIBUTING TO THE SDGS

During 2019, De Beers Group gathered examples from across our value chain of initiatives that demonstrate how our industry is supporting the UN SDGs. We published them in a special Diamond Dialogues report called 'Together on the Journey'. This report builds on our 2017 publication, which explained how the global scale and diverse operations of the diamond industry enabled it to influence and affect many of the SDGs.

We shared the stories gathered for the new report with our clients via our online client portal to encourage conversation and inspire action.

DIAMOND DIALOGUES DISCUSS BRAND PURPOSE

As part of our ongoing Diamond Dialogues¹ series we hosted a roundtable discussion on 'purpose-driven brands' in July 2019, in partnership with Positive Luxury. This brought together 36 representatives from the luxury sector to discuss the challenges and opportunities involved in responding to growing consumer demand for brands to demonstrate their positive social and environmental credentials.

The group discussed the role of 'purpose' in guiding a brand's actions, the opportunity for employees to act as brand ambassadors, and the challenge of communicating authentically about areas of strong and weak sustainability performance. Held under the Chatham House Rule², it was a frank and constructive discussion that generated insights for De Beers Group and all those attending.

¹ Launched in 2007, our Diamond Dialogues series is a series of roundtable sessions with a range of stakeholders both within and beyond our own industry. These sessions are designed to provide an opportunity for open conversation on emerging – and sometimes sensitive – topics in a safe and constructive environment.

² The Chatham House Rule relates to where participants are free to reveal what is said but not to identify who said it.

CONFLICT DIAMONDS

CRITICAL FOUNDATIONS

BUILDING FOREVER PILLARS



SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

Protecting the integrity of the diamond supply chain is critical to maintaining consumer confidence in our industry. We work in close partnership with our industry peers, governments, customs authorities and civil society groups in support of the Kimberley Process. This international certification scheme for rough diamonds was created in 2003 to stem the flow of rough diamonds used by rebels to finance armed conflict aimed at overthrowing legitimate governments. It therefore makes a substantial contribution to international peace and security, as well as protecting the legitimate diamond industry, upon which many countries are dependent for their economic and social development.

Participating countries must enact national legislation that meets minimum requirements. They must also ensure that relevant institutions, including those responsible for imports and exports, meet certain standards.

Under Kimberley Process rules, rough diamonds must be transported in sealed, tamper-resistant containers accompanied by certificates with unique serial numbers. This process is backed by a system of controls in producing countries and in countries that trade in or cut and polish rough diamonds.

The diamond industry has developed a System of Warranties to support implementation of the Kimberley Process Certification System (KPCS). This self-regulation requires companies to ensure all invoices for rough or polished diamonds and diamond jewellery include a written guarantee

that the diamonds are conflict-free, and have been sourced respecting the universal standards of responsible business practices, human rights and diamond sourcing processes. Records of all warranty invoices must be kept, reconciled and audited annually.

All De Beers Group's diamonds are certified conflict-free.

OUR PROGRESS

ENHANCING THE EFFECTIVENESS OF THE KIMBERLEY PROCESS

De Beers Group attended the 16th Kimberley Process plenary meeting in New Delhi in November 2019 as a representative of the World Diamond Council (WDC). The meeting, which was chaired by India, gave all members and working groups the opportunity to debate key issues, share experiences and best practices and identify areas requiring further discussion.

Several issues were tabled at the meeting, which concluded a three-year review-and-reform process. These included proposals to strengthen the scope of the KPCS to include language that addresses human rights abuses more generally as well as abuses committed by groups other than rebels.

The Kimberley Process operates on a complete consensus model, meaning that all 55 participants (representing 82 countries) have to agree to any resolution for it to pass. Consensus was reached to further professionalise the Kimberley Process by establishing a permanent secretariat. In addition,

it was decided that the peer review mechanism should be strengthened to enhance KPCS compliance. Participants were unable to reach consensus on the issue of scope, which we see as a missed opportunity to enhance the effectiveness of the KPCS.

Nonetheless, the KPCS fulfils an important function in maintaining peace in diamond-producing countries and protecting consumer confidence. We will continue to actively promote changes to make it more effective. We will also collaborate even more closely with industry bodies and other partners to implement effective new safeguards in the diamond supply chain. This will include adhering to the WDC System of Warranties, which has a significantly broader scope than that of the KPCS.

KIMBERLEY PROCESS COMPLIANCE

Our audit processes confirmed that De Beers Group was fully compliant with the Kimberley Process in 2019.

CONSUMER DEMAND FOR DIAMONDS

BUILDING FOREVER PILLARS



SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

At De Beers Group, consumer demand for diamonds is the fundamental driver of our business. Consumers need to be confident that the values that have brought their diamond to market reflect the values that they want to express when they wear it. Without this trust, desire for diamonds will wane. And, without consumer demand for diamonds, we have no business and in turn, no opportunity to create value in the communities and countries where we operate.

Our Building Forever approach supports and substantiates consumer trust in our brands and our business. Through Building Forever, we demonstrate to consumers why they can trust our diamonds, whether that's because of our responsible sourcing, high labour standards, care for the environment, support for women and girls, or the positive impact we have on the communities in which we work.

Our world-famous Forevermark™ diamond brand epitomises our commitment to Building Forever. Each Forevermark diamond is inscribed with a promise that it is beautiful, rare and responsibly sourced.

INDUSTRY INSIGHTS

We share our analysis of the key trends shaping our industry and how De Beers Group is responding through our annual Diamond Insight Report. Our most recent report, published in October 2019, can be found on our [website](#).

OUR PROGRESS

OPENING OUR DOORS

In November 2019, we invited a group of nine jewellery designers to take a look behind the scenes of our operations in Botswana. We wanted them to get the opportunity to learn more about diamonds in their natural surroundings and to experience first-hand the full scope of our Building Forever programmes. Over the course of a week, the group enjoyed a tour of our Orapa mine and the local community, visited some cutting and polishing factories, attended the Diamond Conference in the capital Gaborone, and experienced a safari in the Okavango Delta.

The trip was a great success and a source of inspiration to the designers. Most have asked to work with our diamonds for their collections. Several have posted messages on social media supporting the ethos behind Building Forever.

BRANDS CHAMPIONING GENDER EQUALITY

In 2019, Forevermark launched its new Engagement and Commitment Collection, supported by a campaign called 'I Take You, Until Forever'. The campaign featured a diverse mix of couples and showed a woman proposing to a man, challenging traditional gender stereotypes.

2019 also saw the expansion of the Forevermark Tribute™ Collection campaign, which pays tribute to a woman's unique qualities and characteristics. The campaign launched in India running a number of activities on International Women's Day in March 2019. This included an event that celebrated women working in traditionally male occupations, such as a naval officer, a police inspector, a tennis player, a space scientist and an Oscar-winning producer. It also saw the launch of Forevermark's exclusive boutique by a popular Indian actor known for her portrayal of strong female characters.

De Beers Jewellers also supported International Women's Day by donating a percentage of its March profits from sales, amounting to around US\$55,000, to UN Women.

CONSUMER DEMAND FOR DIAMONDS *continued*

PROTECTING RHINOS IN THE WILD

Continuing its commitment to wildlife conservation, in particular the protection of rhinos, Forevermark™ donated £40,000 to conservation charity TUSK to help reinforce anti-poaching measures and support rhino conservation activities in South Africa and Namibia. The brand's Chairman, Stephen Lussier, also took part in a [podcast](#) in October 2019 to discuss the positive impact that a brand such as Forevermark can have on wildlife conservation. For more details, see more in [Biodiversity and conservation](#).

FOREVERMARK™ CONTINUES TO GROW

Responding to strong consumer demand, Forevermark continued to expand its retail presence during 2019. Forevermark diamonds are now available in 2,490 outlets across 34 markets (2018: 2,410 outlets across 30 markets). The brand experienced steady growth, increasing its licensee model with new partners in key markets including Italy, Austria and Belgium.

REAL IS RARE MARKETING CAMPAIGN

The Natural Diamond Council's (NDC) 'Real is Rare' campaign gathered pace in 2019. As a member of the NDC, De Beers Group supports the campaign and its objective to promote the beauty, rarity and uniqueness of natural diamonds.

In February, the third wave of the campaign, titled 'For Me, From Me', launched during the Oscars and targeted female self-purchasers. In May, following the publication of a report on the socio-economic impact of the diamond industry (see more in [Diamond value chain sustainability](#)), the NDC launched [Total Clarity](#), a consumer platform that brings to life the benefits and impact of modern diamond mining through data and illustrated case studies.

October 2019 marked the launch of the 'Diamond Journey' campaign, which coincided with a relaunch of the 'Real is a Diamond' website. The ambitious media plan targeted 21-39 year olds, reaching both men and women through a multichannel approach. The goal was to make 'Real is a Diamond' the first stop on a consumer's diamond research journey. The campaign culminated in the NDC's highest site traffic of all time in December 2019.

BUSINESS INTEGRITY

CRITICAL FOUNDATIONS

BUILDING FOREVER PILLARS



LEADING ETHICAL PRACTICES ACROSS INDUSTRY

SUSTAINABLE DEVELOPMENT GOALS



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

OUR APPROACH

For De Beers Group, business integrity means ensuring that we compete fairly, legally, without improper influence and in line with international best practice. We therefore take a zero-tolerance approach to all forms of corruption, bribery, theft, extortion, embezzlement, fraud and misuse of company assets.

We use our Business Integrity Policy and Prevention of Corruption Procedures to set out the conduct we require of our employees in areas presenting an increased risk of bribery and corruption, such as:

- the offer and receipt of gifts, entertainment and hospitality
- conflicts of interest
- political and charitable donations (we do not participate in party politics or make political donations)
- interactions with government and public officials
- the use of intermediaries
- social investment.

This approach is embodied in our value of Building Trust, which establishes that ‘we will always listen first, then act with openness, honesty and integrity so that our relationships flourish’.

We require each De Beers Group business to prepare its own annual Business Integrity Implementation Plan. To help ensure compliance, all businesses are subject to periodic auditing, on an annual rotational basis, by our Internal Audit function.

We use online training and regular communications to help our employees understand and apply our Business Integrity Policy and Procedures. They also have access to our whistleblowing service, YourVoice – a confidential reporting service for employees, business partners and other stakeholders that enables them to raise concerns about potentially unethical, unlawful or unsafe behaviour or practices.

We take a zero-tolerance approach to all forms of non-compliance with competition and antitrust laws. This is guided by our Group Antitrust Policy and Procedures.

OUR PROGRESS

BUSINESS INTEGRITY PLANS AND TRAINING

De Beers Group businesses are required to have their own Business Integrity Implementation Plans. In 2019, five out of eighteen Group businesses were selected for Business Integrity audits by our Internal Audit team.

In addition, 2,122 members of our workforce completed Anglo American’s online training programme, which has helped to deepen awareness of business integrity risk across the organisation. A further 128 employees took part in face-to-face training workshops.

Going forward, we plan to review and enhance our procedures for identifying, approving and managing risks related to intermediaries. We also plan to deliver face-to-face training focused on areas presenting a heightened risk of bribery and corruption across the business.

NEW ANTITRUST E-LEARNING PLATFORM

We published our updated Group Antitrust Policy in late 2018, together with an updated set of Antitrust Procedures. In 2019, we developed a new e-learning platform, piloting it with a small number of higher-risk business units. The platform trains people on the policy and procedures and includes guidance on managing competition law risks arising from dealings with competitors, suppliers and customers.

BUSINESS INTEGRITY *continued*

DATA PROTECTION

In 2019, we carried out an annual review of Anglo American's data privacy policies and procedures. We also continued to ensure that all parts of De Beers Group operate in line with the EU General Data Protection Regulation (GDPR), reviewing and remediating existing processing activities and ensuring that we design and implement all new initiatives to a GDPR standard.

We also plan to deploy a mandatory global e-learning programme on data privacy. With a focus on protecting personal data, our Group information security team introduced an extensive range of information security initiatives in 2019, designed to better protect our IT and data assets in line with industry best practice.

WHISTLEBLOWING

In 2019, we rebranded our whistleblowing channel to YourVoice, which is supported by a new, multilingual platform operated by an independent service provider. YourVoice enables confidential and anonymous reporting of a wide range of matters, including suspected breaches of our Code of Conduct or company values, in accordance with applicable data privacy laws.

YourVoice incorporates functionalities to better protect anonymity, confidentiality and personal information and is aligned with the requirements of the GDPR. Our Whistleblowing Policy and Bullying, Harassment and Victimisation Policy set out our zero tolerance approach to retaliation against those who raise concerns through YourVoice or any other channel.

During 2019, we reviewed and evaluated 411 reports (2018: 419 reports), 50 received through YourVoice and 361 received through other internal channels, such as walk-ins. All issues were reviewed and where necessary investigated, resulting in 42 dismissals (2018: 65 dismissals).

COMPLIANCE

Following a competition law investigation by the European Commission, De Beers Group is subject to legal commitments not to buy rough diamonds, directly or indirectly, from the Russian company, ALROSA. We were in full compliance with these commitments in 2019.

We received no fines or non-monetary sanctions during 2019 in relation to non-compliance with:

- anti-corruption legislation and regulations
- competition or antitrust laws
- data privacy laws
- the ALROSA commitments.

TRANSPARENCY

CRITICAL FOUNDATIONS

SUSTAINABLE DEVELOPMENT GOALS



OUR APPROACH

REPORTING AND DISCLOSURE

De Beers Group has a long history of publicly disclosing our financial and non-financial performance. We published our first 'Report to Society' in 2007 and have continued to report annually on our environmental, social and governance (ESG) performance ever since, in line with the best practice guidelines set out by Global Reporting Initiative (GRI).

In addition to publishing our financial performance (at the end of each half year), since 2016, we have also published sales figures for our auction sales and each of the 10 'Sights' (sales events) that take place each year. Doing so enhances transparency around our financial performance, reduces speculation and helps to boost confidence in the diamond sector. It also gives our stakeholders additional information on top of our quarterly reporting of diamond production from our mining operations.

TAX TRANSPARENCY

De Beers Group strongly supports tax transparency. We were early supporters of the Extractive Industries Transparency Initiative (EITI) and we remain an active participant via Anglo American.

Being able to demonstrate our economic contribution to host countries and communities through tax is key to building trust with stakeholders and supporting our licence to operate. That's why we voluntarily make information publicly available about our tax payments through Anglo American's annual Tax and Economic Contribution Report.

OUR PROGRESS

DE BEERS GROUP REPORTING

We published, on the De Beers Group website, sales figures for the 10 Sights that took place in 2019. We also published quarterly financials on our rough diamond production across the Group.

Our GRI Index, which signposts stakeholders to our reporting on ESG issues, can be found at the end of this report.

ANGLO AMERICAN TAX REPORT

Anglo American published its sixth annual [Tax and Economic contribution report](#) earlier in 2020. The publication is recognised as a leading example of how to report on the contribution of mining companies to society. In addition to breaking down the global taxes that were paid, it explains the Group's tax contribution at each stage of a mine's lifecycle. It also reports on the Group's socio-economic contribution in each of its operating countries (including Botswana, Namibia, South Africa and Canada, where De Beers Group operates).

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A Grey Lourie perches on a branch at Venetia Limpopo Nature Reserve, part of the Diamond Route in South Africa.

GRI INDEX: AN INTRODUCTION

Our 2019 sustainability performance and data disclosure has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: core option.

We referred to the principles set out in GRI Standard 101: Foundation 2016 to define the report's content and to guide our efforts in providing information that is accurate, comprehensive and balanced.

Our GRI index directs readers to content in this Our Material Topics: Progress Report, on the De Beers Group website and on the Anglo American Group website. Together, these sources provide full disclosure on our sustainability approach and performance in 2019.

We engaged Bureau Veritas to undertake an independent, third-party assurance on information disclosed within this report. The scope of their assurance covered all qualitative information and quantitative performance data for the calendar year 2019 (January 1st to December 31st), with the exception of a small number of data points as specified in the assurance statement.

Bureau Veritas has confirmed that our report meets the requirements of GRI Standards: core option. Their full assurance statement is provided on pages 65 and 66.

MATERIALITY

In 2019, we carried out a materiality assessment to understand the existing and emerging economic, social and environmental topics that are important to our business and our stakeholders. We followed a four-stage process:

OUR MATERIALITY PROCESS

1. Identify

Develop a long list of relevant topics using desktop research and referencing internal risk logs, peer reports, industry standards, GRI standards and the Sustainable Development Goals.

2. Engage

Discuss and rank the topics via interviews and workshops with a broad range of internal and external stakeholders from across our countries of operation, our focus areas and our value chain.

3. Consolidate

At a workshop with key internal stakeholders, prioritise and group the topics ranked as most important to create a finalised set of material issues.

4. Verify

Present the material topics to the Executive Committee for discussion and sign-off.

The process identified 52 topics, which were aggregated to form a final set of 23 material topics that we report on. These are the topics that ranked highest in terms of importance to both external and internal stakeholders.

Key updates since our last materiality process include:

- We have incorporated 'Energy security' (which was previously a standalone topic) into 'Climate change' because energy and emissions are so closely interlinked
- We have changed the title of 'Diamond pipeline integrity' to 'Diamond value chain sustainability' to better reflect the fact that this is about managing our sustainability impacts across our entire value chain
- We have changed the title of 'Partnerships' to 'Partnerships and government relations' to better reflect the fact that our relationships with producer governments are at the heart of our partnership approach
- We have introduced the concept of the circular economy into our commentary within 'Waste and pollution prevention.' We will be developing our thinking on this over the next year and will report further on it in our next reporting cycle.

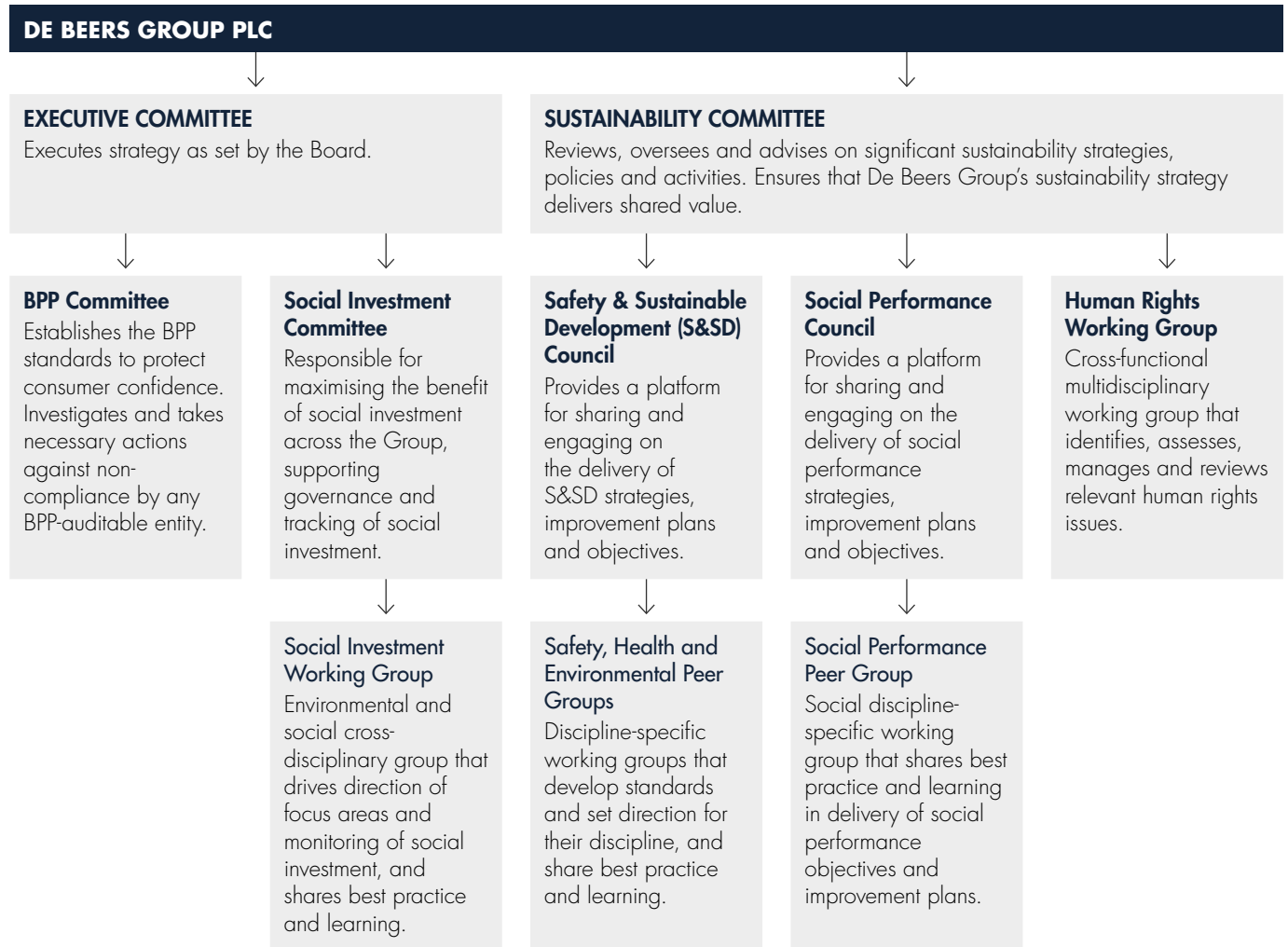
– We have added 'Technology and innovation' to our list of material topics to reflect the increasing focus across our business, and the impacts on the organisation, society, and the environment.

In an effort to better demonstrate and communicate how our material topics link to Building Forever, we have mapped each one against the different elements of our Building Forever framework (see table on [pages 8-9](#) of this report).

From next year we will report on our progress and performance against our Building Forever approach, rather than on a material topic-by-topic basis, as we have done in this report.

GOVERNANCE

Accountability for Building Forever sits with the Board of our holding company, De Beers Group plc. The Board is supported by the Executive Committee and the Sustainability Committee, which is chaired by our CEO, Bruce Cleaver. Reporting into these committees are a number of working groups and specialist Environment, Health and Safety, Social Investment and Social Performance peer groups, which set direction and share best practice at an operational level.



INDEPENDENT ASSURANCE STATEMENT

TO: THE STAKEHOLDERS OF DE BEERS GROUP

INTRODUCTION AND OBJECTIVES OF WORK

Bureau Veritas UK Ltd. ('Bureau Veritas') has been engaged by De Beers Group ('De Beers') to provide independent assurance over the sustainability information reported in the online PDFs: *Our Material Topics: Progress Report 2019* and *Performance Data 2017-2019* (jointly 'the Report'). This Assurance Statement applies to the related information included within the scope of work described below.

SCOPE OF WORK

The scope of our work was limited to assurance over performance data and information included in the Report for the reporting period January 1, 2019 to December 31, 2019 (the 'Selected Information'). Subject to the limitations and exclusions listed in the next section, our review included:

- Statements, information and performance data contained within the Report; and
- Alignment of the reported data and information to the requirements of the Global Reporting Initiative ('GRI') Standards 'core' level and the corresponding GRI index.

REPORTING CRITERIA

The Selected Information has been prepared in accordance with internal definitions and reporting guidelines established by De Beers and its parent company, Anglo American plc ('Anglo American').

LIMITATIONS AND EXCLUSIONS

Our work was limited to reviewing corporate level consolidation of data and information by De Beers. The reliability of the reported data is dependent on the accuracy of data collection and monitoring arrangements at the country and entity or business unit level which are not addressed as part of this assurance.

Excluded from the scope of our work is verification of the following:

- Data and information in the *Health and Wellbeing* section (pp. 45-46), as well as the Performance Data published under Figures 28-36.
- Data and information related specifically to "Zimele" site included in the section *Economic Impact on Producer Countries* (pp.26-29), as well as the Performance Data published under Figure 7.
- Data and information related to "conditions of sale" of mines and, in particular, the sale of "Namdeb Elizabeth Bay Mine" reported in the section *Mine closure and Asset Transfer* (pp. 18-19);

– Data and information within the scope of the report that is already subject to independent third-party audit and opinion. This was relied upon and the verification effort was not repeated. It includes:

- statements regarding De Beer's Kimberley Process compliance and certification of its diamonds as conflict-free;
- the review of source documentation for select environment, health and safety data that is already assured through Anglo American's reporting; and
- financial data included in the Report subject to external financial audit, including but not limited to any statements relating to production, tax, sales, and financial investments;
- The appropriateness of the reporting criteria and its boundaries;
- Positional statements (expressions of opinion or belief) and statements of future intention or commitment;
- Content of external websites or documents linked from the Report; and
- Other information included in the Report other than scope defined above.

This limited assurance engagement relies on a risk-based selected sample of sustainability data and the associated limitations that this entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

RESPONSIBILITIES

The preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of De Beers.

Bureau Veritas was not involved in the drafting of the Report. Our responsibilities were to:

- Obtain limited assurance about whether the Selected Information has been prepared in accordance with internationally acceptable definitions of the relevant indicators;
- Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our conclusions and detailed findings and recommendations to De Beers' management.

ASSESSMENT STANDARD

We performed our work in accordance with the requirements of the International Standard on Assurance Engagements ('ISAE') 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015).

Our conclusions are for 'limited' assurance as set out in ISAE 3000.



INDEPENDENT ASSURANCE STATEMENT *continued*

SUMMARY OF WORK PERFORMED

As part of our independent verification, Bureau Veritas undertook the following activities:

1. Interviews at De Beers' Head Offices in London, United Kingdom, Johannesburg, South Africa and via teleconference with over 20 personnel of De Beers and one third party responsible for collating the Selected Information;
2. Examined the data collection and consolidation processes used to compile the Selected Information at corporate level, including assessing the appropriateness of any assumptions made, the data scope and the reporting boundaries;
3. Reviewing a sample of the Selected Information to the corresponding source documentation;
4. Confirming where relevant the accuracy of information with third parties and/or partner agencies;
5. Assessed the disclosure and presentation of the Selected Information in the Report to ensure consistency with assured information; and
6. Evaluating the alignment of Selected Information with the reporting requirements of the GRI Standards 'core' level.

CONCLUSION

On the basis of our methodology and activities described above, nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects.

Further detailed recommendations are provided to De Beers in the form of an internal Management Report.

STATEMENT OF INDEPENDENCE, INTEGRITY AND COMPETENCE

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified¹ Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspection Agencies (IFIA)², across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities.

The assurance team for this work conducted the verification independently and is not involved in any other Bureau Veritas projects with De Beers.

Bureau Veritas UK Ltd.
London
2 June 2020

¹ Certificate of Registration available upon request.

² International Federation of Inspection Agencies – Compliance Code – Third Edition



SUMMARY REPORT FOR DE BEERS GROUP 2019 CYCLE

ROLE OF SGS IN THE BEST PRACTICE PRINCIPLES PROGRAMME

APPOINTMENT OF SGS

SGS has been the verification partner for the De Beers Best Practice Principles (BPPs) Assurance Programme since July 2003. After involvement in the development of the programme and initial pilots, SGS has verified compliance against the BPP requirements since they came into full force in 2005. The programme now covers 2,718 entities in 77 countries encompassing a range of activities and sizes.

SGS is the world's leading independent verification and certification organisation with no commercial interests in the diamond industry. SGS continues to maintain a vigilant system to ensure that no conflicts of interest arise through the provision of additional services to Sightholders, Accredited Buyers, Forevermark Diamantaires, Beneficiation Programme Members or the De Beers Group. This has been supplemented by further safeguards since SGS gained accreditation as a Certification Body for the Responsible Jewellery Council which also has requirements in this regard.

SCOPE OF WORK AND EVOLUTION OF PROGRAMME

In 2019, a shortened nine month (instead of twelve) cycle was implemented to bring the programme in line with the calendar year and the new Intention to Offer (ITO) timelines which will follow a calendar year from 1 January 2020. As a result, the BPP cycle ran from 01 April to 31 December 2019.

Despite the shorter timeline, the scope of the programme did not change, and all aspects of the assurance programme were delivered as usual and on time to all participants of the programme including Sightholders, Accredited Buyers, Beneficiation Project Members and all De Beers Group business units, which comprises 2,718 entities across the diamond value chain.

For 2019, the programme remained fully aligned with the RJC Standard. The BPP requirements continue to be the leading benchmark across industry, continually raising the bar of ethical and best practice and where the BPP requirements are set at a higher level, this has not been compromised.

For the 2019 cycle, the programme placed an enhanced focus on human rights. The BPP requirements are aligned to leading international law and principles, including the International Bill of Rights, the ILO Declaration on Fundamental Principles and Rights of Work and the United Nations Guiding Principles on Business and Human Rights further demonstrating the importance De Beers Group places on human rights compliance.

In addition, more granular reporting was provided by SGS on the efforts taken by Sightholders and Accredited Buyers to demonstrate their commitment and implementation of the United Nations Sustainable Development Goals.

The five Beneficiation Project Members (BPM) were again required to submit workbooks and this year full visits were made to three of these with a desktop review of the first party assessments for the other two Members. The BPMs visited showed significant improvement from the 2018 cycle. In the previous cycle, 8 Major Infringements were raised in relation to the appointment of an AML/CFT Compliance Officer and in the case of one of the companies, lacking fire safety procedures and health & safety equipment. However, in the 2019 cycle, the performance improved with 8 Minor Infringements raised between the BPMs, relating to

some missing documented policies, lack of formalisation of the Know Your Counterparty systems, lack of appointment of a senior Health & Safety Manager and an isolated issue in relation to pay. Beneficiation Project Members are being assisted by De Beers to ensure these infringements are closed out to bring them in line with the compliance standards.

As in previous years, the online BPP SMART System provides opportunities to leverage areas of commonality. All participants were able to select an "autofill" option to carry forward their responses from the previous cycle, and to review these and amend where necessary. Further, participants who are already certified to the RJC Code of Practices can upload their RJC certificates to the online system. This facilitates a shorter first party assessment workbook being available to recognise their RJC certification. However, the third-party verification visits continue to assess compliance across all relevant aspects of the BPP Requirements through a risk-based approach, ensuring a deeper verification is undertaken. In addition, Sightholders and Accredited Buyers may elect to integrate RJC certification visits into their BPP programme to streamline their approach to these programmes and avoid audit duplication. In 2019, 20 combined BPP/RJC visits were undertaken covering 18 Sightholders/Accredited Buyers who



SUMMARY REPORT FOR DE BEERS GROUP 2019 CYCLE *continued*

had elected to become certified, renew their certification, or extend the scope for additional entities or to include provenance claims.

The scope of work undertaken by SGS as the BPP verifier for the 2019 cycle comprised the following:

- Desktop review of a sample of up to one third of each of the workbooks submitted by Sightholders, Accredited Buyers and their substantial contractors (Tier B), Beneficiation Project Members and De Beers Group entities.
- This desktop review 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 the conclusions by requesting supporting evidence on a random number of questions.
- Verification visits on up to 10% of each Sightholder, Accredited Buyer or BPMs declared eligible entities including substantial Tier B entities of Sightholders, Accredited Buyers, and Beneficiation Project Members and De Beers Group entities to independently assess their performance against the BPP requirements through first-hand evaluation of evidence of compliance with the issues concerned.
- Additional visits to a sample of non-substantial Tier B contractors who were declared as manufacturing melee diamonds (0.01cts and below) to conduct a limited scope visit covering the Melee Assurance Protocol and key Health & Safety and Labour Standards topics.
- Ratings for findings are recommended by the local auditor, but final decisions on the ratings of each finding are made by joint agreement with SGS Central and De Beers teams.
- Provision of information relating to the compliance status of Sightholders', Accredited Buyers' and BPM's entities and details of any significant issues. This information is provided in accordance with the confidentiality requirements imposed by the Ombudsman.
- Ongoing support in explaining local legislative requirements and common issues and challenges.

VERIFICATION METHODOLOGY

The verification process is undertaken in 3 stages:

- In the country of operation, the desktop review of workbooks is undertaken by qualified auditors who also meet the requirements of the RJC certification programme. These are experienced Social Auditors, cross-trained in environmental management and the business elements applicable to companies involved in diamonds and gold and trained on the requirements of the Best Practice Principles.
- Local reviews are then submitted to a central review point and subsequently cross-checked to ensure consistency by country and requirement.
- A sample of up to 10% of each Group's entities is selected centrally for onsite verification visits to check the effectiveness of the first party assessments and to evaluate at first hand the situation on the ground.

DE BEERS GROUP FACILITIES

The De Beers Group participated in the programme by submitting 54 workbooks against their eligible entities within agreed deadlines and received 11 desktop workbook reviews and 13 onsite audits.

Within the 11 workbook reviews conducted during the cycle, no Material, Major or Minor Infringements were raised. 43 Improvement Opportunities were self-declared across several topics in the Business Practices and Employment sections, recognising the seriousness the Group takes in highlighting areas of improvement across their business.

Within the 13 onsite verification visits undertaken at De Beers Group entities, no material breaches were raised. However, 1 Major Infringement, 3 Minor Infringements and 5 Improvement Opportunities were raised. The Major Infringement raised was in relation to a health and safety issue, which has since been closed, demonstrating the robust Corrective Action Process that is in place whereby participants have to provide evidence that they have taken the necessary steps to remove the infringement found from their operations. This also demonstrates the seriousness with which De Beers Group treats the application of the BPP Requirements to themselves and taking any necessary action if issues are found.



SUMMARY REPORT FOR DE BEERS GROUP 2019 CYCLE *continued*

Two of the 13 visits were at Gemfair offices in the United Kingdom and Sierra Leone, which became operational during 2019. These audits were a combined BPP and RJC Code of Practices audit, and no Material, Major or Minor Infringements were raised. The audit only identified 4 Improvement Opportunities which highlighted areas where these entities could seek to further improve their performance, which Gemfair have already started to implement. The success of these audits mean that the De Beers Group's RJC certification was extended De Beers Group Certification to include Gemfair's operations.

The other entities selected for visits included 4 Mining entities, 2 sales operations, 3 retail stores, 1 grading laboratory and 1 diamond cutting and polishing contractor.

In conclusion, there are no open infringements from previous cycles and the Ethical Initiatives Team and De Beers Group entities have been open to all improvement recommendations and responsive to all information requests.

SIGHTHOLDERS AND ACCREDITED BUYERS

All entities that are owned or under the management control of Sightholders and Accredited Buyers are required to participate in the full BPP Programme. In addition, substantial contractors – those that derive more than 75% of their revenue from a Sightholder or Accredited Buyer – are required to participate in the Contractor BPP Programme; and all non-substantial contractors must be disclosed on the BPP SMART System.

In addition, Sightholders and Accredited Buyers are required to declare all owned entities and contractors who are manufacturing melee diamonds to enable reviews to be undertaken to cover the BPP Melee Assurance Protocol requirements.

2,571 eligible Sightholder and Accredited Buyer entities were declared, and workbooks were submitted within agreed timescales. Where entities are co-located or part of a retail brand, merged workbooks may be submitted and this resulted in 829 individual workbooks. Of these, 206 workbooks were reviewed for this cycle and rated in accordance with the BPP programme requirements.

In addition, 110 onsite verification visits were completed based on the sampling rules defined above. This included the audits undertaken at the non-substantial contractor sites involved in manufacturing melee diamonds.

OVERALL SUMMARY

DE BEERS GROUP:

Policies and procedures are now embedded into normal operations for De Beers Group's facilities and there is a commitment to continuous improvement against both the BPP and RJC requirements.

No Material Breaches were identified during first- or third-party assessments and Gemfair was included in the RJC Certification Scope. The 1 Major Infringement raised was addressed promptly and corrective action taken to prevent recurrence. 47 Improvement Opportunities were raised where entities could seek to go further in the spirit of continuous improvement.

SIGHTHOLDERS AND ACCREDITED BUYERS:

Sightholders and Accredited Buyers had a more mixed performance. A total of 220 infringements were raised during the cycle. 28 of these were Major Infringements, with 8 raised against Business Principles and 20 against Social Requirements. In addition, 143 Improvement Opportunities were identified. Improvement Opportunities do not require a Corrective Action Plan as these are intended to help Sightholders and Accredited Buyers towards continuous improvement or highlight a limited compliance issue where resolution is beyond the ability of the group/entity/

facility to resolve. Corrective Actions are required for minor and major infringements, which are reviewed by SGS auditors and closed out when appropriate action, and evidence, has been provided that the risk identified no longer exists.

The number of infringements varies in each cycle depending on the mix of entities selected for visits as part of the sampling process. The Major Infringements in the Social requirements are still largely being found in the areas of Health & Safety (especially fire safety) and discrepancies in documentation (relating to working hours and wages as De Beers Group continues to elevate the standards and requirements it has in the BPP Programme.

In 2019, the BPP placed an increase focus on Human Rights in recognition of the importance of this area and the seriousness De Beers Group places on it. In light of this, there were additional findings raised by SGS in this area, including 6 Major Infringements raised in relation to missing Human Rights assessments, due diligence processes and training. A few country specific infringements also arose due to local legislative requirements. Environmental issues account for a smaller number of findings due to the lower environmental impact of Sightholder entities.



SUMMARY REPORT FOR DE BEERS GROUP 2019 CYCLE *continued*

Sightholders and Accredited Buyers have been asked to provide Corrective Action Plans and evidence of closure for all infringements, in accordance with the usual protocol, and these are reviewed by the local SGS offices. For Major Infringements, the local SGS offices actively follow-up with Sightholders and Accredited Buyers to ensure that these are completed both effectively and efficiently. For Minor Infringements, SGS reviews evidence as it is submitted by Sightholders or Accredited Buyers.

RECOMMENDATIONS AND FUTURE DEVELOPMENTS

For the 2020 cycle the programme has been updated to align to the Responsible Jewellery Council 2019 Code of Practices. This has resulted in several additional requirements within existing sections as well as a new section which ensures that the sourcing of diamonds is managed responsibly. This new section is aligned to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The mining supplement which applies to De Beers' Group's mining operations has also been updated and strengthened, aligned with best practice social and environmental standards to appropriately meet the types of risk that can occur at these entities. The continual improvement of performance against the BPP

Requirements will be further encouraged by escalating infringements from previous cycles which are not being addressed.

As in previous cycles, Sightholders and Accredited Buyers will be able to opt in for combined BPP/RJC verification with the possibility of this leading to a recommendation for RJC Certification.

Responses to the voluntary section, Corporate Social Investment and Business Impact continue to be monitored. This seeks to encourage participants in the BPP Programme to highlight any case studies of their projects and programmes that support the United Nations Sustainable Development Goals.



Effie Marinos
SGS United Kingdom Ltd

6 April 2020

www.uk.sgs.com




DE BEERS GROUP 2019: GRI INDEX









KEY

Under GRI Topic Specific Disclosures, the GRI topic name has been written IN CAPITALS with the related De Beers Group material issue title in brackets next to it.



There are a few De Beers Group material topics for which there is no corresponding GRI topic. These are labelled 'custom topic' and have been included for completeness, as per GRI Standards guidelines.

 This icon indicates that the hyperlink leads to a website or other online resource.





GRI 102: GENERAL DISCLOSURES 2019

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
ORGANISATIONAL PROFILE					
	102-1	Name of the organisation	De Beers Group		
	102-2	Activities, brands, products, and services	De Beers Group at a Glance About De Beers Group 		2
	102-3	Location of headquarters	London, United Kingdom		
	102-4	Location of operations	De Beers Group at a Glance About De Beers Group 		2
	102-5	Ownership and legal form	Group structure 		
	102-6	Markets served	De Beers Group at a Glance About De Beers Group 		2
	102-7	Scale of the organisation	De Beers Group at a Glance Group structure  Financial results  Production reports  Economic impacts for producer countries (Financial and operational update) Data on local Sightholders in 2019 in Our Material Topics - 2019 Performance Data 		29


DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
	102-8	Information on employees and other workers	Employee attraction, development and diversity All workforce related data for 2019 in Our Material Topics - 2019 Performance Data 	Part b of criteria omitted. Not applicable as management does not use this as part of our internal reporting.	47-49
	102-9	Supply chain	As an international diamond company, De Beers Group has a large and complex supply chain supporting our varied operations. In 2019, our Group-wide procurement spend was just over US\$2.2 billion with 5,700 suppliers and over 188,000 individual purchase order lines. Examples of key products and services supplied are: contracted maintenance, fuels, earthmoving machinery, drilling and cutting machinery, pumps, and lubricants. Our supply function employs 430 people globally. Through our inclusive procurement policy we support local businesses from the countries and communities where we operate. See more in Economic impact on producer countries .		26-29
	102-10	Significant changes to the organisation and its supply chain	There were no new mine openings in 2019, however the following events were significant: <ul style="list-style-type: none"> – Voorspoed mine in South Africa moved into full closure planning. – Victor mine in Canada ceased production half way through the year. – Snap Lake mine in Canada moved into full closure planning. – Namdeb's Elizabeth Bay mine and its associated marine assets were sold as a going concern to a member of the Lewcor Group, which is a 100% Namibian-owned Consortium. 		
	102-11	Precautionary Principle or approach	The De Beers Group Environmental Policy  states our commitment to adopting a precautionary approach to environmental challenges.		

DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
	102-12	External initiatives	<p>We participate in many external initiatives including:</p> <ul style="list-style-type: none"> – United Nations Sustainable Development Goals; – United Nations Global Compact; – United Nations Women Programme; – United Nations CEO Water Mandate; – Kimberley Process and System of Warranties; – Extractive Industries Transparency Initiative; – Responsible Jewellery Council; – Diamond Development Initiative; – Voluntary Principles on Security and Human Rights; – United Nations Guiding Principles on Human Rights and Business; – Convention on Biological Biodiversity’s Business and Biodiversity pledge. 		
	102-13	Membership of associations	<p>We are members of a number of industry associations including:</p> <ul style="list-style-type: none"> – Natural Diamond Council; – International Council of Mining and Metals; – World Diamond Council. 		
STRATEGY					
	102-14	Statement from senior decision-maker	Building Forever: Our Driving Force and Stabilising Keel		3
ETHICS AND INTEGRITY					
	102-16	Values, principles, standards, and norms of behavior	Vision and values  De Beers Group Code of Conduct  Our policies 		
	102-17	Mechanisms for advice and concerns about ethics	Business integrity Anglo American and De Beers Group confidential whistleblowing service 		58-59

DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
GOVERNANCE					
	102-18	Governance structure	Leadership team  GRI Appendix: Governance		64
STAKEHOLDER ENGAGEMENT					
	102-40	A list of stakeholder groups engaged by the organisation	Engaging our stakeholders		10-11
	102-41	Percentage of total employees covered by collective bargaining agreements	Industrial relations		50-51
	102-42	Identifying and selecting stakeholders	Engaging our stakeholders		10-11
	102-43	Approach to stakeholder engagement	Engaging our stakeholders		10-11
	102-44	Key topics and concerns raised	Changing our approach to reporting GRI Appendix: Materiality		8-9 63
REPORTING PRACTICE					
	102-45	Entities included in the consolidated financial statements	All entities within De Beers Group are included in the 2019 consolidated financial statements. Debswana and Namdeb are independently managed companies but these are included due to the strategic and operational alignment of activities across the business. Please note that 2017 financial figures included De Beers Jewellers (DBJ) only from the date that the company was acquired by De Beers Group (March 2017).		
	102-46	Defining report content and topic boundaries	Changing our approach to reporting GRI Appendix: Materiality		8-9 63
	102-47	List of material topics	Changing our approach to reporting		8-9

DE BEERS GROUP 2019: GRI INDEX *continued*


GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
	102-48	Restatements of information	No restatements of information or data other than where noted in the form of a footnote.		
	102-49	Changes in reporting (in the list of material topics and boundaries)	GRI Appendix: Materiality		63
	102-50	Reporting period	Qualitative information and quantitative performance data in this report refers to the calendar year 2019 (1 January to 31 December).		
	102-51	Date of most recent previous report	We published an update in November 2019 – see Building Forever: Our Journey – Volume 3 . ☐ Our last full disclosure was published in April 2019.		
	102-52	Reporting cycle	Annual.		
	102-53	Contact point for questions regarding the report	Email: buildingforever@debeersgroup.com		
	102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: core option.		
	102-55	GRI content index	GRI Appendix: GRI Index		71-103
	102-56	External assurance	GRI Appendix: Assurance Statement		65-66

DE BEERS GROUP 2019: GRI INDEX *continued*

GRI TOPIC SPECIFIC DISCLOSURES 2019

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
ECONOMIC (200)					
ECONOMIC PERFORMANCE (Economic impact on producer countries; Partnerships and government relations)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Anglo American Annual Report 2019		
			p1, p140, p142-147, p194-195		
			Anglo American Sustainability Report 2019		
			Partnerships and government relations		37-38
			Economic impact on producer countries		26-29
			Transparency		60
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Data on payments to stakeholders in Our Material Topics – 2019 Performance Data		
			Anglo American Sustainability Report 2019 p75		
	201-4	Financial assistance received from government	No significant financial assistance was received from governments in 2019.		

DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
MARKET PRESENCE (Economic impact on producer countries; Employee attraction, development and diversity)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Economic impact on producer countries		26-29
			Employee attraction, development and diversity		47-49
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	Data on locally and historically disadvantaged employees in management in Our Material Topics – 2019 Performance Data 		
	MMG4 – EC6	In significant locations of operation, report proportion of the facility's total workforce from the local community	Data on workforce based in Africa in Our Material Topics – 2019 Performance Data 		



DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
INDIRECT ECONOMIC IMPACTS (Economic impact on producer countries; Community development for producer countries)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Economic impact on producer countries		26-29
			Community development for producer countries		30-32
GRI 202: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Economic impact on producer countries (Financial and operational update)		29
			Women and girls' empowerment		23-25
			Community development for producer countries		30-32
			Artisanal and small-scale mining		35-36
			Indigenous communities		39-40
	203-2	Significant indirect economic impacts	Economic impact on producer countries		26-29
Community development for producer countries				30-32	
Partnerships and government relations				37-38	
PROCUREMENT PRACTICES (Economic impact on producer countries)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Economic impact on producer countries		26-29



DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Data on inclusive procurement as a proportion of total spend in Our Material Topics – 2019 Performance Data <input type="checkbox"/> Responsible Sourcing Standard for Suppliers in Anglo American Sustainability Report 2019 , <input type="checkbox"/> p69		
ANTI-CORRUPTION (Business integrity)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Business integrity De Beers Group Code of Conduct <input type="checkbox"/> Anglo American Group Business Integrity Policy <input type="checkbox"/>		58-59
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Business integrity Data on business integrity self-assessments in Our Material Topics - 2019 Performance Data <input type="checkbox"/>		58-59
	205-2	Communication and training about anti-corruption policies and procedures	Business integrity Diamond value chain sustainability	Criteria a–e not reported in full. Some requirements (e.g. breakdown by employee category and region) have been omitted as this data is not currently collected.	58-59 52-54






DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
ANTI-COMPETITIVE BEHAVIOUR (Business integrity)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Business integrity De Beers Group Code of Conduct  Anglo American Group Business Integrity Policy 		58-59
GRI 204:Anti-competitive behaviour 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business integrity		58-59
PARTNERSHIPS AND GOVERNMENT RELATIONS (De Beers Group custom topic)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Partnerships and government relations		37-38
CONSUMER DEMAND FOR DIAMONDS (De Beers Group custom topic)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Consumer demand for diamonds		56-57

DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
TRANSPARENCY (De Beers Group custom topic)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Transparency		60
ENVIRONMENTAL (300)					
ENERGY (Climate change)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Climate change De Beers Group Environmental Policy 		16-17
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Climate change Data on direct and indirect energy use in Our Material Topics – 2019 Performance Data 	Parts b and d of criteria omitted. Data for Part b relating to total fuel consumption from renewables is currently unavailable. Part d relating to energy sold is not applicable.	16-17







DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
	302-4	Reduction of energy consumption	<p>Climate change Anglo American Sustainability Report 2019  – Basis for the preparation of key sustainability data p86-87</p> <p>Note: 2016 was selected as the baseline year for our measurement of energy savings because we initiated our energy and carbon saving programme – Programme Terra – in that year. This programme has now been superceded by our new programme of work linked to our Climate Neutral Roadmap.</p>	Part a of criteria relating to amount of reductions in energy consumption is partially omitted as it is reported as a percentage rather than in absolute terms.	16-17
WATER (Water availability and quality)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	<p>Water availability and quality De Beers Group Environmental Policy </p>		20-21
GRI 303: Water 2016	303-1	Water withdrawal by source	Data on water withdrawal by source in Our Material Topics - 2019 Performance Data 	Part a (iv) of criteria omitted as it is not relevant.	
BIODIVERSITY (Biodiversity and conservation)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	<p>Biodiversity and conservation Building Forever: Protecting the natural world  De Beers Group Environmental Policy </p>		13-15




DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity and conservation		13-15
	304-3	Habitats protected or restored	Biodiversity and conservation Mine closure and asset transfer Table 1 (below): Closure and rehabilitation status across De Beers Group, 2019 . Anglo American Sustainability Report 2019 – Biodiversity Technical Standard p39	Part a of criteria about size and location of habitat areas protected or restored and approval by independent external professionals not reported in full as this information is not currently available.	13-15 18-19 101-102
GRI G4 Mining and metals sector supplement	MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	Biodiversity and conservation Table 1 (below): Closure and rehabilitation status across De Beers Group, 2019 . Data on land conserved versus land altered in Our Material Topics – 2019 Performance Data		13-15 101-102
	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	Biodiversity plans data in Our Material Topics – 2019 Performance Data Biodiversity and conservation Diamond value chain sustainability Independent assurance statement for the Best Practice Principles programme Anglo American Sustainability Report 2019 – Biodiversity Technical Standard p39		13-15 52-54 67-70


DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
EMISSIONS (Climate change)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Climate change De Beers Group Environmental Policy 		16-17
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Data on CO ₂ equivalent emissions in Our Material Topics – 2019 Performance Data  Climate change Anglo American Sustainability Report 2019  – Basis for the preparation of key sustainability data p86-87	Criteria c, d and f omitted as this data is not currently available.	16-17
	305-2	Energy indirect (Scope 2) GHG emissions	Data on CO ₂ equivalent emissions in Our Material Topics - 2019 Performance Data  Climate change Anglo American Sustainability Report 2019  – Basis for the preparation of key sustainability data p86-87 The GHG Protocol Scope 2 guidance revision to location-based and market-based reporting is not current practice in Anglo American plc, and therefore in De Beers Group. Our reporting is based on only location-based emissions equivalents but we are currently assessing the change.	Criteria c, d and f omitted as this data is not currently available.	16-17
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Data on sulphur dioxide and nitrogen dioxide emissions in Our Material Topics – 2019 Performance Data 	Criteria a not reported in full (i.e. breakdowns not reported, only total) and criteria b not reported as this data is not currently available.	

DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
EFFLUENTS AND WASTE (Waste management and pollution prevention)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Waste management and pollution prevention De Beers Group Environmental Policy 		22
GRI 306: Effluents and waste 2016	306-2	Waste by type and disposal method	Data on waste in Our Material Topics – 2019 Performance Data 		
	306-3	Significant spills	No significant spills occurred in 2019. Data on environmental incidents by severity and by type in Our Material Topics – 2019 Performance Data 		
	MM3	Total amounts of overburden, rock, tailings and sludges and their associated risks	Waste management and pollution prevention	Information on volumes of these waste materials currently unavailable.	22


DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
ENVIRONMENTAL COMPLIANCE					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Table 2 (below): Environmental management activities across the mining lifecycle De Beers Group Environmental Policy 		103
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	The De Beers Group of Companies was not subject to any significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations in 2019.		
SUPPLIER ENVIRONMENTAL ASSESSMENT (Diamond value chain sustainability)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Diamond value chain sustainability		52-54
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	All of De Beers Group's Sightholders, Accredited Buyers and substantial contractors abide by De Beers Group's Best Practice Principles Assurance Programme (BPP), through participation in the associated BPP assurance process. The BPP programme includes requirements around good environmental practices. Diamond value chain sustainability		52-54







DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
CLOSURE PLANNING (Sector-specific topic) (Mine closure and asset transfer)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Mine closure and asset transfer		18-19
GRI G4 Mining and metals sector supplement	MM10	Number and percentage of operations with closure plans	Mine closure and asset transfer Group structure <input type="checkbox"/> Financial results <input type="checkbox"/>	Part 2.4 of criteria, regarding the financial provision for closure, omitted due to confidentiality constraints.	18-19

DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
SOCIAL (400)					
EMPLOYMENT (Employee attraction, development and diversity)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Employee attraction, development and diversity		47-49
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Employee attraction, development and diversity Data on employee turnover in Our Material Topics - 2019 Performance Data 	Part a of criteria omitted. Not applicable as management does not use this as part of our internal reporting. One aspect of Part b also omitted (i.e. breakdown by age).	47-49
LABOUR/MANAGEMENT RELATIONS (Industrial relations)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Industrial relations		50-51
GRI 402: Labour/Management relations 2016	402-1	Minimal notice periods regarding operational changes.	We do not have an overarching policy at Group level on notice periods regarding operational changes. Each Business Unit in each of our operating countries has its own individual policy.		






DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
OCCUPATIONAL HEALTH AND SAFETY (Safety; Health and wellbeing)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Health and wellbeing Safety De Beers Group Occupational Health Policy  De Beers Group Safety Policy 		45-46 43-44
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Safety Health and wellbeing Business integrity – YourVoice confidential reporting system Data on safety and occupational health performance in Our Material Topics – 2019 Performance Data  De Beers Group Safety Policy  Anglo American Safety, Health and Environment Way 	Parts i and ii of criteria omitted. Not applicable as management does not use this as part of our internal reporting.	43-44 45-46 58-59
	403-3	Workers with high incidence or high risk of diseases related to their occupation	Health and wellbeing Occupational health data in Our Material Topics – 2019 Performance Data 		45-46



DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
TRAINING AND EDUCATION (Employee attraction, development and diversity)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Employee attraction, development and diversity		47-49
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Employee attraction, development and diversity	Parts i and ii of criteria omitted. Not applicable as management does not use this as part of our internal reporting.	47-49
	404-3	Percentage of employees receiving regular performance and career development reviews	Across De Beers Group, 100 per cent of employees within the non-unionised workforce are included in a performance management system where objectives are set, development is discussed, and feedback is provided. Employees in the unionised workforce negotiate as a group and do not take part in these reviews.		



DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
DIVERSITY AND EQUAL OPPORTUNITY (Employee attraction, development and diversity; Women and girls' empowerment)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Employee attraction, development and diversity Women and girls' empowerment Building Forever: Standing with women and girls  De Beers Group Employee Human Rights Policy 		47-49 23-25
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Employee attraction, development and diversity Women and girls' empowerment Diversity and inclusion data in Our Material Topics – 2019 Performance Data  Leadership team 	Parts a.ii of criteria omitted. Not applicable as management does not use this as part of our internal reporting.	47-49 23-25
NON-DISCRIMINATION (Human rights)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Human rights De Beers Group Employee Human Rights Policy 		33-34
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Seven incidents of discrimination were reported across the Group during 2019. All were investigated and closed out. Business integrity – YourVoice confidential reporting system		58-59


DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING (Human rights; Industrial relations)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Human rights Industrial relations De Beers Group Employee Human Rights Policy 		33-34 50-51
GRI 407: Freedom of association and collective bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Industrial relations		50-51
CHILD LABOUR (Human rights)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Human rights De Beers Group Employee Human Rights Policy 		33-34
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Human rights Diamond value chain sustainability Independent assurance statement for the Best Practice Principles programme		33-34 52-54 67-70



DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
FORCED OR COMPULSORY LABOUR (Human rights)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Human rights De Beers Group Employee Human Rights Policy 		33-34
GRI 409: Forced or compulsory labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour.	Human rights Diamond value chain sustainability Independent assurance statement for the Best Practice Principles programme		33-34 52-54 67-70
SECURITY PRACTICES (Human rights)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Human rights De Beers Group Security Services and Human Rights Policy 		33-34
GRI 410: Security practices 2016	410-1	Security personnel trained in human rights policies or procedures	Human rights 100 per cent of security personnel have received training in De Beers Group's human rights policies and procedures and their application to security. We also require external contractors to ensure their employees are trained in the human rights aspects of security.		33-34



DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
RIGHTS OF INDIGENOUS PEOPLES (Indigenous communities)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Indigenous communities De Beers Group Social Performance Policy 		39-40
GRI 411: Rights of Indigenous peoples 2016	411-1	Incidents of violations involving rights of Indigenous peoples	Indigenous communities		39-40
GRI G4 Mining and metals sector supplement	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	Indigenous communities		39-40



DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
HUMAN RIGHTS ASSESSMENT (Diamond value chain sustainability; Human rights)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Human rights Diamond value chain sustainability De Beers Group Modern Slavery Act statement 2019 		33-34 52-54
GRI 412: Human rights assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	Human rights Diamond value chain sustainability De Beers Group Modern Slavery Act statement 2019 		33-34 52-54
	412-2	Employee training on human rights policies or procedures	Human rights	Part b of the criteria is reported as number of employees rather than percentage of employees trained.	33-34
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Human rights		33-34



DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
LOCAL COMMUNITIES (Community development for producer countries)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Community development for producer countries De Beers Group Social Performance Policy 		30-32
GRI 412: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Community development for producer countries		30-32
	413-2	Operations with significant actual and potential negative impacts on local communities	Community development for producer countries		30-32
SUPPLIER SOCIAL ASSESSMENT (Diamond value chain sustainability)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Diamond value chain sustainability De Beers Group Modern Slavery Act statement 2019 		52-54




DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	All of De Beers Group's Sightholders, Accredited Buyers and substantial contractors abide by De Beers Group's Best Practice Principles Assurance Programme (BPP), through participation in the associated BPP assurance process. The BPP programme includes requirements around human rights, labour rights, and transparent product disclosure. Diamond value chain sustainability		52-54
PUBLIC POLICY					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Principles and policies  De Beers Group Code of Conduct 		
GRI 415: Public Policy 2016	415-1	Political contributions	No political donations were made in 2019.		
MARKETING AND LABELLING (Conflict diamonds)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Conflict diamonds		55


DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	Conflict diamonds Diamond value chain sustainability Independent assurance statement for the Best Practice Principles programme De Beers Group Responsible Jewellery Council certification 		55 52-54 67-70
	417-2	Incidents of non-compliance concerning product and service information and labelling	Conflict diamonds		55
	417-3	Incidents of non-compliance concerning marketing communications	There were no incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship in 2019.		
CUSTOMER PRIVACY (Business integrity)					
GRI 103: Management Approach 2016	103- 1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Business integrity De Beers Group Code of Conduct 		58-59
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no substantiated complaints regarding breaches of customer privacy in 2019, either from outside parties or from regulatory bodies.		

DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
SOCIO-ECONOMIC COMPLIANCE					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Business integrity De Beers Group Social Performance Policy  Anglo American Business Integrity Policy 		58-59
GRI 419: Socio-economic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	The De Beers Group of Companies was not subject to any significant fines or non-monetary sanctions for non-compliance with economic or social laws and regulations in 2019.		
ARTISANAL AND SMALL-SCALE MINING (Sector-specific topic) (Artisanal and small-scale mining)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Artisanal and small-scale mining De Beers Group Social Performance Policy 		35-36
GRI G4 Mining and metals sector supplement	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	Artisanal and small-scale mining	Part 2.2 of criteria omitted because it is not applicable. ASM mining does not take place adjacent to De Beers Group mine sites.	35-36

DE BEERS GROUP 2019: GRI INDEX *continued*

GRI Standard	Disclosure number	Disclosure title	Reference, answer, additional information	Reason for omission	Document page
LAND ACCESS AND RESETTLEMENT (Sector-specific topic)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Land access and resettlement Community development for producer countries De Beers Group Social Performance Policy 		41 30-32
GRI G4: Mining and metals sector supplement	MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous peoples	Land access and resettlement	Criteria 2.2 has been omitted due to confidentiality constraints.	41
	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	Land access and resettlement		41
Technology and innovation (De Beers custom topic)					
GRI 103: Management Approach 2016	103-1/2/3	Explanation of the material topic and its boundary; Components of the management approach; Evaluation of the management approach.	Technology and innovation		42

DE BEERS GROUP 2019: GRI INDEX *continued***TABLE 1: CLOSURE AND REHABILITATION STATUS ACROSS DE BEERS GROUP, 2019****SOUTH AFRICA**
The Oaks,
Limpopo Province

The Oaks open-pit mine ceased production in 2008. Active restoration has been concluded and a project to review open-pit closure criteria globally was conducted to inform the final closure arrangements. Water quality sampling, as well as vegetation monitoring is ongoing. Discussions and agreements with the Department of Mineral Resources are ongoing as to achievement of agreed closure criteria, in line with legislation.

SOUTH AFRICA
Namaqualand,
Northern Cape
Province

The sale of Namaqualand Mines was completed in 2014. De Beers Consolidated Mines retained the rehabilitation liabilities in the Buffels Marine Right with an altered land footprint of 3,652 ha. Rehabilitation of the areas disturbed by many decades of mining remains ongoing. All land reclamation and profiling work was completed in 2015 with around 35 million cubic metres of earth having been reclaimed over a period of eight years. Various areas across the landscape have been subjected to active ecological intervention in the form of netting, seeding and transplanting, and these are being monitored. Severe drought conditions have been experienced throughout the region since 2010 and these conditions persisted during 2019. This prolonged period of drought has had a significant negative impact on the ecological interventions, and work has therefore been suspended pending normalisation of rainfall patterns. The mine remained on care and maintenance during 2019.

SOUTH AFRICA
Kimberley
exploration,
Northern Cape
Province

As part of decommissioning of the Exploration Geology Pit in Kimberley, which ceased operations in 2005, water monitoring, vegetation assessments and removal of any alien invader plants continue according to the comprehensive five-year closure plan in line with legal requirements.

SOUTH AFRICA
Voorspoed mine,
Free State
Province

The Board of De Beers Consolidated Mines (DBCM) announced the closure of Voorspoed mine in July 2018. Production ceased in Q4 2018 and execution of the closure and rehabilitation programme commenced in Q1 2019. The rehabilitation programme is under-pinned by the following specific objectives:

- Restore as much as possible of the mining area to a condition consistent with the pre-determined post closure land use objectives;
- Ensure that the area is left in a condition which poses an acceptable level of risk to public health and safety; and
- Reduce as far as is practicably possible the need for post closure intervention, either in the form of monitoring or on-going remedial work.

NAMIBIA

The update and review process for the biophysical closure plan is continuing as per the three-year review cycle. The plan makes provision for a domain approach that includes a risk profile. Improvements in data for surveyed areas and refinement for closure criteria form part of this process. The review process also makes provision for external engagement with key stakeholders on the closure tasks and completion criteria. Annual biophysical closure cost provisioning by an external party continued in 2019. Biophysical closure cost provisioning continues to be cash flowed as part of life of mine planning.

The demolition project ended in December 2019 and the company is reviewing its strategy for demolition of redundant infrastructure. More than 136,000 tonnes of scrap were removed from licences since the inception of the scrap project in 2008. Backfilling of mined out areas continues at Sendelingsdrif and Obib. The Sendelingsdrif Restoration Ecology Programme continues together with the multidisciplinary rehabilitation task team.

DE BEERS GROUP 2019: GRI INDEX *continued***TABLE 1: CLOSURE AND REHABILITATION STATUS ACROSS DE BEERS GROUP, 2019** *continued***BOTSWANA**
Exploration –
Lobatse Sample
Treatment Centre

In terms of the closure process, the rehabilitation and monitoring programme has been completed in full compliance with the government approved Preliminary Environmental Impact Assessment. The final report was submitted to government in April 2016 and it has subsequently been approved. Following negotiations, on the 1st November 2019, Anglo American Corporation Botswana (Services) Limited entered into a binding agreement for the sale and transfer of the Remaining Extent of Portion 6 (Klipkraal) of the farm Woodhall No 11:JO on which the historic Lobatse Sample Treatment Centre is situated to De Beers Holdings Botswana (Proprietary) Limited. The next step involves ministerial approval for the transfer of the property.

CANADA
Snap Lake mine,
Northwest
Territories

Detailed closure planning for the Snap Lake mine site was completed in 2018. Final detailed designs for all facilities were developed and a Final Closure and Reclamation Plan (FCRP), which meets the Anglo American Closure Toolbox requirements, was completed. The FCRP addresses closure of the mineral residue facility, demolition of site infrastructure, re-vegetation of the project area and water treatment. A land use permit amendment and water licence renewal application were submitted, along with the FCRP, to the regulator in March of 2019.

A year long process of review is expected prior to receipt of the approvals necessary to demolish and rehabilitate the site. The mine site will remain in extended care and maintenance until plans are approved for closure. Over the next year, De Beers Group will aim to do the following:

- Work with regulators to ensure that the Snap Lake Water Licence is acceptable for the purpose of closure and will not be financially burdensome while also striving to protect the environment;
- Continue with remote monitoring initiative from September-March;
- Submit an updated FCRP to align with the outcome of the regulatory process.

CANADA
Victor mine,
Northern Ontario

In 2019, Victor mine successfully and safely ceased operations with an excellent safety record. Materials from the operation were offered to local communities through the first salvage programme, which was completed in January 2020. Victor mine filed amendment #4 to the Provincial Regulators in Q2 2018 of its closure plan to the Ministry of Energy, Northern Development and Mines (ENDM). Following several reviews and submissions from stakeholders, the closure plan was revised and re-submitted.

The latest re-submission was in December 2019 to align with comments received from the Ministry of Natural Resources and Forestry and ENDM. An additional landfill required to support demolition was approved in December 2019. Reclamation of the Victor mine site continued throughout 2019 with soil placement, seeding and planting. Going forward, Victor mine will aim to complete the following initiatives:

- Obtain approval for amendment #4 of the closure plan;
- Begin environmental assessment permitting for the demolition landfill;
- Close out all outstanding IBA matters for Victor mine, including the settling of the harvester claims with two outstanding communities.

DE BEERS GROUP 2019: GRI INDEX *continued***TABLE 2: ENVIRONMENTAL MANAGEMENT ACTIVITIES ACROSS THE MINING LIFECYCLE**

Phase	Activity	Objective
Conceptual	Environmental and social screening	To establish if the proposed project has the potential to generate significant or unacceptable environmental or social impacts
Pre-feasibility	Scoping	To gather and evaluate information and undertake specialist studies for the Environmental and Social Impact Assessment (ESIA)
Feasibility	Environmental and Social Impact Assessment and Environmental and Social Management Plan (ESMP) or Environmental Management Plan (EMP)	To identify, qualify and quantify project impacts on the biophysical, socio-economic, heritage, aesthetic and cultural environments. To document and detail future monitoring and management requirements outlined in the ESIA and develop closure plans in line with the life of mine
Construction or commissioning		To ensure inclusion of all requirements of the EMP for the operational phase, for smooth transition to the operational phase
Operations	Environmental management systems (EMS)	To ensure ISO 14001 compliant EMS are in place at all diamond mining operations, to guide the management of our operational environmental impacts and promote continual improvement in environmental performance and implementation of concurrent rehabilitation
Closure/disposal	Closure plans/liabilities	To have a closure plan for each mine that has the appropriate level of detail applicable to the remaining life of mine and ensure adequate financial provision for outstanding environmental liabilities. To implement a final closure plan once production ceases.

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