



BUILDING FOREVER

REPORT TO
SOCIETY
2015

INTRODUCTION

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

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

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

This is our 10th annual Report to Society and it charts our sustainability performance in 2015. Despite significant market challenges throughout the year, our Report to Society reflects the unwavering commitment of our people to continue Building Forever. The report is accompanied by a shorter, summary Review, and further information can be found online.

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

Photo: Annie Griffiths

About this report

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

The 2015 Report to Society has been prepared in accordance with the core option of the Global Reporting Initiative fourth generation Guidelines (GRI G4). A GRI Index is included at the end of this document.

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

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

Corporate Citizenship was commissioned by De Beers to conduct an independent assurance of the 2015 Report to Society. In addition, it has carried out a full evaluation of the GRI Application Level against GRI G4. In its full assurance statement (see page 81), Corporate Citizenship states that our reporting is in accordance with 'Core' level of the GRI G4 reporting Guidelines.

Disclaimer

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

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ECONOMICS

We work to build a positive legacy from diamonds in the communities in which we live and work.

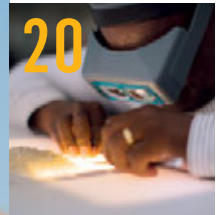
12



28



20



ETHICS

We strive to raise ethical standards across our industry to ensure that diamonds continue to be a symbol of love, commitment and achievement for people around the world.



EMPLOYEES

Our people are our business and we invest in them to help them meet their full potential.



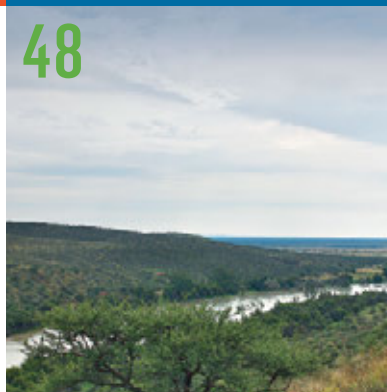
COMMUNITIES

With operations spanning decades, we look beyond the life of our mines with a view to building strong and resilient communities that thrive into the future.

38



48



ENVIRONMENT

We are committed to minimising environmental impacts at every stage of the mine lifecycle and championing the protection of biodiversity.



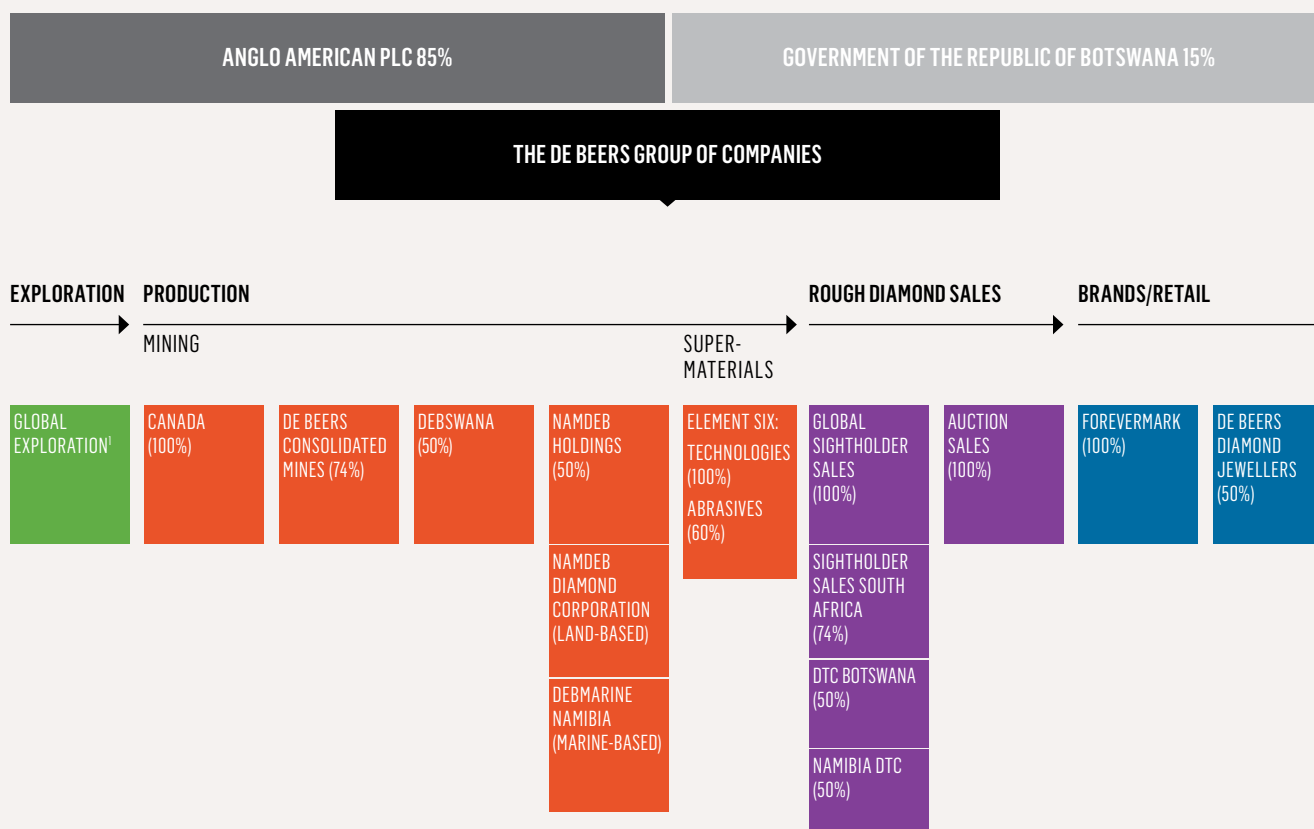
WHO WE ARE

OUR BUSINESS AT A GLANCE

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

FIGURE 1: A COMPANY BUILT ON PARTNERSHIP

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

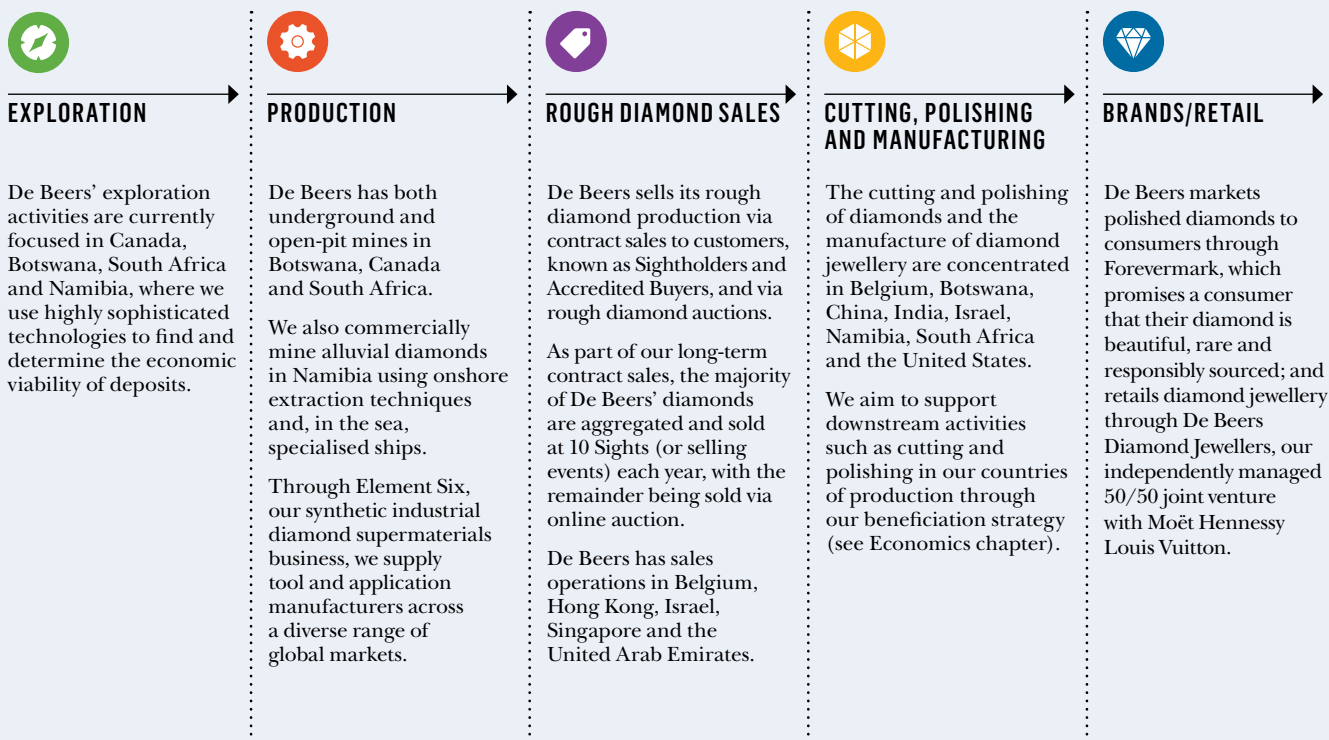


Numbers indicate percentage of De Beers' ownership

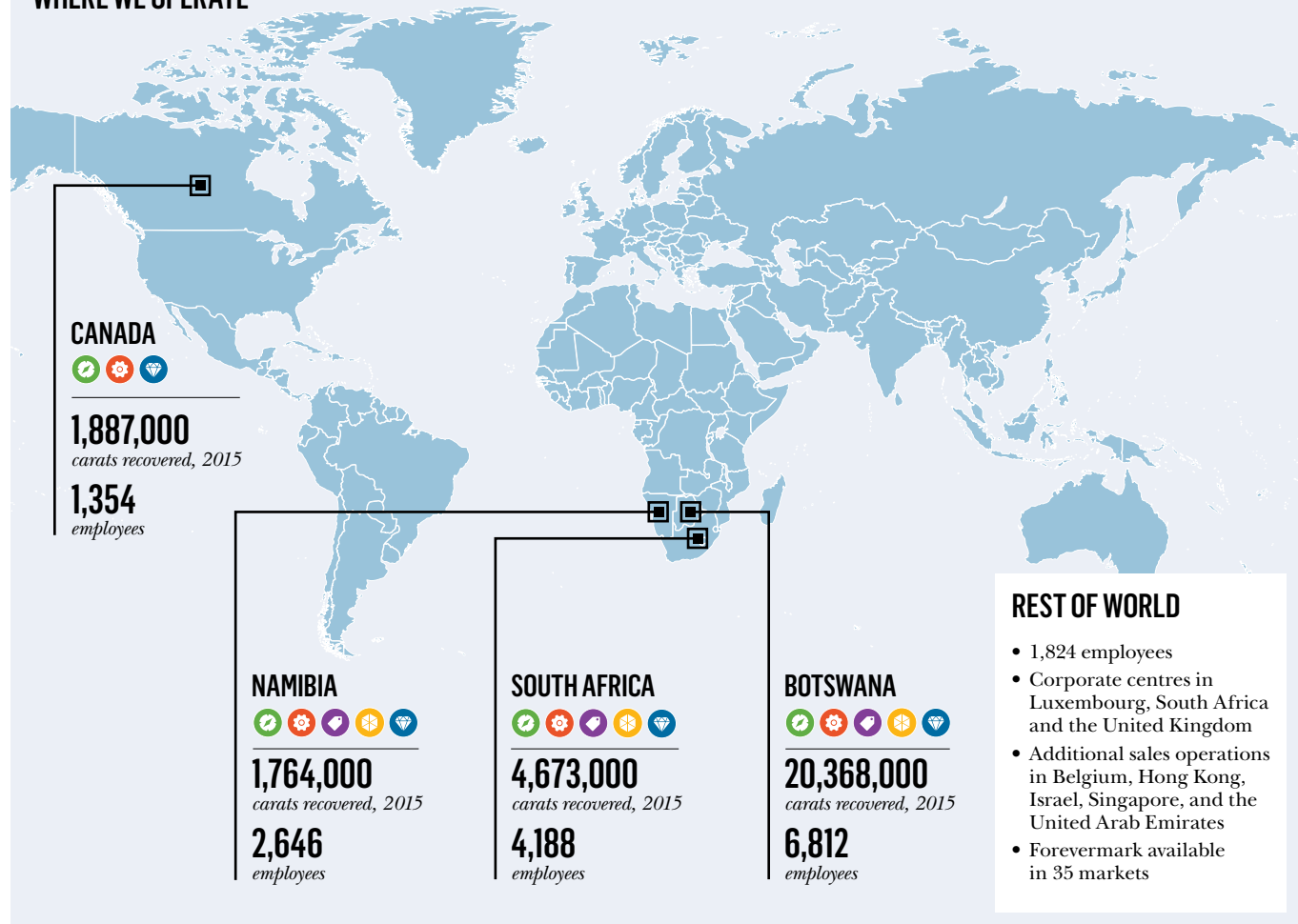
¹ Exploration is undertaken through a number of wholly-owned and joint venture entities.

WHO WE ARE

A GLOBAL VALUE CHAIN



WHERE WE OPERATE



SUSTAINABLE LEADERSHIP



MARK CUTIFANI

Chairman

In challenging economic times, we must often make difficult decisions. Some may assume that sustainability priorities – the value returned to stakeholders, investment in socio-economic benefit, and improvements in management approaches – would take a back seat at these critical points.

This is not, and cannot be, the approach taken by De Beers, as our actions demonstrated during 2015.

Our business is built on partnerships. Our partnerships with the governments of Botswana and Namibia, and the Black Economic Empowerment trust Ponahalo in South Africa, contribute 98 per cent of our rough diamond production, while the route to market for De Beers' diamonds is dependent on long-term relationships with our Sightholders.

Our business and wider societal activities generate significant value for our partners. A recent study of our almost 50-year partnership with the Government of Botswana, found that it contributed 27 per cent of Botswana's GDP in 2014.

With our fortunes so closely intertwined, we share the aspirations of our partners to maximise the value of their finite resource for long-term socio-economic development, both through harnessing our core business for maximum socio-economic benefit in producer countries, and through protecting and growing consumer confidence in diamonds.

That is why our commitment to operating sustainably – what we call Building Forever – was unwavering through the market and economic turbulence of 2015.

Mark Cutifani



PHILIPPE MELLIER

Chief Executive Officer

2015 was undoubtedly a challenging year for De Beers. However, diamond mining is, by its very nature, long term. That means that everything we do has to be done with the future in mind – irrespective of what the shorter-term challenges may be.

If we don't invest in production, our partnerships will have no diamond mines in the future. If we don't invest in training our people, they will not have the skills to meet the challenges of tomorrow. And if we don't invest in local communities, we cannot create a positive, lasting legacy.

So I was greatly encouraged with the progress we made last year: US\$697 million invested to increase production; US\$24 million in development training for our workforce; and US\$28 million in social projects, benefiting almost 50,000 people.

And we continued to deliver against our sustainability improvement plan, with another fatality-free year and a 15 per cent reduction in our total recordable case frequency rate, along with savings of US\$6.8 million from lower energy consumption and carbon emissions over 2013-2015.

At the same time, we stimulated the market so diamond revenues can continue to drive development in our partner countries and communities, and worked to ensure consumer confidence in diamonds.

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

Philippe Mellier

"INVESTING FOR THE LONG TERM, DRIVING CHANGE AND WORKING IN PARTNERSHIP WILL REMAIN FOREVER AT OUR CORE – WHATEVER CHALLENGES WE MAY FACE ALONG THE WAY."

Philippe Mellier
CEO

OUR YEAR IN REVIEW

2015 IN NUMBERS

LOST TIME INJURY FREQUENCY RATE (LTIFR)

0.15

(2014: 0.17)

PREFERENTIAL PROCUREMENT AS A PROPORTION OF TOTAL SPEND

56%

(2014: 62%)

PAYMENTS TO STAKEHOLDERS

US\$3.9bn

Including partners, joint ventures, governments, suppliers, employees, shareholders and other finance providers

(2014: US\$5.7bn)

LOSS OF LIFE INCIDENTS

0

(2014: 0)



DIRECT EMPLOYEES BASED IN AFRICA

81%

(2014: 81%)



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



320,000

(2014: 370,000)

PERCENTAGE OF DE BEERS' WORKFORCE THAT IS FEMALE

24%

(2014: 24%)



REPORTED INDIVIDUAL BENEFICIARIES OF SOCIO-ECONOMIC DEVELOPMENT PROGRAMMES

47,800

(2014: not reported)

TOTAL SOCIAL INVESTMENT SPEND



US\$28.2m

(2014: US\$27.6m¹)

FRESH WATER CONSUMPTION



37.9m m³

(2014: 38.2m m³)

ENERGY CONSUMPTION (DIRECT AND INDIRECT)



17.2m GJ

(2014: 16.2m GJ¹)

LAND SET ASIDE FOR CONSERVATION

170,785 ha

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

(2014: 195,128 ha)

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

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Despite the economic headwinds of 2015, we were unwavering in our commitment to maximise the value of every carat for our producer governments and communities. We call this Building Forever, our commitment to leave a lasting, positive legacy.

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

Among the decisive actions we took during the year to respond to market conditions, we cut production by 12 per cent and unit costs by six per cent, putting both Snap Lake Mine in Canada and Damtshaa Mine in Botswana on care and maintenance.

Despite the economic headwinds of 2015, we were unwavering in our commitment to maximise the value of every carat for our producer governments and communities. We call this Building Forever, our commitment to leave a lasting, positive legacy by maximising the shared value of diamonds in the countries and communities where we operate, and to protect the special role of diamonds in the lives of millions of consumers around the world.

Throughout 2015, we continued our focus on Building Forever through:

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

Right: An aerial view of the Gahcho Kué project camp at Kennady Lake in Canada.

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

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

We invested US\$697 million during 2015. A portion of this went towards the construction of Gahcho Kué in Canada, the largest new diamond mine under development anywhere in the world, and to extending production at Jwaneng and Venetia Mines to ensure that diamonds can continue supporting development into the future. Other major investments during 2015 included nearly US\$26 million in Debmarine's new deep-water diamond exploration and sampling vessel, the SS Nujoma, and US\$34 million on our ongoing global exploration programme, which led to nine new kimberlite discoveries.

Throughout the year, we also focused significant resources on helping our workforce (81.3 per cent of which are based in Africa) grow their capabilities and talents. We invested US\$24.3 million in development training, a 29 per cent increase on 2014. This is one of the most important ways in which we can contribute to the long-term development of the countries where we operate.

We also increased our total social investment to US\$28.2 million (2014: US\$27.6 million¹) benefiting nearly 50,000 people, while also focusing on improving the efficiency and effectiveness of our contributions. Under our ongoing beneficiation programme, we sold US\$825 million worth of rough diamonds to customers in producer countries to ensure their economies benefit from the value-adding steps of diamond production. And we spent a total of US\$1.1 billion – 56 per cent of our total procurement budget – on goods and services from local suppliers.



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

EXECUTIVE SUMMARY

DRIVING CHANGE ACROSS THE INDUSTRY AND OUR BUSINESS

In 2015, we continued our efforts to drive responsible business behaviour within De Beers and across the industry, in order to maintain confidence in the integrity of both our business and our product.

The year marked 10 years of our Best Practice Principles (BPPs) assurance programme, through which we set robust ethical, social, environmental and business standards. In 2015, the BPPs provided independent assurance on the working conditions and business practices of nearly 320,000 people in 3,000 entities across the pipeline. These were updated to include the introduction of additional requirements addressing human rights due diligence and a focus on human trafficking.

De Beers also co-founded the Diamond Producers Association (DPA) in 2015, a new representative body with a mandate to improve ethical performance across the industry through sharing best practice in health and safety, supply chain integrity and environmental management.

In line with our five-year sustainability improvement plan, Good to Great (G2G), we continued to drive positive change across our own company, in order to set best practice standards across the industry. Through G2G we continued work toward zero harm and our efforts underpinned another fatality-free year and a 15 per cent reduction in our Total Recordable Case Frequency Rate (TRCFR). We also improved our environmental performance by focusing on water and energy conservation and biodiversity management. We reduced our consumption of fresh water by 0.9 per cent over the year, while lower energy consumption and carbon emissions led to savings of US\$6.8 million over the last two years.

WORKING IN PARTNERSHIP

Our partnerships with producer countries are vital to ensure the long-term sustainability of our operations. In 2015, we deepened and extended the scope of several key partnerships that sit at the heart of our business.

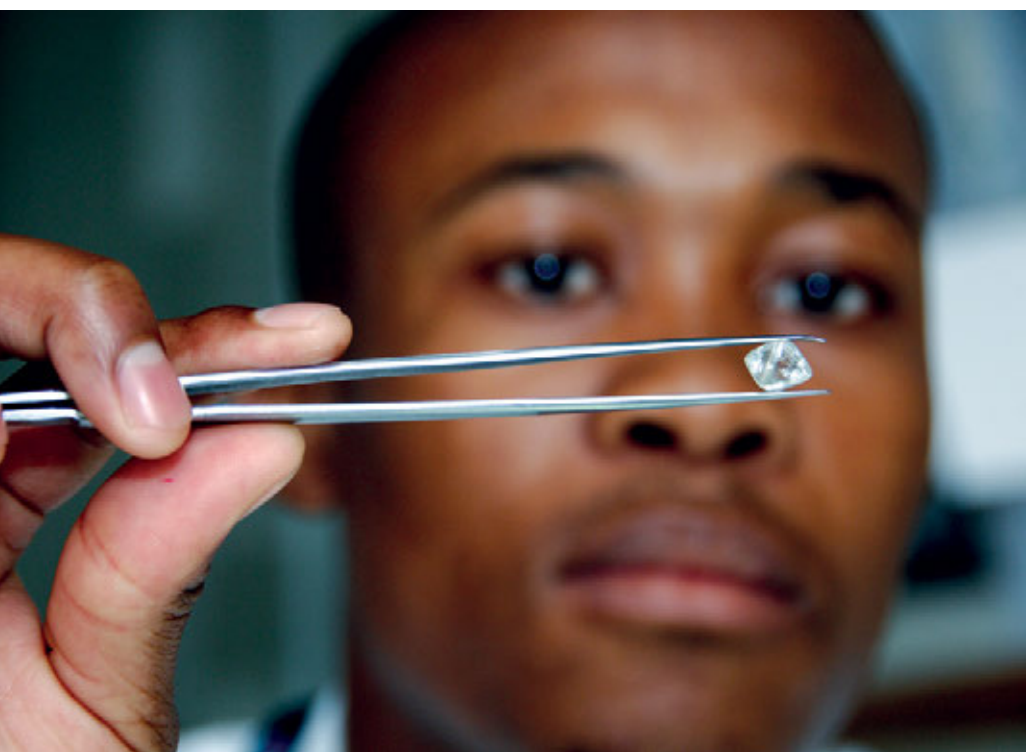
In Namibia, for example, we announced an in-principle 10-year agreement with the Government for the sorting, valuing and sales of Namdeb Holding's diamonds as well as our continued support for beneficiation. In Botswana, we co-hosted a conference with the Government and the international think tank, Chatham House, to discuss sustainable solutions for the country's post-mining economy. And, in both countries, we worked with local people on our shared plans to transfer our two remaining 'closed' towns (Oranjemund and Orapa) to local authorities.

In South Africa, we continued to work in several long-term scientific partnerships, including a shared project with the UK's Camborne School of Mines, that led to the development of a new climate model around Venetia Mine, to understand in more detail the risks and opportunities that De Beers faces in relation to climate change.

And in Canada, we continued our ongoing partnership with Aurora College and the Mine Training Society to deliver a technical programme introducing students to the skills needed in a range of mining jobs.

Despite the challenges presented by the market, the work completed in 2015 on the efficiency and effectiveness of our sustainability management systems will stand us in good stead for the future.

WE INCREASED OUR TOTAL SOCIAL INVESTMENT TO US\$28.2 MILLION (2014: US\$27.6 MILLION) BENEFITING NEARLY 50,000 PEOPLE, WHILE ALSO FOCUSING ON IMPROVING THE EFFICIENCY AND EFFECTIVENESS OF OUR CONTRIBUTIONS.



Left: A diamond sorter inspects a rough diamond.

Below: A shovel operator at Venetia Mine in South Africa is about to load ore on to the trucks for delivery to the plant.



OUR APPROACH

BUILDING FOREVER: OUR APPROACH

At De Beers, the concept of Building Forever describes our commitment to making a positive and lasting contribution to the world, both through our own activities and by working with others to find solutions to some of the most significant sustainable development challenges we collectively face.

As an organisation, our overall purpose is to turn diamond dreams into lasting reality. This purpose is what drives us to achieve our vision of unlocking the value of our leadership position across the diamond pipeline to create a better diamond industry for all.

To deliver this, we aim to safely and sustainably make the most of every carat we mine and sell, following three guiding principles that inform the way we do business:

- Working in partnership to support sustainable development
- Providing socio-economic support for the communities where we operate and supporting the development aspirations of our partner countries
- Being accountable to the standards we set for ourselves and those we work with

As such, Building Forever means working together with our stakeholders to find and support long-term solutions that will enable us to create a lasting positive legacy from diamonds.

Building Forever is a constant for De Beers – far from changing in the face of particular challenges or opportunities, it actively shapes how we respond to them.

This was no different in 2015, despite the challenges the year presented, and as we detail in this report, we continued to invest in improving our approach and delivery across the five core areas of our sustainability performance: Economics; Ethics; Employees; Communities; and Environment.

GOOD TO GREAT – MAKING PROGRESS AGAINST OUR SUSTAINABILITY IMPROVEMENT FRAMEWORK

Good to Great (G2G) outlines a five-year improvement journey focusing on four areas of sustainability management and performance: Strategy, Design and Governance; People and Behaviour; Performance Management and Reporting; and Operational Excellence.

Overall, it is designed to deliver excellence in sustainability management by 2018, through driving further improvement and achieving more resilient performance. The improvement plan contains a set of actions and commitments designed to ensure that our efforts are aligned with our strategic intent, and ensures sustainability is a fully integrated aspect of decision-making.

During 2015, our primary focus was on consistently embedding good practice, particularly through:

- Engaging people and teams
- Learning from incidents
- Risk management and control implementation
- Further integrating sustainability requirements in our business planning process
- Improving performance management
- Rolling out water, energy and carbon emissions strategies

We also began to develop our forward-looking sustainability strategy.

Results achieved by implementing the G2G framework include improvements in performance and reporting such as:

- 110 per cent increase in the reporting of serious incidents
- 15 per cent reduction in Total Recordable Case Frequency Rate (TRCFR)
- No serious environmental incidents
- Re-energised HIV/AIDS campaign
- Energy savings target achieved
- Significant improvement against the updated social performance standards

We have based our 2016 G2G priorities on an assessment of current performance, feedback from our operations, guidance from stakeholders and the outcomes of assurance processes. We also took the current economic climate into account.

OUR APPROACH

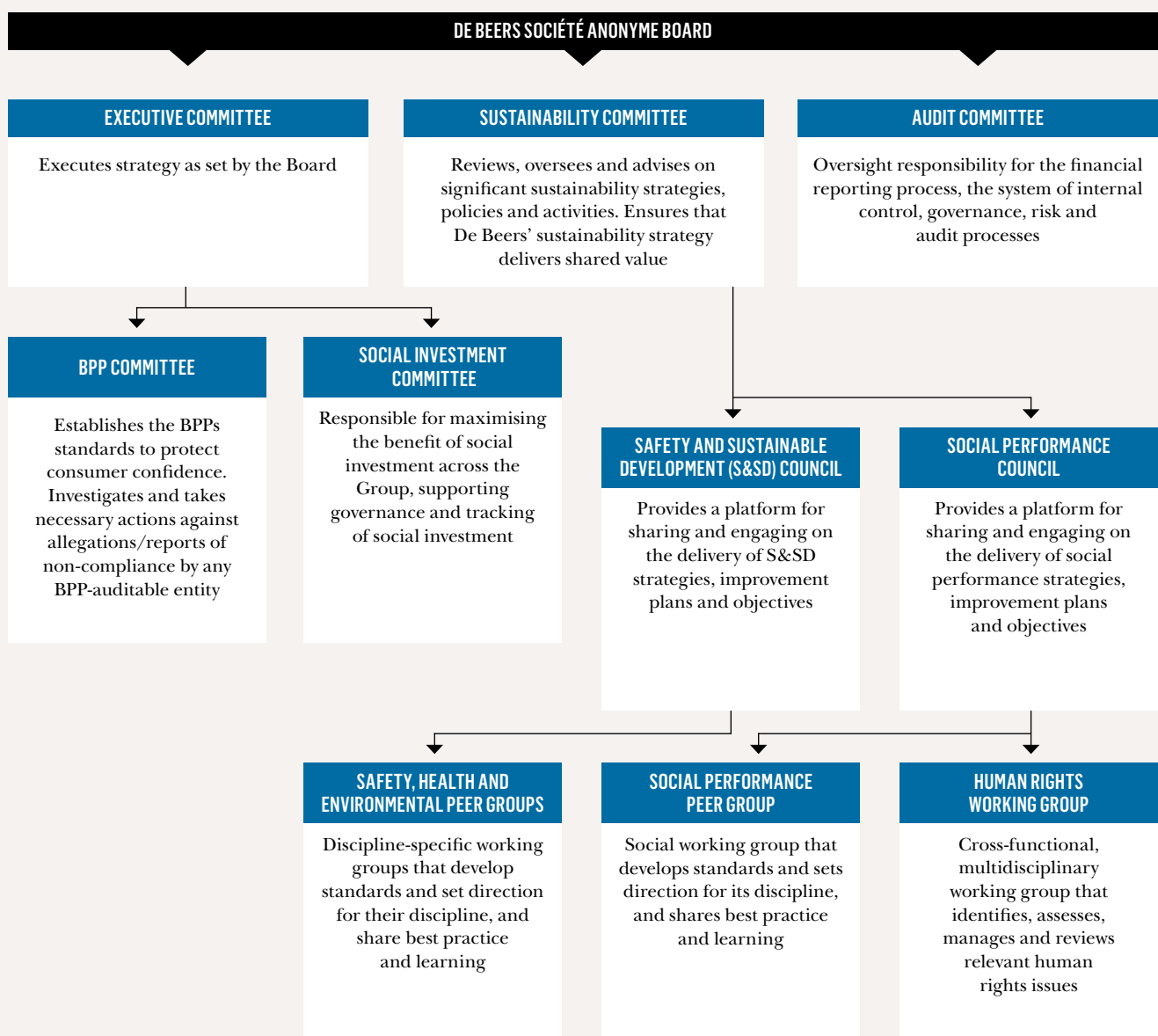
THREE LEVELS OF ASSURANCE

In 2015 we continued to provide assurance that we are meeting required standards to regulators, shareholders and consumers, amongst others, through three main types of activity: first-party assurance via our Internal Audit department and Technical and Sustainability teams; second-party assurance by Anglo American; and third-party assurance including through the BPPs assurance programme.

GOVERNING SUSTAINABILITY

Accountability for sustainability resides with the Board of our holding company, De Beers Société Anonyme (De Beers sa), which is supported in this through the Sustainability Committee, chaired by the De Beers Group CEO, Philippe Mellier, as well as several other committees, subsidiary boards and Group functions (see Figure 2). We continued to streamline and strengthen our sustainability governance processes during 2015, launching the internal Social Performance Council in October.

FIGURE 2: OUR SUSTAINABILITY GOVERNANCE AND MANAGEMENT FRAMEWORK



OUR APPROACH TO STAKEHOLDER ENGAGEMENT AND MATERIALITY

ENGAGING STAKEHOLDERS

In challenging times it is more important than ever to engage with the people affected by, and core to the success of, our business. Every day and at every level of our business, we engage with groups including shareholders, producer governments, local communities, employees, civil society organisations and consumers. Understanding stakeholder interests, and acting on them, provides the bedrock of our efforts to support consumer confidence, and be a good neighbour, an effective partner and a sustainable operator. We do not participate in party politics or make political donations. Specific examples of engagement in 2015 are highlighted throughout the report.

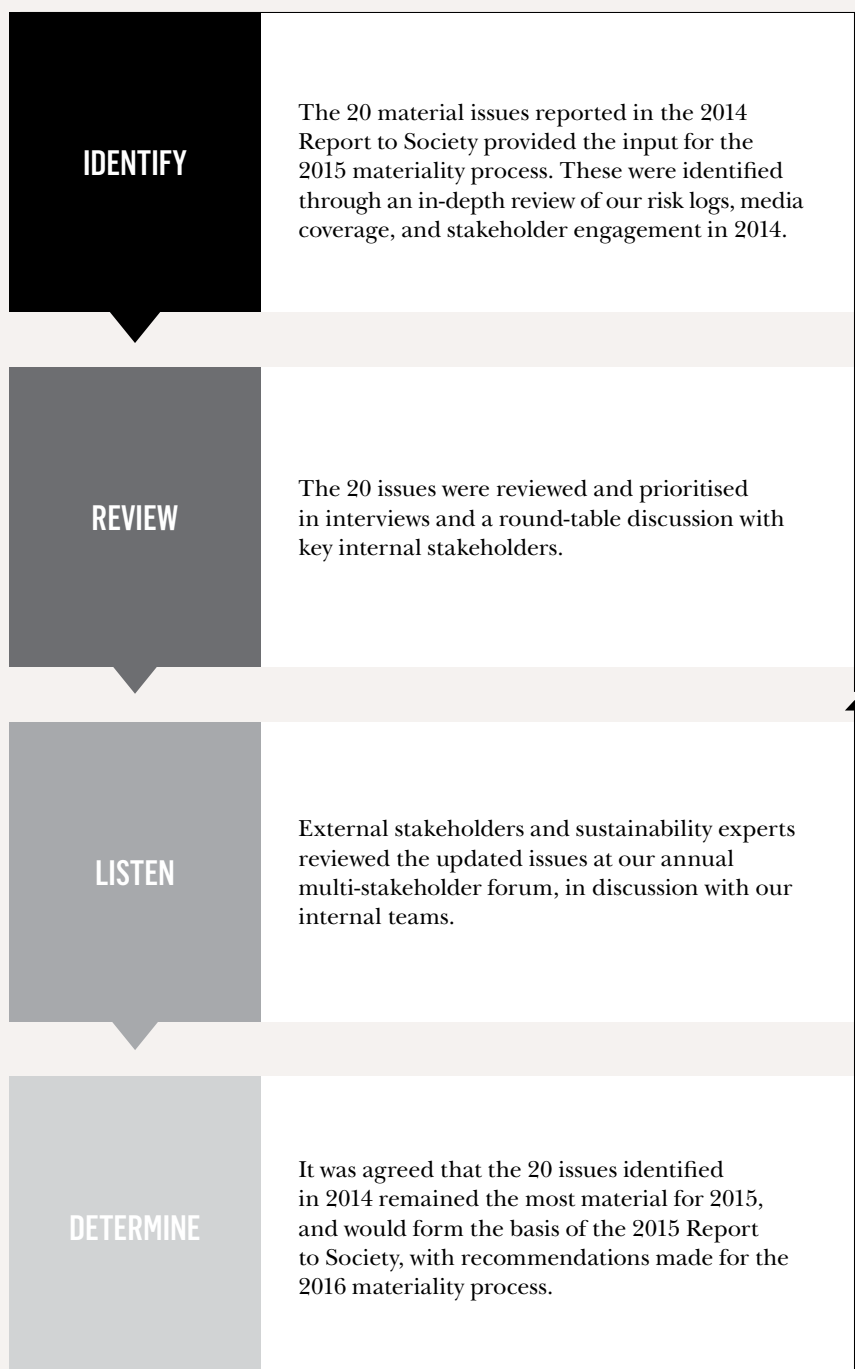
REPORTING ON OUR PERFORMANCE

In 2015 we continued to improve our external sustainability reporting process, introducing an online data collection and assurance platform, and reviewing the format and content of the Report to Society with the aim of increasing its accessibility. We also reviewed our approach to identifying, prioritising and presenting the issues we discuss in the report.

We identify and report on potential risks to our business and the most material issues for our stakeholders through a multistage engagement process, supported by an independent third party (see Figure 3).

IN CHALLENGING TIMES IT IS MORE IMPORTANT THAN EVER TO ENGAGE WITH THE PEOPLE AFFECTED BY, AND CORE TO THE SUCCESS OF, OUR BUSINESS.

FIGURE 3: OUR 2015 MATERIALITY PROCESS



OUR APPROACH

The process resulted in two significant developments:

- 1) A decision to move away from presenting the material issues in a matrix, due to the difficulty of prioritising often interconnected issues in relation to one another, and to present the discussion of these issues in an integrated narrative in the report instead of by individual risk.
- 2) Identification of six overarching issues that better reflect the interdependencies of the current issues:
 - Conservation, biodiversity and ecosystems
 - Governance and revenue transparency
 - Human rights
 - Managing impacts across the mine lifecycle
 - Socio-economic benefit
 - Water and energy security in a changing climate

This insight will be a key input in the review of our reporting approach in 2016.

The 20 issues identified through the 2015 materiality process are listed on the right. As in previous reports, any material issues not addressed in the main report are included in the GRI table (page 60).

FIGURE 4: IDENTIFIED MATERIAL ISSUE AREAS, 2015

ECONOMICS			
DELIVERING VALUE TO PRODUCERS	SUCCESS OF BENEFICIATION	DRIVING LOCAL GROWTH, DIVERSIFICATION AND CAPACITY BUILDING	GOVERNANCE AND REVENUE TRANSPARENCY
ETHICS			
RAISING STANDARDS ACROSS THE PIPELINE	ILLICIT TRADE	HUMAN RIGHTS	DOING BUSINESS WITH INTEGRITY
EMPLOYEES			
ATTRACTING AND RETAINING TALENT	SAFETY AND OCCUPATIONAL HEALTH PERFORMANCE	DIVERSITY AND INCLUSION	HIV/AIDS AND TUBERCULOSIS MANAGEMENT
COMMUNITIES			
SOCIO-ECONOMIC BENEFIT	CLOSURE AND TRANSFER OF ASSETS	OPERATIONAL IMPACTS	LAND OWNERSHIP
ENVIRONMENT			
WATER AND ENERGY SECURITY IN A CHANGING CLIMATE	CONSERVATION AND RESTORATION OF BIODIVERSITY AND MAINTENANCE OF ECOSYSTEM SERVICES	MANAGING IMPACTS ACROSS THE MINE LIFECYCLE	WASTE AND POLLUTION PREVENTION



“DE BEERS, TO MY MIND, IS ONE OF THE FIRST COMPANIES THAT HAS UNDERSTOOD THAT ISSUES THAT SEEM INDEPENDENT CAN ACTUALLY INTERPLAY VERY DIFFERENTLY IN PRACTICE. THIS HAS PLAYED A KEY ROLE NOT ONLY IN HOW DE BEERS REPORTS ON ISSUES, BUT IN HOW THE COMPANY RELATES TO THEM – IN THE WAY THEY PRACTISE THEIR OPERATIONS, BUT ALSO IN DECISION-MAKING. THESE ARE INTRINSICALLY LINKED, YOU CANNOT DECOUPLE SUSTAINABILITY ISSUES FROM THE SUCCESS OF THE COMPANY.”

Pippa Howard

Director of the Business & Biodiversity
Programme, Fauna & Flora International

MAXIMISING THE VALUE OF DIAMONDS

The success of our activities will ultimately be measured by the economic and social development that endures beyond the life of a mine. Diamond revenues play a central role in the economies of Botswana and Namibia. Even in the larger economies of South Africa and Canada, the positive impact of diamonds is keenly felt by the communities where we operate.



ECONOMICS

We share the aspirations of our producer partner countries and communities to responsibly maximise sustainable value from their natural resource, and work in partnership with them to create opportunities that will endure long after our activities cease.

In Botswana and Namibia, our single biggest contribution to development is through the revenues and dividends we pay to the respective governments, with whom we have a number of 50/50 joint venture partnerships. For example, in Botswana, diamonds account for approximately 70 per cent of all exports by value; and our partnership with the Government, including through our 50/50 joint venture in Debswana, is the largest contributor to the economy apart from the Government itself.

We are proud to have played a key role in the development of Botswana, Namibia and South Africa, and we continue to invest in the future of our activities both there and in Canada. Despite a challenging year, we invested a total of US\$697 million in capital projects globally, including investments to extend the life of our operations in each of our producer countries. And we continued to support socio-economic development through beneficiation, local procurement and infrastructure development, while investing heavily in the skills and development of our people – the ultimate resource for development.

Image on page 12:
The SS Nujoma on
the slipway in Norway,
ultimately destined for
Namibian waters.

OUR PERFORMANCE IN 2015

MATERIAL ISSUES:

- *Socio-economic benefit*
- *Closure and transfer of assets*
- *Operational impacts*
- *Land ownership*

FULL PERFORMANCE DATA PAGE 56 →

SPEND ON PROCURING GOODS AND SERVICES FROM LOCAL SUPPLIERS

US\$1.1bn

(2014: US\$1.5bn)

PREFERENTIAL PROCUREMENT AS A PROPORTION OF TOTAL SPEND

56%

(2014: 62%)

PAYMENTS TO STAKEHOLDERS

US\$3.9bn

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

PAYMENTS TO STAKEHOLDERS IN AFRICA

US\$3.2bn

(2014: US\$4.6bn)

2015 KEY ACHIEVEMENTS

- Continued to invest significantly in extending diamond production, in each producer country
- Invested US\$34 million in exploration projects, with nine new kimberlite discoveries
- Began a new supply agreement period for our beneficiation customers, introducing stricter standards to bolster third-party confidence in the Sightholder community, and reduce business sustainability risks

ECONOMICS

ACTING DECISIVELY TO RESPOND TO THE MARKET

RESPONDING TO THE CHALLENGES OF 2015

During 2015, the global market for diamonds was challenging. With weaker demand for rough diamonds from the midstream of the value chain, total revenue for De Beers fell by 34 per cent to US\$4.7 billion (2014: US\$7.1 billion). This was mainly driven by lower rough diamond sales, which declined by 36 per cent to US\$4.1 billion (2014: US\$6.5 billion). Reduced sales impacted the diamond revenues we were able to return to stakeholders from US\$5.7 billion in 2014 to US\$3.9 billion in 2015 (see Figure 5), which particularly affected our diamond producer partners.

We acted decisively to respond to the market during 2015. We cut production, price and costs to ensure the health of our business, using operational flexibility to reduce production by 12 per cent while reducing unit costs by six per cent.

In response to market conditions, we also took the difficult decision to put Snap Lake Mine in Canada on care and maintenance, and Debswana put Damtshaa Mine on temporary care and maintenance and scaled down operations at Orapa Mine's No. 1 Plant.

THE SALE OF KIMBERLEY MINES TO EKAPA MINERALS, A BLACK ECONOMIC EMPOWERMENT ENTITY, GIVES THE OPERATION THE BEST CHANCE TO CONTINUE TO BENEFIT THE COMMUNITY BEYOND THE PREVIOUSLY PROJECTED CLOSURE DATE OF 2018.

We also continued to deliver our long-standing strategy of refocusing our portfolio in South Africa, with the announcement of the sale of Kimberley Mines. Completed in January 2016, the sale of Kimberley Mines to Ekapa Minerals, a Black Economic Empowerment entity, gives the operation the best chance to continue benefiting the community beyond the previously projected closure date of 2018.

Ultimately, consumer demand is the only source of value for our business and, therefore, the driving force behind our operations and ability to create economic activity. During a challenging year, we continued to make substantial investments in our proprietary Forevermark brand. We reintroduced the iconic 'A Diamond is Forever' marketing slogan in the US and launched a new Forevermark campaign entitled 'The One', focusing on the brand's exacting selection standards. We also committed an additional US\$20 million to support demand in the US and China with a multichannel marketing campaign encouraging diamond giving over the holiday season.

FIGURE 5: DE BEERS' PAYMENTS TO STAKEHOLDERS (CONSOLIDATED ACCOUNTING BASIS)¹

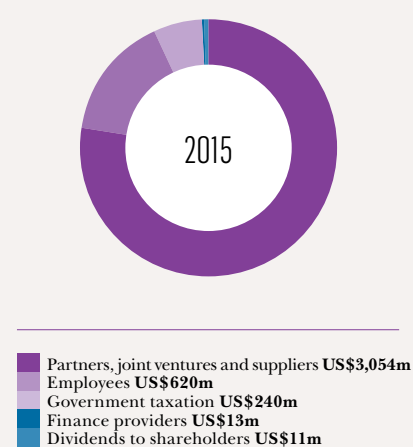
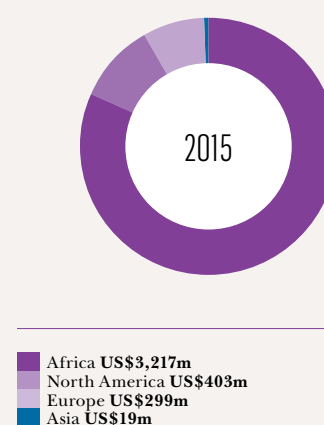


FIGURE 6: REGIONAL BREAKDOWN OF DE BEERS' PAYMENTS TO STAKEHOLDERS (CONSOLIDATED ACCOUNTING BASIS)¹



¹ Includes 100 per cent of subsidiaries and our proportionate share of joint ventures (this includes 19.2 per cent of Debswana on a pre-tax basis; 50 per cent of Namdeb).

ECONOMICS

DESPITE THE MARKET CHALLENGES, DURING 2015 WE CONTINUED TO INVEST SIGNIFICANTLY IN DIAMOND PRODUCTION, DELIVERING SOCIO-ECONOMIC BENEFIT.

INVESTING FOR THE FUTURE

During 2015, we continued to invest significantly in diamond production and in the skills and development of our people, delivering socio-economic benefit. Reflecting our belief in the fundamentals of the diamond industry, these long-term investments will ensure our activities continue to catalyse development long into the future.

DIAMOND PRODUCTION

We continued to plan, manage and deliver on our rolling investment programme throughout 2015. Among other projects, we focused on delivering large capital projects at Botswana's Jwaneng Mine, Venetia Underground in South Africa, and the new Gahcho Kué Mine in Canada (see page 16). These projects will support 400 jobs in Canada, 500 in South Africa, and 1,000 in Botswana during operations.

We also invested US\$34 million in exploration projects in South Africa, Canada and Botswana. These are currently focused on early-stage exploration, with nine new kimberlite discoveries during 2015.

In Namibia, Debmarmine Namibia launched its new US\$170 million (approximately) deep-water diamond exploration and sampling vessel, SS Nujoma, ahead of schedule on 9 January 2016. The most technically advanced vessel of its kind in the world, it is equipped with a subsea sampling system and treatment plant allowing it to process 48 samples per day. It is now being fitted out and will undergo sea trials for final delivery in H2 2016 before launch with a crew of 80.

TOTAL INVESTMENT IN EXPLORATION PROJECTS

US\$34m

NUMBER OF NEW KIMBERLITE DISCOVERIES

9

TOTAL COST OF DEBMARINE NAMIBIA'S NEW DEEP-WATER DIAMOND EXPLORATION VESSEL, THE SS NUJOMA

US\$170m

(Approximately)

Below: Jwaneng Mine in Botswana – trucks at the workshop.

Top right: SS Nujoma in Kleven harbour, Norway.

Bottom right: Venetia Underground Project in South Africa.



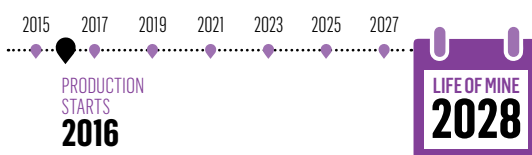
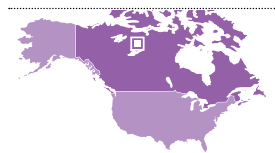
ECONOMICS

INVESTING FOR THE FUTURE

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

GAHCHO KUÉ, CANADA

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



ESTIMATE OF CARATS
TO BE RECOVERED
54 MILLION

TONNES OF ORE
35 MILLION

SOCIO-ECONOMIC BENEFITS

700

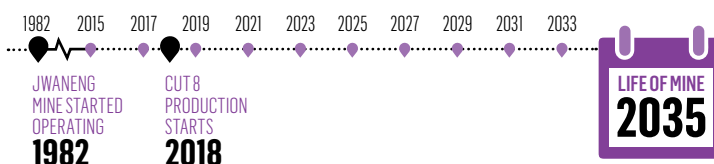
jobs supported during
construction

400

further jobs expected to be
supported during operations

JWANENG, BOTSWANA

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



ESTIMATE OF CARATS
TO BE RECOVERED
93 MILLION

TONNES OF ORE
84 MILLION

SOCIO-ECONOMIC BENEFITS

1,000

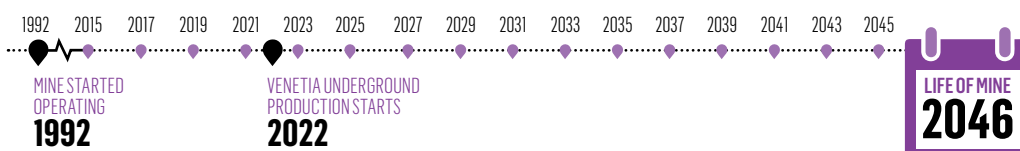
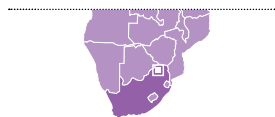
jobs supported during
extended operations

US\$31bn

estimated contribution
to Botswana's economy

VENETIA, SOUTH AFRICA

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



ESTIMATE OF CARATS
TO BE RECOVERED
94 MILLION

TONNES OF ORE
132 MILLION

SOCIO-ECONOMIC BENEFITS

1,500

jobs supported during
construction

500

jobs expected to be supported
during major underground works

ECONOMICS**INCREASING SOCIO-ECONOMIC BENEFIT**

Our activities catalyse socio-economic development across the value chain, enabling countries and communities to participate in more of the value-adding steps a diamond takes on its journey from mine to consumer.

Among our diamond-related activities is our industry-leading approach to beneficiation. Mining is only one link in the chain of processes through which value is added to a diamond. Activities like cutting and polishing are important value-generating activities, which we aim to support and enable in our countries of production.

Our beneficiation strategy ensures that we sell a proportion of our rough diamond production to Sightholders who have set up operations for processing diamonds in-country. Beneficiation helps create additional employment opportunities, supports government economic development plans and aids the transition to post-mining economies.

2015 was a notable year for diamond beneficiation activities as it saw the commencement of some new in-country customer contracts. However, a range of pressures in the global diamond cutting and polishing sector also made it a particularly challenging year for our customers in producer countries.

At the end of the first quarter, we began a new Supply Agreement period for our beneficiation customers in Botswana, South Africa and Canada. This introduced more rigorous financial compliance criteria for customers, designed to bolster third-party confidence in the Sightholder community and reduce business sustainability risks relating to the ability to access finance.

In Namibia, we are in the process of finalising a new Sales Agreement with the Government. While this process continued in 2015, we extended the supply contracts of nine existing local Sightholders.

The global pressures on cutting and polishing operations meant that we also saw some factory closures during the year. By the end of 2015 we were supplying 20 businesses in Botswana, nine in Namibia, eight in South Africa and one in Canada through our beneficiation sales (2014: 21 Botswana, 13 Namibia, eight South Africa, and one Canada).

In total, we sold US\$825 million in rough diamonds to local Sightholders in 2015 (2014: US\$1.56 billion). This was equivalent to 20 per cent of our total rough diamond sales during the year (2014: 24 per cent).

**BENEFICIATION HELPS CREATE
ADDITIONAL EMPLOYMENT
OPPORTUNITIES, SUPPORTS
GOVERNMENT ECONOMIC
DEVELOPMENT PLANS
AND AIDS THE TRANSITION
TO POST-MINING ECONOMIES.**

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

20%

VALUE SOLD

US\$825m¹

Above: One of three cutting and polishing floors at the Diacor factory, a local Sightholder in Botswana.

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

ECONOMICS

AVERAGE REVENUE INCREASE
EXPERIENCED BY PARTICIPANTS
IN TOKAFALA, 2014-2015

60%

Original target: 15-40%

JOBS SUPPORTED SINCE LAUNCH

1,646

SUPPORTING LOCAL BUSINESS

A strong base of locally owned and managed businesses is fundamental to a healthy local economy and to the economic diversification objectives of our partner governments. We operate local procurement and enterprise development programmes in producer countries that aim to support a sustainable bedrock of successful local businesses.

An example of this is Tokafala, our enterprise development programme launched in 2014 in Botswana as a partnership between the Government, De Beers, Debswana and Anglo American. The programme aims to support small- to medium-sized enterprises through mentoring, capacity building and access to finance. The programme is already demonstrating success.

In 2015, an evaluation of the first cohort of small- and medium-sized businesses participating in the three-year programme found that Tokafala had an almost immediate positive impact on revenue growth. Participating enterprises experienced an average increase in revenue of 60 per cent, ahead of the 15 to 40 per cent target set by the programme. We expect this to drive an increase in the number of jobs supported by these enterprises, as their increased revenue enables them to grow. By the end of 2015, the programme had already supported more than 1,600 jobs since launch, 60 per cent of the target for the full three-year programme. In 2016, we will extend the programme to support more enterprises within Debswana's supply chain.

Tokafala is building on the success of De Beers Zimele, our enterprise development programme in South Africa that has been operating for six years, to date supporting 278 businesses and 2,824 jobs since launch. Plans are in place to launch enterprise development programmes in Namibia and Canada during 2016.

We also support local business through our preferential procurement strategy and programmes, through which we spent US\$1.1 billion on procuring goods and services from suppliers in 2015 (56 per cent of total spend). Our approach varies by country of operation, in response to regulatory or other requirements. In South Africa, for example, we give priority to suppliers who are owned, empowered or influenced under Historically Disadvantaged South African (HDSA) legislation, while in Botswana we prioritise local and citizen-owned businesses. In Namibia, preference is given to local providers; and in Canada, we favour Aboriginal or First Nations suppliers (i.e. those from the indigenous population).

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

An example of a company whose success is based on its services to De Beers Consolidated Mines is Motse/Aqua Transport JV. Started in 2007 as Motse Civils doing topsoil stripping, this HDSA-owned entity in the Free State, South Africa later expanded its scope and activities by winning tenders for waste mining at Voorspoed Mine. It entered into a joint venture agreement with Aqua Transport in 2013 and the business now has a US\$2.1 million per year contract with De Beers and employs 134 local employees.

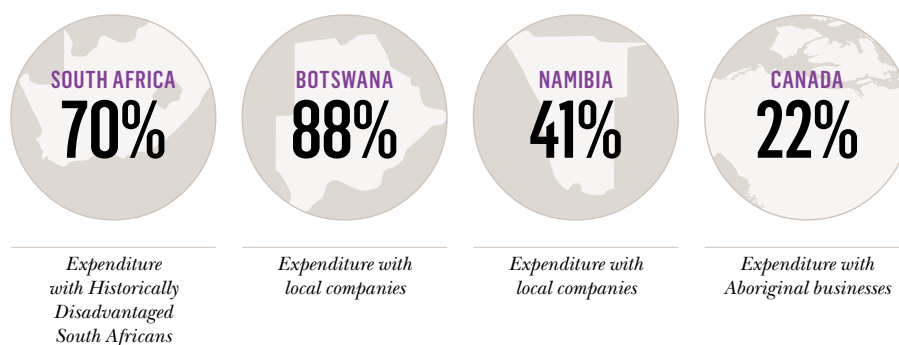
EMPOWERING PEOPLE WITH
SKILLS AND CAPABILITIES

Ninety-one per cent of our employees in Africa are local citizens. Employing local people and equipping them with skills and opportunities are other significant contributions we can make that will benefit communities long after we leave. In 2015, we spent US\$24.3 million on training and skills development (see Employees chapter).

Our commitment to building and empowering local people led us to an accelerated talent development and skills transfer programme in Botswana from 2012. As part of the current Sales Agreement with the Government of Botswana, around 80 skilled practitioners and their families moved from the UK to Botswana with the relocation of our global sales operation to Gaborone. The skills transfer programme aims to build local capacity by accelerating succession planning and local talent development, which builds capacity within De Beers, and across Botswana.

In summary

Our continued investment in people and capital projects is part of a coherent strategy to maximise the value added to, and derived from, diamonds by local citizens.

FIGURE 7: LOCAL PROCUREMENT AS A PROPORTION OF TOTAL
PROCUREMENT EXPENDITURE

ECONOMICS

SECURING A BRIGHT FUTURE FOR BOTSWANA

Our partnership with Botswana is a story of prudent investment and shared prosperity.

In the 50 years since independence, the Botswana De Beers partnership has helped transform Botswana from being one of the world's poorest countries into a globally recognised development success story.

This has been achieved through the responsible recovery of 728 million carats since 1971, when Botswana's first diamond mine went into production. And it's been supported through De Beers' global sales and marketing leadership, including a more than US\$1.6 billion investment by De Beers in consumer marketing campaigns over the last 15 years alone, which have contributed to a 423 per cent increase by value in the polished diamond market since 1980.

With nearly three-quarters of De Beers' total diamond production coming from Botswana, and with Botswana holding a 15 per cent ownership interest in the company, our success is both mutual and mutually dependent.

To understand more about the history of the partnership, and the value it generates for Botswana today, we commissioned a socio-economic impact study, published in 2015. The study found that the partnership made a total contribution to the Botswana economy of US\$4.4 billion in 2014, or 27 per cent of gross domestic product, more than any other sector. Directly employing nearly 8,000 people, of whom 96 per cent were Botswana citizens, the partnership spent approximately US\$6 million on 550,000 hours of training and skills development. And in the broader economy, its activities supported the equivalent of one in every 20 jobs in Botswana.

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

But diamond revenues will not be able to drive development forever. The volatility in the diamond market in 2015 provided even greater impetus to the long-term objectives of the Botswana Government to diversify the economy beyond diamonds.

De Beers shares in this aspiration, and the partnership has worked to ensure that Botswana will benefit more from diamond production over time, including through beneficiation and most recently the relocation of the company's international sales function to Gaborone.

In November 2015, De Beers, the Government and a leading international affairs think-tank, Chatham House, co-hosted a conference on natural resources in Botswana. The aim was to bring together leading academics, policymakers and industry experts to discuss Botswana's economy and to chart a course to growth beyond diamonds.

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To gain as much participation as possible, we live-streamed the event and launched a dedicated hashtag: #Botswana2015. More than 1,000 stakeholders participated in the conversation, and our hashtag was seen more than 12.5 million times around the world, bringing Botswana's future, and the goals we share, into global focus.

THE PARTNERSHIP'S TOTAL CONTRIBUTION TO BOTSWANA'S GDP IN 2014

27%

US\$4.4bn

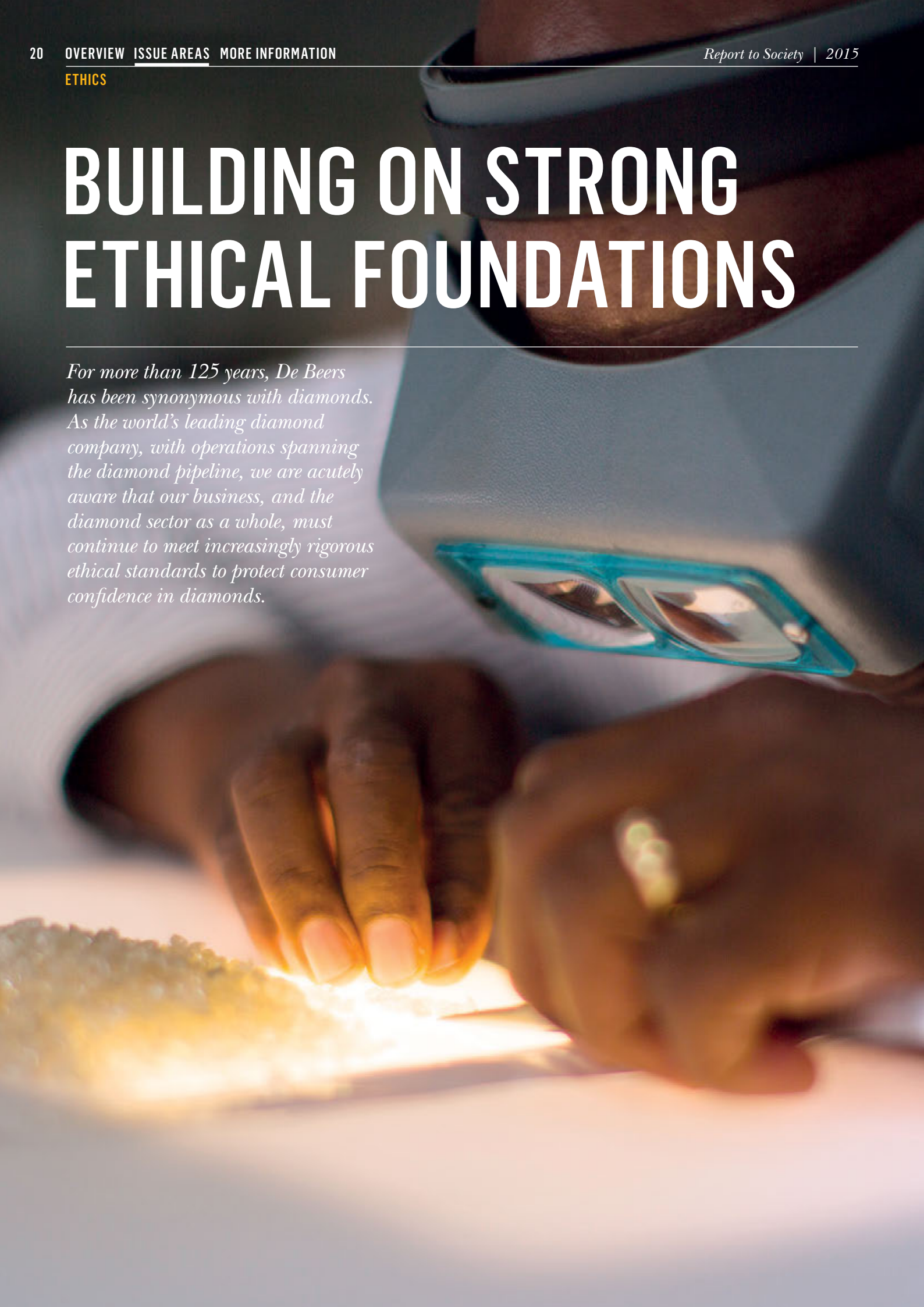
JOBS IN BOTSWANA SUPPORTED BY THE PARTNERSHIP IN 2014

1 IN 20



BUILDING ON STRONG ETHICAL FOUNDATIONS

For more than 125 years, De Beers has been synonymous with diamonds. As the world's leading diamond company, with operations spanning the diamond pipeline, we are acutely aware that our business, and the diamond sector as a whole, must continue to meet increasingly rigorous ethical standards to protect consumer confidence in diamonds.



ETHICS

Our long-term success rests on a strong ethical foundation.

Diamonds symbolise precious moments in people's lives – and our collective actions must live up to the values and emotions ascribed to them. Ensuring consumer confidence in the ethical integrity of diamonds is therefore critical to supporting demand and our ability to maximise diamonds for development with our producer partners.

This is why we work directly with our customers and suppliers and through industry bodies to drive ever higher standards across the sector.

And it is why, even amid the demanding trading conditions of 2015, we continued to invest significant resources in our long-term programmes to enhance ethical standards across De Beers and throughout the industry as a whole. And it is why every diamond sold under our proprietary Forevermark brand comes with the promise that it is not only rare and beautiful, but responsibly sourced.

OUR PERFORMANCE IN 2015

MATERIAL ISSUES:

- *Raising standards across the diamond pipeline*
- *Illicit trade and diamond security*
- *Human rights*
- *Doing business with integrity*

GRI INDEX TABLES PAGE 56 →

NUMBER OF HOURS OF HUMAN RIGHTS TRAINING

2,496

(2014: not reported)

TOTAL NUMBER OF PEOPLE COVERED UNDER THE BEST PRACTICE PRINCIPLES (BPPs) PROGRAMME

320,000

(2014: 370,000 people)

NUMBER OF SITE VISITS CONDUCTED BY INDEPENDENT ASSURERS AS PART OF THE BPPs

124

(2014: 129)

KIMBERLEY PROCESS COMPLIANCE

100%

of De Beers diamonds are certified as conflict-free

2015 KEY ACHIEVEMENTS

- Marked 10 years of the De Beers BPP assurance programme
- Renewed our three-year certification to the Responsible Jewellery Council (RJC)
- Strengthened our management approach to address human rights-related risks
- Continued to expand Forevermark programmes to further strengthen the brand's responsible sourcing proposition

ETHICS

HOLDING OURSELVES TO ACCOUNT

PROTECTION THROUGH PRINCIPLES

During 2015, we continued to invest heavily in systems to raise standards across the diamond value chain, including in the Best Practice Principles (BPPs) assurance programme that provides the key building blocks of our ethical approach.

Created in 2003 and launched in 2005, the BPPs are a set of robust requirements covering the business, social and environmental responsibilities that apply to all our entities, rough diamond customers and substantial contractors.

The BPP programme requirements are based on local and international legislation and conventions, including the Kimberley Process and the United Nations Guiding Principles on Business and Human Rights. They incorporate best practice management, measuring and reporting standards, including elements from the Social Accountability International (SA8000) standard, the International Finance Corporation Performance Standards, and wide-ranging ISO standards from environmental management to nomenclature.

BEST PRACTICE PRINCIPLES – 2015 UPDATES

Updates in 2015 included additional requirements to address human rights due diligence when operating in or sourcing from conflict-affected areas and human trafficking.

They also included additional risk assessments to address issues such as unsafe working conditions or significant environmental impacts when sourcing diamonds from artisanal and small-scale miners.

As a result, consumers can have the confidence of knowing that they can rely on high professional, technical and ethical standards at every stage of the diamond value chain.

“THE BEST PRACTICE PRINCIPLES PROMOTE TRANSPARENCY THROUGHOUT THE DIAMOND PIPELINE AND REINFORCE CONSUMER CONFIDENCE BY ENSURING THAT THE END PRODUCT HAS BEEN ETHICALLY SOURCED AND MANUFACTURED. FOR OUR BUSINESS, THE ANNUAL PROGRAMME HELPS US TO CONSTANTLY ASSESS THE WAY WE MANAGE OUR BUSINESS, SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES AND CONTINUE TO SEEK IMPROVEMENTS IN OUR SYSTEMS.”

Ameet Shah, President, Sales and Marketing, at Jasani, a De Beers Sightholder since 1973

We annually update the BPP standards in response to emerging risks to ensure they provide relevant and effective protection against unacceptable business, environmental and social practices.

As well as our own operations, all our Sightholders and Accredited Buyers (and their substantial contractors) have to comply with the BPPs as a condition of purchasing rough diamonds from us. If they subsequently fail to do so, this constitutes a very serious breach of our supply terms that could lead to the suspension of supply or to contract termination.

In 2015, the BPPs covered nearly 320,000 people in almost 3,000 entities across the industry (2014: 370,000 people and 3,400 entities). During the year, the majority of factories were operating at a lower capacity due to challenging market conditions. The reduction in coverage of the BPPs is a direct result of a significant decrease in production within the major manufacturing centres.

The BPPs provide a key part of the foundation for Forevermark’s responsible sourcing brand promise. Along with the proprietary Pipeline Integrity Standard, this enables Forevermark diamonds to be tracked through the value chain to provide assurance to customers that their Forevermark diamonds are beautiful, rare and responsibly sourced. In 2015, we invested in our largest and most advanced diamond grading and inscription facility, to provide consumers with further confidence in Forevermark diamonds (see case study, page 25).

PEOPLE COVERED BY THE BPPs

320,000

ETHICS

BPPs: RAISING INDUSTRY STANDARDS FOR 10 YEARS

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

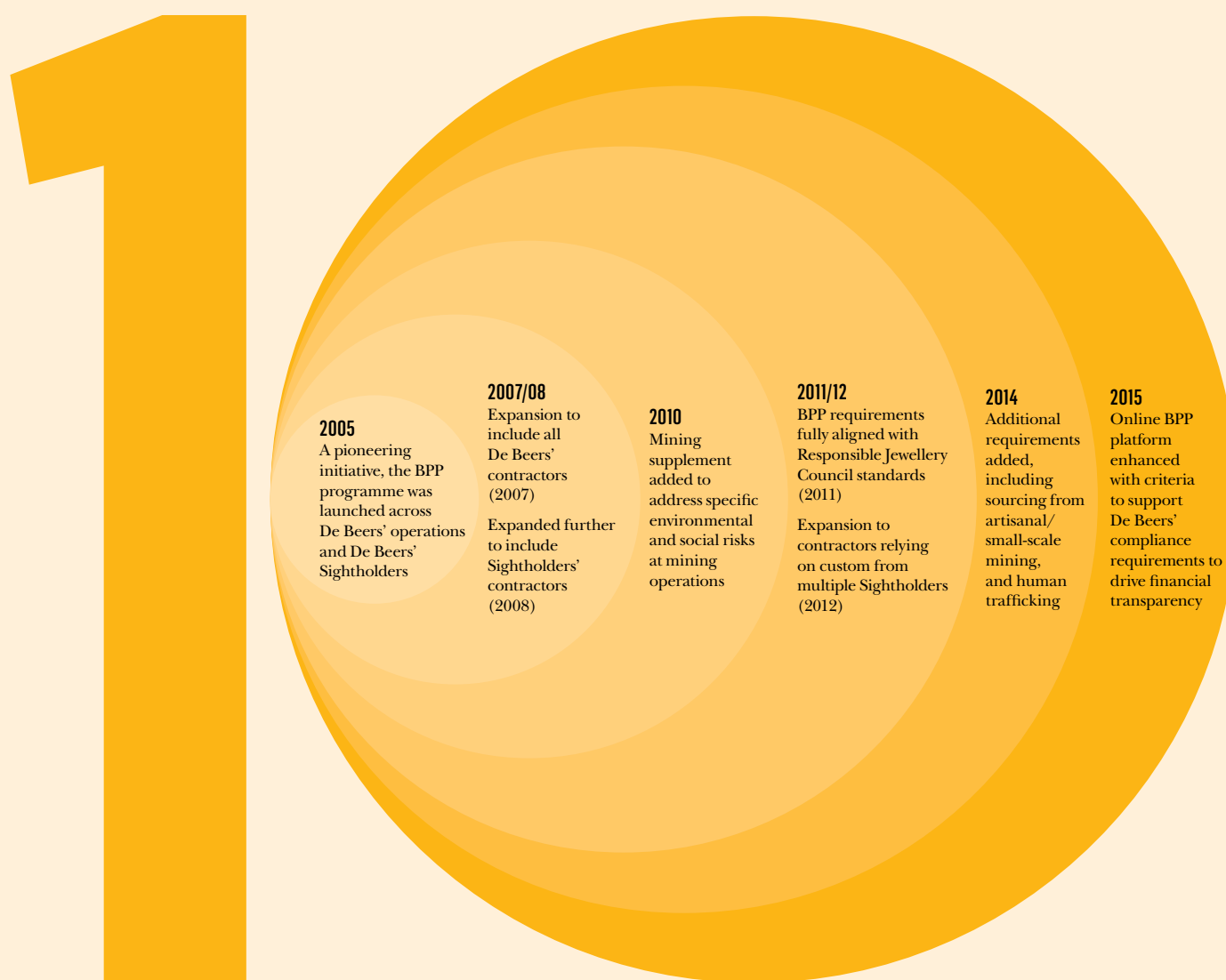
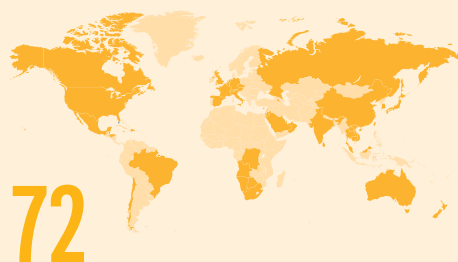


FIGURE 8: GEOGRAPHIC REACH OF THE BPPs



The BPPs work to improve standards in 72 countries

HOW THE BPPs WORK TO RAISE STANDARDS

SCOPE

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

SCALE

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

UNIQUE

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

INDEPENDENTLY VERIFIED

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

RESPONSIVE AND CONSULTATIVE

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

ENFORCEABLE AND CONTRACTUAL

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

ETHICS

DURING 2015, WE MADE A NUMBER OF INVESTMENTS IN TECHNOLOGY TO HELP US AND OTHER MEMBERS OF THE DIAMOND TRADE SCREEN FOR AND IDENTIFY LABORATORY-MADE SYNTHETIC DIAMONDS.

INVESTING IN SCREENING AND DETECTION TECHNOLOGY

We continue to invest significantly in technology, including for the detection of synthetic or treated diamonds, to ensure consumers can be confident they are purchasing natural diamonds. In 2015, an improved DiamondView™ was launched to enable clearer identification of new kinds of synthetics. A new variant of our screening instrument, DiamondSure™, was developed to provide improved screening capability for stones mounted in jewellery.

We also sold a significant number of Automated Melee Screening (AMS) machines, our spectrometer-based system for screening round brilliants from 0.01 to 0.20 carat for potential synthetics and simulants. AMS machines sales to De Beers Sightholders had started in mid 2014, and in 2015 we made the machine available to other members of the trade.

Below: An employee using a gemmological microscope for viewing and grading diamonds.

THE BENEFITS OF WORKING IN PARTNERSHIP

We firmly believe that working in partnership is key to raising and protecting standards of behaviour.

This includes our active participation in industry initiatives such as the World Diamond Council, the UN Global Compact, the RJC and multi-stakeholder initiatives such as the Kimberley Process Certification Scheme. They also extend to direct, one-to-one relationships with other interested parties, such as our work with police and security forces on countering the illicit trade in diamonds.

As a founding member of the RJC, we fully share its commitment to reinforcing consumer confidence across the diamond, gold and platinum jewellery value chain by certifying the ethical standards of its members. As the De Beers BPPs requirements match and, in some areas, exceed the RJC's standards, we offer our Sightholders and Accredited Buyers a dual compliance audit covering both sets of standards.

We were pleased last year to achieve certification up to 2018 under the RJC's revised Code of Practices for our own business.

To further support the industry, in 2015, De Beers partnered with six other leading diamond producers to launch the Diamond Producers Association (DPA), the first-ever representative international organisation formed by diamond producers.

With a mandate that includes sharing best practices in health and safety, supply chain integrity and environmental management, the DPA will help to provide a unified voice for producers in maintaining consumer confidence in diamonds. In 2016, Stephen Lussier, Chief Executive of Forevermark, was appointed as the Chairman of the DPA.

CO-OPERATING TO STOP 'CONFLICT DIAMONDS' FROM ENTERING THE SUPPLY CHAIN

We continue to work in close partnership with our industry peers, governments, customs authorities and civil society groups in support of the Kimberley Process. Founded in 2003, this international, multi-stakeholder initiative was created to increase transparency and oversight in the diamond industry in order to eliminate trade in conflict diamonds (rough diamonds sold by rebel groups or their allies to fund conflict against legitimate governments).

Ensuring the global supply chain is free from conflict diamonds is a critical issue for the diamond industry and, as such, De Beers remains committed to the success of the Kimberley Process. In 2015, under the chairmanship of Angola, intersessional and plenary meetings were held in Luanda and De Beers actively participated as a member of the World Diamond Council delegation. The United Arab Emirates was named chair for 2016.

The Central African Republic was temporarily suspended from the Kimberley Process in 2013 as result of civil war in the country. An Administrative Decision was adopted by the Plenary in 2015, which outlines the Terms of Reference for the KP Monitoring Team to verify the situation on the ground and validate the country's proposal to determine Compliant Zones from which the export of rough diamonds could resume.

All De Beers diamonds are certified conflict-free and our audit processes confirmed 100 per cent compliance with the Kimberley Process for 2015.

For more information on the 2015 Kimberley Process, see www.kimberleyprocess.com/en/faq. The Final Communiqué for the 2015 Plenary Meeting can be found at www.kimberleyprocess.com/en/system/files/documents/final_communique_plenary_2015_eng.pdf.



ETHICS



TECHNOLOGY INVESTMENT UNDERPINNING THE FOREVERMARK PROMISE

Forevermark, the diamond brand of The De Beers Group of Companies, was launched in 2008 to offer consumers some of the rarest, most beautiful and responsibly sourced diamonds in the world.

In eight years it has expanded rapidly and in 2015 it was available in 1,760 outlets in 35 markets.

To give consumers confidence in the ethical, environmental and social standards of Forevermark diamonds, we continue to ensure that we develop and employ the most advanced technology.

Less than one per cent of the world's diamonds are eligible to become a Forevermark diamond. Every Forevermark diamond is inscribed with the Forevermark icon and an individual serial number with a depth of just 1/5,000th of the width of a human hair.

To meet the growing demand and underpin confidence in Forevermark diamonds, in 2015 we invested US\$10 million and opened the most technologically advanced diamond inscription and grading centre in the world – the International Institute of Diamond Grading and Research (IIDGR) facility in Surat, India.

As with its sister IIDGR operation in Antwerp, Belgium, the facility's main purpose is to operate an accurate and reliable grading service for Forevermark diamonds and to select and inscribe the diamonds with the icon and serial number. At full capacity, the facility can process diamonds worth US\$500 million a year.

It is run by some of the world's leading diamond experts. They operate 20 tonnes of proprietary equipment manufactured by De Beers Technology in the UK, to deliver an accurate and consistent diamond grading service. The technology includes a colour grading machine known as Falcon, believed to be the most consistent of its kind in the world operating 10 times faster than a human grader; a clarity grading machine, named Eagle, seen as a breakthrough in grading technology; and the DART machine, the world's newest screening machine for stones that may have been artificially heat treated to change their colour, crucial in giving consumers confidence in their purchases.

Today, India is a key diamond country, with 11 out of every 12 of the world's diamonds polished there, mostly in Surat.

The new facility enables De Beers to support Indian diamond cutters and polishers, and provides greater assurance to our consumers that Forevermark diamonds live up to their promise as they travel from mine to finger.

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FOREVERMARK IN FIGURES

1,760

In 2015, Forevermark diamonds were available in 1,760 outlets in 35 markets

US\$10m

invested in opening the International Institute of Diamond Grading and Research (IIDGR) in Surat, India

Above: Skilled diamond workers in the new high-tech IIDGR facility in Surat, India.

ETHICS

WE AIM TO TACKLE THE THREATS OF THEFT AND ILLEGAL TRADE IN DIAMONDS IN PARTNERSHIP WITH LAW ENFORCEMENT AGENCIES AND OUR INDUSTRY PEERS.

THE FIGHT AGAINST DIAMOND THEFT

The global trade in illicit diamonds is a threat to the diamond industry, to our business and to our ability to provide jobs for our people, deliver revenues to our producer countries and support the local communities where we operate.

That is why, wherever we can, we aim to tackle the threats of theft and illegal trade in diamonds in partnership with law enforcement agencies and our industry peers. Through local partnerships we also work to raise awareness among communities and work with them to address the damaging impacts of illegal diamond trading on their safety and lives due to the involvement of crime syndicates.

Within De Beers, we aim to create a sustainable and universally recognised culture of security, meaning an environment where every member of our global team deeply understands and takes pride in their individual responsibility for ensuring security where they work.

As part of our Group-wide effort in 2015, we launched a security 'internalisation' programme. This aims to go beyond raising awareness to ensure that all employees and line managers, not just security personnel, take full ownership of security and help the business identify areas for improvement. Employee feedback was used in developing the programme. Following a successful pilot in Canada, the programme is now under way at all our operations.

COMMITTING OURSELVES TO HIGH STANDARDS

We hold ourselves to high ethical standards, and are committed to combating dishonesty, improper influence and fraud in all business transactions.

As a result, we take a zero-tolerance approach towards unethical behaviour by our employees or contractors – we will take disciplinary action against such persons found to have acted illegally or improperly in connection with our business. Given that diamonds are easily portable, rare and valuable, there is an increased risk of corrupt activity when working with them. Managing corruption risk (including bribery) is therefore a particular focus in our ethical standards programme.

We operate two principal compliance programmes to support our commitment to upholding high standards of conduct. First, 416 particularly at-risk employees attended our 'business integrity' anti-corruption workshops in 2015 (2014: 1,400) to learn about the compliance and risk management priorities in this area. (This programme is on a four-year cycle; the high number of employees covered in 2014 led to a decrease in 2015.) In addition, all sites completed our annual business integrity risk assessment.

Second, all at-risk employees completed (as a minimum) an online programme on competition law, which includes training and requires them to certify that they have read the De Beers Anti-Trust Compliance Manual and Policy. In 2015, 1,452 people underwent this training (2014: 1,311¹).

Both these programmes are supported by Speak Up, a confidential whistleblowing facility through which employees may report any behaviour that they believe to be unsafe, unethical or illegal – in 2015, we investigated 394 alleged illegalities or breaches of our policies by employees and contractors, resulting in 46 dismissals (2014: 323 allegations and 57 dismissals).

EMPLOYEES WHO ATTENDED OUR BUSINESS INTEGRITY ANTI-CORRUPTION WORKSHOPS

416

NUMBER OF COMPLIANCE AT-RISK EMPLOYEES WHO COMPLETED OUR ONLINE ANTI-TRUST PROGRAMME

1,452



Above: Speak Up campaign logo.

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

ETHICS**STRENGTHENING OUR APPROACH TO HUMAN RIGHTS**

The need for De Beers and all our people to understand and respect human rights is at the heart of the company's operating philosophy. In 2015, we made significant progress in deepening our understanding of human rights across the business with 1,023 employees receiving 2,496 hours of human rights training during the year (2014: not reported). We also identified and assessed our human rights impacts at our mine sites and across the value chain, and strengthened our site-based human rights programmes.

1,023

Employees who received human rights training

Work on improving our human rights performance is co-ordinated through the Human Rights Working Group. This was formed in late 2014 to identify human rights impacts across the business, assess risks and controls and create appropriate means of measuring our performance.

In 2015, the Working Group received in-depth training and undertook human rights risk and impact assessments across the full De Beers value chain. We already have a number of policies in place that enable us to mitigate these risks: our Employee and Human Rights Policy; our Security and Human Rights Policy; and the several human rights-related elements of our Community Policy. We implement these policies through management plans delivered by relevant functions across our business, particularly the Human Resources, Security and Social Performance teams.

In 2016, we will review these policies and consider whether to adopt a stand-alone Human Rights Policy.

We also take potential human rights-related impacts into account when developing capital projects, both through the technical criteria that guide project development, and the frameworks that guide our decision-making around investment.

Across the diamond value chain, the BPPs provide a key mechanism through which we support respect for human rights across the industry. Human rights, particularly labour rights, are covered by the BPPs, enabling us to place considerable emphasis on the requirements for our suppliers and other business partners to respect human rights.

COMMUNITY ENGAGEMENT AND HUMAN RIGHTS

A strong and consistent emphasis on human rights also runs throughout both the Social Way and Socio-Economic Assessment Toolbox (SEAT), which inform our approach to minimising our negative impacts on communities and supporting their socio-economic development. In 2015, human rights were a key focus area for strengthening our approach to community engagement through the Social Way (see Communities chapter).

With the exception of Morupule Coal Mine and Namdeb, all our mining operations carried out human rights impact and risk assessments in 2015. With Morupule Coal Mine and Namdeb undertaking an assessment in early 2016, De Beers now has a complete assessment of its human rights risks and impacts across all operations. The Social Way sets standards for how these identified impacts and risks should be managed by each mine site, specifically through risk and impact assessments, meeting the requirements of the Voluntary Principles on Security and Human Rights, and in relation to Indigenous Peoples.

In 2015, we made good progress on meeting these standards, which had been updated in late 2014 to incorporate evolving international best practice. In Canada and South Africa where the Social Way was focused in 2015, all sites either met or exceeded these new compliance standards on human rights.

Effective grievance mechanisms are a core element of our human rights approach, in line with the 'Protect, Respect and Remedy' framework of the UN Guiding Principles on Business and Human Rights. During 2015, we continued a major improvement programme for our incident management and grievance practices, with mining operations reviewing their procedures, and implementing a new online incident management system for reporting and addressing social impact, complaints and grievances. Roll-out of the platform will continue across the business and be completed in 2016.

HUMAN RIGHTS AND SECURITY

Given the importance of security to our business and our social responsibilities, we are committed to the Voluntary Principles on Security and Human Rights. We aim to make progress in this area each year, and in 2015 completed a number of risk assessments against the Voluntary Principles at site and Group level.

All our security personnel receive refresher training every year. We are strengthening this programme further in 2016 with the launch of a formal security and human rights training curriculum that comprises three modules to meet the differing needs of security officials, supervisors and managers.

In summary

By acting both to meet and drive increasingly rigorous ethical standards across the industry, during 2015 we continued to reinforce the consumer confidence that underpins our ability to unlock the value of diamonds and assist producer countries in meeting their development aspirations.

WE NOW HAVE A COMPLETE ASSESSMENT OF HUMAN RIGHTS RISKS AND IMPACTS ACROSS ALL OPERATIONS AND THE VALUE CHAIN.

INVESTING IN OUR EMPLOYEES

At De Beers, we are proud that the great majority of the people in our world-class workforce are drawn from the countries in which we work and the communities around our operations.



EMPLOYEES

Employing and developing the skills and talents of local people are among the most important ways in which we contribute to the long-term development of the countries in which we operate.

By continuing to support local employment and career development during 2015, we remained focused on creating opportunities and value long after diamond reserves are exhausted.

Our approach extends beyond simply improving individuals' professional capabilities. Education and training are also vital elements in helping us to meet our highest priority – continuously reaching zero harm in all our operations. We were humbled to complete another year without a fatality across our operations and deliver an improved overall health and safety performance.

To achieve this, we strive to make health and safety best practice second nature for every employee, and to enable and enforce these practices through committed leadership, clear goals and priorities, excellent communication, appropriate and practical standards and robust systems.

Image on page 28:
An employee checks
aggregate at the
Elizabeth Bay Mine
treatment plant,
Namibia.

OUR PERFORMANCE IN 2015

MATERIAL ISSUES:

- *Attracting and retaining talent*
- *Safety and occupational health performance*
- *Diversity and inclusion*
- *HIV/AIDS and tuberculosis (TB) management*

FULL PERFORMANCE DATA PAGE 56 →

IMPROVEMENT IN TOTAL RECORDABLE CASE FREQUENCY RATE (TRCFR)

15%

(TRCFR 2015: 0.53; 2014: 0.62)

LOSS OF LIFE INCIDENTS IN THE WORKPLACE

0

(2014: 0 incidents)

WOMEN IN THE WORKFORCE

23.8%

(2014: 23.5%)

INVESTMENT IN TRAINING AND DEVELOPMENT

US\$24.3m

(2014: US\$18.8m)

2015 KEY ACHIEVEMENTS

- We continued our focus on diversity issues, and were proud to be named South Africa's Top Gender Empowered Resources Company
- Our focus on zero harm was unwavering, and we were humbled to complete the year without a fatality at any of our operations
- We saw improvements in a number of key metrics relating to the safety and health of our workforce including a 15 per cent reduction in TRCFR

EMPLOYEES

BUILDING A WORKFORCE THAT REFLECTS AND SUSTAINS OUR COMMUNITIES

INVESTING IN A DIVERSE, WORLD-CLASS WORKFORCE OF LOCAL TALENT

Our business ultimately succeeds due to the resilience, commitment and expertise of our people. That is why we work hard to enable every individual's best performance as part of a highly skilled workforce (see our People strategy).

De Beers has respect for all diversity. We are sensitive to the cultures and countries in which we operate and recognise that diversity is an enabler of business success. We therefore look to represent the communities in which we operate, including factors such as citizenship and race/ethnicity, gender and disability.

Our commitment to attracting, employing, developing and retaining local citizens at every level of the organisation helps us maximise their contribution to our shared success. This directly benefits the development of their nations, particularly in Africa, home to 81.3 per cent of our direct employees in 2015 (2014: 81.3 per cent).

We are committed to ensuring that local people comprise not only the majority of our workforce, but also a growing proportion of our management and senior management teams. The proportion of local citizens or historically disadvantaged nationals in management positions continued to increase in 2015 across our African operations (see page 31).

OUR PEOPLE STRATEGY

Our people strategy has four pillars:

- *Employing the best people*
- *Ensuring we have the right leaders*
- *Providing an energising environment*
- *Delivering excellent people management*

We invest in our employees through a range of training and development programmes. We spent US\$24.3 million in this key area in 2015. This was nearly 30 per cent up on 2014's US\$18.8 million, partly due to a more robust reporting method.

The majority of this spend was invested at our mining operations, particularly in safety training.

TRAINING AND DEVELOPMENT SPEND

US\$24.3m

(2014: US\$18.8m)

INCREASE ON PREVIOUS YEAR

30%

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

Aletia Bock (below)
Senior Environmental Scientist,
Debmarmine Namibia



EMPLOYEES

OUR WORKFORCE IN 2015

Right: Botswana – Damtshaa – Employees engaging in discussion at Damtshaa Mine.

**TOTAL WORKFORCE**

21,910

(2014: 22,947)

DIRECT EMPLOYEES

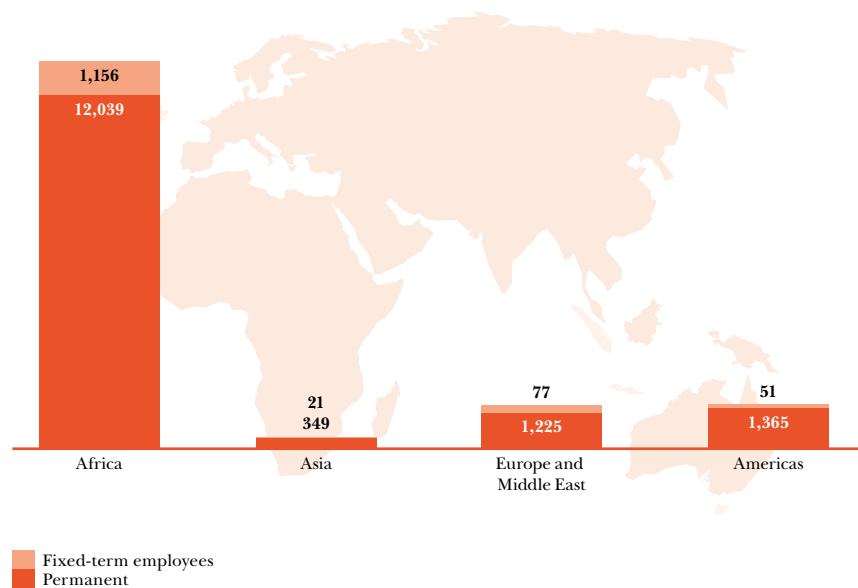
16,824

(2014: 16,938)

DIRECT EMPLOYEES BASED IN AFRICA

81.3%

(2014: 81.3%)

FIGURE 9: OUR WORKFORCE BY REGION**EMPLOYING LOCAL CITIZENS IN AFRICA****HISTORICALLY DISADVANTAGED SOUTH AFRICANS IN WORKFORCE**

83.5%

(2014: 83.6%)

RACIALLY DISADVANTAGED NAMIBIANS IN WORKFORCE

88.3%

(2014: 88.4%)

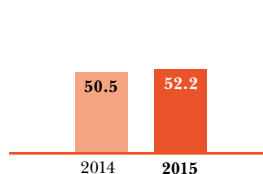
BOTSWANA LOCAL CITIZENS IN WORKFORCE

96.8%

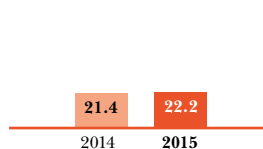
(2014: 96.3%)

FIGURE 10: LOCAL AND HISTORICALLY DISADVANTAGED EMPLOYEES IN MANAGEMENT**SOUTH AFRICA**

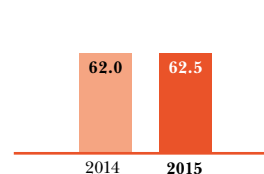
HISTORICALLY DISADVANTAGED SOUTH AFRICANS IN MANAGEMENT (%)



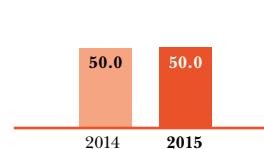
HISTORICALLY DISADVANTAGED SOUTH AFRICANS IN SENIOR MANAGEMENT (%)

**NAMIBIA**

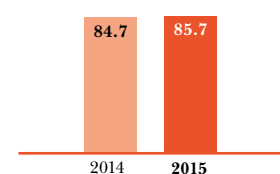
RACIALLY DISADVANTAGED NAMIBIANS IN MANAGEMENT (%)



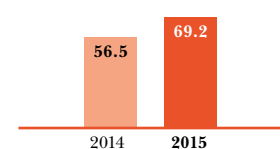
RACIALLY DISADVANTAGED NAMIBIANS IN SENIOR MANAGEMENT (%)

**BOTSWANA**

BOTSWANAN CITIZENS IN MANAGEMENT (%)



BOTSWANAN CITIZENS IN SENIOR MANAGEMENT (%)



EMPLOYEES

INCREASING THE DIVERSITY OF OUR WORKFORCE

While we are pleased to see increasing numbers of women qualifying as geologists, engineers and managers, we still recognise the need to work with industry partners in 2016 and beyond to make change happen even faster.

We believe that women are under-represented in the mining industry. While we still have a long way to go, we are proud that women represent 23.8 per cent of our workforce, against 16 per cent in the mining industry as a whole¹.

As a result of several programmes designed to help us attract, develop and retain female talent, in 2015 De Beers Consolidated Mines was named South Africa's Top Gender Empowered Company (in the resources category) by judges at the prestigious Standard Bank Top Women Awards. The award recognised the full range of initiatives and programmes that support significantly disadvantaged women in the workplace.

"I FEEL I WAS BORN TO BE A SAFETY LEADER AND THIS IS MY PLATFORM TO EXCEL. I HAVE NEVER LOOKED BACK. THINGS HAVE CHANGED. WOMEN ARE NOW BEING RECOGNISED FOR THE POTENTIAL, SKILLS AND EXPERIENCE THEY BRING INTO THE MINING ENVIRONMENT."

Pheonah Salani, Safety Officer at Venetia Mine, South Africa, works to make zero harm a reality.

WOMEN IN THE WORKFORCE

23.8%

(2014: 23.5%)

WOMEN IN MANAGEMENT POSITIONS

24.9%

(2014: 24%)

WOMEN IN SENIOR MANAGEMENT POSITIONS

10.2%

(2014: 12.5%)

FIGURE 11: EXAMPLES OF DE BEERS' INITIATIVES MITIGATING BARRIERS TO WOMEN IN MINING IN SOUTH AFRICA

Professional Management Development Programme

For high-potential management candidates; the programme is aligned with De Beers' business objectives

Personal Growth Accelerator Programme

Leadership development through self-awareness and resilience

The Achievers Programme

For young leaders; to build interpersonal and business skills

Foundational Learning Competence

English literacy and mathematical competence provided for individuals earmarked for potential learnerships

Technical Learnerships

Includes apprenticeships, engineering and metallurgy learnerships

Supervisory/Learnerships

Includes energised leadership and supervisory learnerships

Learnerships

Learnerships offered to permanent employees and external leavers

Study Assistance Scheme

Bursary Scheme

Graduate Trainee Schemes

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

EMPLOYEES**WORKING TOGETHER THROUGH A CHALLENGING YEAR**

As we explain in the Economics chapter, the market conditions of 2015 forced us to take difficult decisions. We placed Snap Lake Mine in Canada under care and maintenance, and Debswana placed Damtshaa Mine on care and maintenance while scaling down operations at Orapa Mine's No. 1 Plant.

Although we successfully redeployed those affected in Botswana within Debswana, there was less scope for relocation in Canada due to the fact that De Beers has no other underground operations in Canada. Around 70 people will continue to work at Snap Lake to carry out environmental management, monitoring and maintenance during the care and maintenance period. A further 40 have already made the move to

Gahcho Kué, the world's largest new diamond mine under development, some 90 kilometres from Snap Lake; there is also potential to see up to 100 transfers in total by the time production begins. Regrettably, following an appropriate notice period as outlined in local regulations, more than 400 Snap Lake employees were made redundant. We have offered them a variety of support mechanisms through our Employee Assistance Programme.

Throughout this particularly difficult year, we continued to be open and transparent with all employees. We engaged directly with them and via their trade unions where applicable on the key issues and developments that may affect them, including the impact of market pressures on our business.

We also continued to work with employees throughout the year on identified challenges. For example, in response to the housing challenge, we operate a Facilitated Home-ownership Programme in South Africa, which seeks to address creditworthiness and land availability issues around our Venetia Mine, through access to financial wellbeing training, budget and debt management. In December 2015, four employees were receiving creditworthiness support, 17 were finalising transactions, four were in the process of building or renovating houses, and eight had completed a purchase or build. In addition, 52 employees had been registered and were receiving a housing subsidy.

IMPROVING OUR APPROACH TO HUMAN RESOURCES

We recognise that in difficult times it is more important than ever to listen and respond to the concerns of our workforce. That is why we focused our attention during 2015 on developing programmes to address areas that were identified for improvement in the Group-wide employee engagement survey.

This was taken very seriously by our employees. When we ran the survey in late 2014, more than 11,000 people participated. This equated to a 70 per cent response rate, which is exceptionally high for a company of De Beers' size. The findings indicated that employees see De Beers as a safe place to work that is open to continued improvement and innovation. Employees also felt a strong sense of connection with the company's overall purpose and strategic direction.

A two-day Leader as Coach programme was introduced to help address the areas identified for improvement including better communication, greater trust in leadership and a stronger connection between employees and their line managers. The programme aims to increase leadership capability across the Group, developing stronger and more effective relationships between line managers and employees.

Covering the fundamentals of coaching in areas such as performance, development and reward, the programme is supported by an online platform.

During 2015, 106 managers in seven locations underwent Leader as Coach training. An additional 43 employees received leadership training through Anglo American leadership programmes including PME (Programme for Management Excellence) and TAP (The Achievers Programme).

Below: Venetia Mine in South Africa – Corno Kapp, Auto Electrician (left), and Khosi Muleya, Operator, working on one of the large Cat 793D haul trucks at the Venetia Earth Moving Vehicle workshops.

RESPONSES TO OUR EMPLOYEE ENGAGEMENT SURVEY IN 2014**11,000**

RESPONSE RATE

70%

EMPLOYEES

OUR FOCUS ON ZERO HARM IS UNWAVERING,
IRRESPECTIVE OF THE CONDITIONS AND CLIMATE
THE WORLD FINDS ITSELF IN.

CONSTANTLY STRIVING FOR ZERO HARM

Across De Beers, we share a conviction that we can conduct our work with no loss of life, serious injury or occupational illnesses. Throughout 2015, we continued to deliver on our long-term plan to improve our health and safety performance by embedding a culture of accountability, delivery and care.

We completed the year without a fatality at any of our operations, and were pleased to see improvements in two key metrics during 2015: a 12 per cent decrease in the lost time injury frequency rate (LTIFR) from 0.17 in 2014 to 0.15; and a 15 per cent decrease in the total recordable case frequency rate (TRCFR), from 0.62 to 0.53. Both improvements were ahead of the 2015 targets of 0.16 and 0.6 respectively.

The fight against occupational disease is another front in our zero harm approach. We protect our people by managing key risks through the following programmes: Hearing Conservation Programme; Respiratory Protection Programme; Musculoskeletal Protection Programme; and Fatigue Management Programme.

We work hard to meet relevant workplace regulations and intervene early in managing any occupational health incidents. We appreciate that occupational diseases often result from past exposure to risks, so we seek to ensure current controls provide protection against future health problems.

LOST TIME INJURY FREQUENCY RATE DECREASE

12%

(LTIFR 2015: 0.15; 2014: 0.17)

TOTAL RECORDABLE CASE FREQUENCY RATE DECREASE

15%

(TRCFR 2015: 0.53; 2014: 0.62)

During 2015, our occupational illness fatality rate remained at zero, and our occupational illness frequency rate fell slightly to 0.04 cases per 200,000 hours worked (2014: 0.03), well below international best practice of two per cent. We reported seven new cases of occupational diseases. These comprise four cases of Musculoskeletal Disorders and three cases of Noise Induced Hearing Loss (NIHL). The NIHL cases are the first to be reported for two years.

Leading indicators continued to improve in 2015. The percentage of our people exposed to occupational health stressors above the occupational exposure limit fell by 0.24 per cent (2014: 2.3 per cent fall). This was despite the fact that certain exposures were reported for the first time, such as Diesel Particle Matter exposures at Snap Lake, and coal dust exposure at Morupule Coal Mine.

These improvements in 2015 build on the work undertaken during the past three years as part of our Good to Great improvement framework (see Our Approach, page 8). We achieved these

results by focusing on key areas of risk, the implementation of effective controls and robust management systems, and continuous learning from experience.

To ensure these elements are a sustainable reality at De Beers, we aim to continuously nurture a culture of caring, awareness and personal accountability.

CREATING A ZERO HARM CULTURE

Having appropriate values, rules and learning opportunities in place are important steps toward creating an effective zero harm culture.

The success of all these interventions underpins a company culture in which health and safety awareness is an instinctive part of our daily lives. We believe leadership plays a critical role in this. Our Visible Felt Leadership (VFL) initiative supports our belief that strong, accountable leadership can be a key catalyst for a zero harm working culture. By encouraging regular dialogue between leaders and employees in the working environment, the dialogue it stimulates over time helps identify improvement areas. During 2015, all operations agreed to start the process of capturing the number of VFL interactions in a bid to drive more visibility and presence of leaders in our operations from a safety, health and environmental perspective.

We continued to embed our Learning from Incidents process in 2015, broadening the population of employees trained in the methodology to 150 over the past three years. The benefits of this approach are starting to show, with a 25 per cent increase in High Potential Incidents reported (2015: 146; 2014: 109).

EMPLOYEES

SAFETY GOES IN THE DOCK

De Beers Marine South Africa is responsible for the shutdown maintenance of the Group's marine mining vessels. Every day these vessels are out of the water for maintenance is one less day recovering some of the highest quality diamonds in the world.

Operating safely during maintenance, in cramped conditions and under time pressure, requires careful planning, total commitment, and constant surveillance.

Each vessel goes into dry dock at the Port of Cape Town twice in a five-year cycle, usually for 52 days. This includes steaming time to and from the dock, so the actual work has to be completed in 30 days.

To maintain and upgrade the vessels in this short window, 3,500 contractors (1,800 at any one time) work round the clock, amassing more than a million hours during the period. Twelve mobile cranes are in action and there are site facilities for 40 contracting companies, all in an area about the size of four football pitches.

At De Beers, we're committed to creating a safe environment for all our stakeholders. So attention to safety during the dry dock stay is critical. There are any number of safety risks, from working up high to operating in very hot areas, plus almost every general risk associated with construction.

WORKING TOGETHER FOR ZERO HARM

We work closely with contractors to ensure we all stick to the same detailed safety standards and monitoring practices, while keeping up the fast pace required to get the vessel back to sea on time.

Everyone entering the site receives a comprehensive induction, and compulsory daily 'toolbox talks' are held with every contractor on site to discuss safety concerns. We place special emphasis on key safety indicators, and a carding system is in place to deal with people who ignore the safety rules, which can result in a company losing its contract.

SAFETY FIRST, NO MATTER THE TASK

There are multiple controls and procedures in place to ensure that work is conducted in a way designed to manage risk. A Job Safety Analysis is required at every part of the operation, and around 9,000 are carried out during each docking. Working in elevated high-risk areas is controlled by registers which typically see 8,000 entries per dry dock stay, and each person working at heights must be properly trained. Confined space entries total in excess of 9,000 per stay and access guards stand outside the entrances to the confined space until every person has exited. For hot work, a dedicated fire watch company, which can number up to 300 people per day,

provides fire observation resources whose only activity is to monitor the hot work areas for possible uncontrolled ignitions.

By working closely with our partners, and setting uncompromising standards, we ensured that over the 2.25 million hours worked in 2015, there were zero lost time injuries.

NUMBER OF LOST TIME INJURIES
IN 2.25 MILLION HOURS WORKED
DURING 2015

0

NUMBER OF JOB SAFETY ANALYSES
PER MAINTENANCE PERIOD

9,000

Below: Vessel maintenance workers at the dry dock in the port of Cape Town.

More case studies online
www.debeersgroup.com/stories



EMPLOYEES**ADDRESSING THE KEY AREAS OF RISK**

Mining has some of the greatest inherent risks of all occupations, where the potential for incidents including vehicle collisions, fall of ground, fire, explosion, electrocution and chemical leakage is a daily reality for workers.

In a complex arena in which every day nearly 17,000 of our people and 5,000 contractors are exposed to risks, we need rigorous and effective controls in place based upon realistic risk assessments. Activities range from assessing and managing the risks inherent in any task before we start it, to identifying and tackling the key safety risks at a Group level in a practical, methodical and systematic manner.

During 2015, the six key Group health and safety risks identified were as follows:

- Incidents (real and potential) related to transportation and fatigue
- Falling as a result of working at height and falling objects
- Fall of ground resulting in injury or loss of life
- Noise induced hearing loss
- Exposure to hazardous substances
- HIV and AIDS

Our response to two of these in 2015 provide insight into our health and safety approach.

ADDRESSING OUR TRANSPORTATION RISK

Safety on public roads is an area of significant concern for us. In our employee engagement surveys, road safety comes up as one of the key issues people highlight.

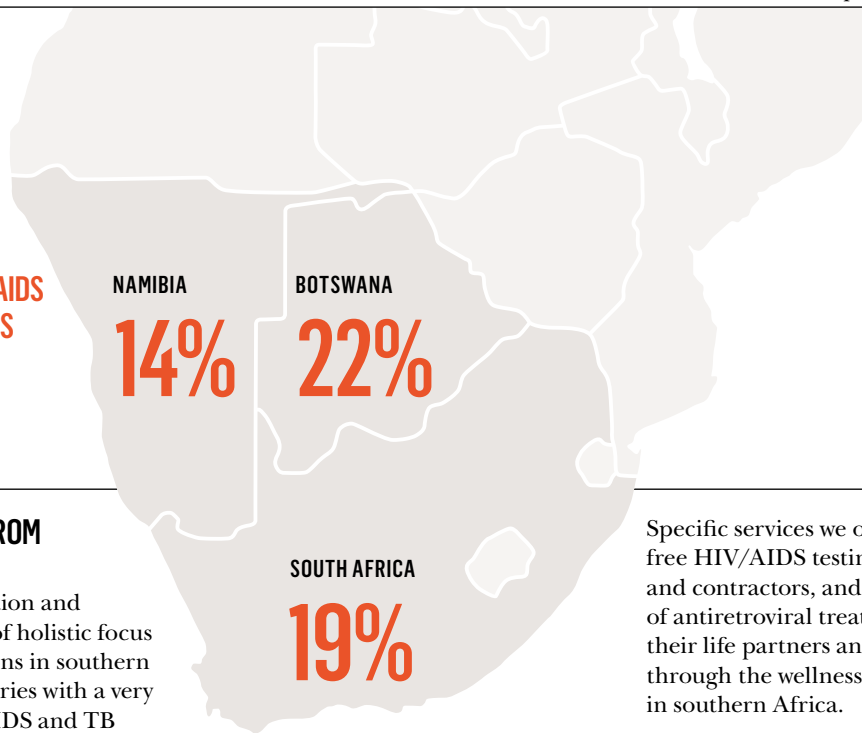
To respond to this challenge, one of our actions in 2015 was to initiate a 12-month pilot safety campaign project called 'Choose Life: we care on the roads' in the communities around Venetia Mine in Limpopo, South Africa, which will take place in 2016. Improved safety on the roads helps protect everyone who uses them, but cannot be delivered by our company alone.

This project aims to stimulate positive behavioural change in areas identified via feedback from local municipalities and the analysis of road safety data from across the Limpopo province.

Of course, our road safety responsibilities are not all external. We also continue to ensure that our light vehicles meet the necessary safety standards. Transport management plans and driver training and behaviour were all focus areas during the year, and we also reviewed our contracted transport providers to ensure they meet specific safety requirements. Driver fatigue is a key concern, and we assessed a number of monitoring technologies during 2015 for potential use in our mining fleets.



Right: Bus branding used to raise awareness of the campaign 'Choose Life: we care on the roads'.

EMPLOYEES**FIGURE 12: NATIONAL HIV/AIDS ADULT PREVALENCE RATES****ADDRESSING OUR RISK FROM HIV/AIDS AND TB**

HIV/AIDS and TB prevention and treatment is another area of holistic focus for De Beers. Our operations in southern Africa are located in countries with a very high prevalence of HIV/AIDS and TB (see map).

Reducing the impact of both diseases is fundamentally important to us – doing so directly contributes to health improvement in the communities where we have operations, while reducing absenteeism and improving productivity at our sites.

Prevention, treatment, care and support sit at the core of our approach to HIV/AIDS and TB (see Figure 13). We provide treatment and care in a non-discriminatory, confidential and supportive manner to overcome stigma and promote access for people seeking care. Overall, our approach is leading to significantly lower infection rates in De Beers compared with national averages.

AVERAGE VIRAL SUPPRESSION FROM OUR HIV WELLNESS PROGRAMME**92%****OUR GOAL OF EMPLOYEES TO KNOW THEIR HIV STATUS****90%****FIGURE 13: HIV/AIDS AND TB IN NUMBERS (2015)**

Number of employees in Africa living with HIV	1,430
Number of employees tested for HIV status in Africa	3,184
New cases of HIV amongst employees in Africa	24
Number of employees on the HIV wellness programmes in Africa	934
Number of employees receiving antiretroviral drugs in Africa	1,099
Percentage of workforce with access to free and confidential HIV testing and wellbeing programmes	100
Incidence of TB cases per 100,000 full-time employees	149
New cases of TB in 2015	18

Specific services we offer include free HIV/AIDS testing to employees and contractors, and free provision of antiretroviral treatment to employees, their life partners and children through the wellness programmes in southern Africa.

The value of our efforts results in efficient wellness programmes helping to deliver an average viral suppression rate of 92 per cent and reduced mortality from HIV/AIDS.

In 2015, we also launched a new communications campaign, led by senior business leaders, to reinvigorate voluntary counselling and testing to help reach our goal of more than 90 per cent of our employees knowing their HIV status.

Our efforts to provide early diagnosis and treatment of TB consistently drive an incidence rate among our people (149 per 100,000 full-time employees) that is far lower than the average for southern Africa (641 per 100,000).

In summary

We continued to invest in the skills and talents of our local workforce and to address our risks through education, communication and support services. We have also continued to strengthen our all-important zero harm culture in 2015. By extending this culture through our local employees and out to the communities around our operations, value will continue long after our activities cease.

Above: Executive Committee members wearing the HIV/AIDS red ribbon in support of the reinvigorated HIV campaign.

SHAPING A LASTING, POSITIVE LEGACY

Around our operations, we seek to enable and support strong communities that benefit from our activities today, while building a sustainable future for tomorrow.



COMMUNITIES

We fully share communities' aspirations to secure the greatest possible long-term value from our activities. We work hard to understand the needs and concerns of communities through consistent engagement and co-operation. And, to address these needs and concerns, we harness the scale and strength of our core business to deliver a wide range of socio-economic development (SED) programmes. These focus on local procurement and employment, enterprise development, employee volunteering, external capacity development and meeting local infrastructure requirements, as well as more traditional social investment in education, health and other development programmes.

Critically, we work on closure planning throughout the life of every mine. Closure plans are developed with the aim of establishing the foundations for sustainable post-mining communities and economies, while protecting and stewarding the environment. A number of our operations have historically been supported by 'closed' mining towns, run by the operation with entry restricted to employees and their families. We have worked in partnership with residents and local authorities to open these towns prior to closure, and continue to plan for the transfer to local government authorities of our two remaining towns: Oranjemund in Namibia and Orapa in Botswana.

Image on page 38:
A student at
Oranjemund Private
School, Namibia.

OUR PERFORMANCE IN 2015

MATERIAL ISSUES:

- Socio-economic benefit
- Closure and transfer of assets
- Operational impacts
- Land ownership

FULL PERFORMANCE DATA PAGE 56 →

TOTAL SOCIAL INVESTMENT SPEND

US\$28.2m

(2014: US\$27.6m¹)

NUMBER OF COMMUNITY VISITS TO MINE HOSPITALS IN AFRICA

88,016

(2014: not reported)

SOCIAL INVESTMENT GUIDED BY REGULATORY REQUIREMENTS

29%

(2014: 36%)

NUMBER OF JOBS SUPPORTED THROUGH ENTERPRISE DEVELOPMENT IN 2015

1,544

(2014: 1,795)

2015 KEY ACHIEVEMENTS

- Strengthened internal social performance management systems
- Identified complete range of social risks and opportunities, enabling us to have effective mitigation plans and assurance processes in place
- Improved reporting of social performance including incidents and investment

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

COMMUNITIES

UNDERSTANDING COMMUNITY PRIORITIES

Understanding the aspirations and priorities of communities is paramount in helping to support sustainable economies post-closure. Ensuring we are listening and responding is also critical in minimising the negative impacts of our current activities. Effective stakeholder engagement and consultation – taking the time to listen to the needs and concerns of communities – are central to how we work.

To ensure we are speaking with everyone and following up on our commitments, each site is required to develop a long-term Social Performance Strategy, supported by annual Social Management and Stakeholder Engagement Plans, a commitments register that tracks the fulfilment of commitments made, and a widely publicised and accessible complaints and grievance procedure. The Social Performance Strategy builds on the findings of a comprehensive participatory assessment process that each operation undertakes every three years, as laid out in the Socio-Economic Assessment Toolbox (SEAT). This award-winning process is designed to support sites in understanding and responding to community priorities and assessing the impacts of our operations, both positive and negative. The findings of the SEAT process are documented in a publicly available report.

SOCIO-ECONOMIC ASSESSMENT ENGAGEMENTS IN 2015

During 2015, the teams at Namdeb and our Orapa and Jwaneng Mines drafted and engaged with stakeholders on the findings of their first comprehensive SEAT process. Morupule Coal Mine in Botswana began the SEAT process in 2015, and will complete this work during 2016. Our operations in South Africa and Canada reached the end of their first complete SEAT cycle in 2015, and will begin the SEAT process again in 2016.

EFFECTIVE STAKEHOLDER ENGAGEMENT AND CONSULTATION ARE CENTRAL TO HOW WE WORK.



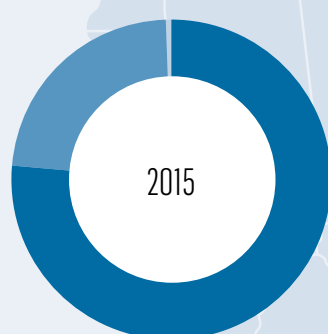
Right: Children at Bathoen House Primary School, a joint Debswana and Botswana Government owned and managed primary school.

COMMUNITIES

INVESTING IN SUSTAINABLE POST-MINING COMMUNITIES

Despite the challenging market conditions that affected our business in 2015, we continued to invest heavily in our global socio-economic benefit programmes.

FIGURE 14: TOTAL SOCIAL INVESTMENT SPEND BY REGION IN 2015



■ Africa 76.4%
■ Americas 23.2%
■ Other 0.4%

TOTAL SOCIAL INVESTMENT SPEND

US\$28.2m

(2014: US\$27.6m¹)

SPEND IN AFRICA

76%

(2014: 64.8%)

NUMBER OF PEOPLE DIRECTLY BENEFITING

47,800

(2014: not reported)

AMOUNT INVESTED IN FOUR SLPs IN SOUTH AFRICA

US\$2.5m

(2014: US\$2m)

AMOUNT INVESTED IN 13 IBAs IN CANADA IN 2015

US\$5.6m

(2014: US\$8m)

Of our total social investment, around US\$28.2 million (2014: US\$27.6 million), 76.4 per cent was spent in South Africa, Namibia and Botswana.

This investment included all our philanthropic and socio-economic expenditure, and covered cash and in-kind support for development projects. Through our focus on improving our reporting and an evaluation of this investment during 2015, we identified that more than 47,800 people benefited from these programmes in the year – a number we expect to rise as we improve our evaluation methodology.

Twenty-nine per cent of the support we provide is guided by regulatory agreements.

In South Africa, for example, we invested US\$2.5 million as planned (2014: US\$3.0 million) in four Social and Labour Plans (SLPs), through 24 mine community development projects. SLPs are strategic plans agreed with the South African Government setting targets promoting socio-economic growth and the empowerment of Historically Disadvantaged South Africans.

In Canada, we are signatories to 13 Impact Benefit Agreements (IBAs) that cover our Snap Lake, Victor and Gahcho Kué operations. These collectively covered US\$5.6 million in social investment during 2015 (2014: US\$8 million). IBAs are formal community investment agreements with Aboriginal groups that set a framework for the company to partner with communities impacted by mining operations, in order to mitigate negative impacts and maximise socio-economic benefit.

FIGURE 15: TOTAL SOCIAL INVESTMENT BY TYPE (US\$ MILLION)

Education initiatives	5.9
Health initiatives	8.7
Water and sanitation initiatives	0.2
Community development projects	9.7
Small business development initiatives	0.3
Environmental initiatives	0.7
Arts, culture and heritage projects	0.8
Sports initiatives	0.4
Disaster and emergency relief	0.08
Other	1.3

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

COMMUNITIES

STRENGTHENING OUR SYSTEMS

Throughout 2015, we also invested significant resources in strengthening our internal social performance management system, with an initial concentration on our wholly-owned operations in South Africa and Canada. Our operations in Botswana and Namibia focused on establishing the right organisational structures and hiring additional personnel to be positioned to strengthen their approach to social performance during 2016.

These investments were made to embed a major update carried out in late 2014 to the Anglo American Social Way, the framework that governs social performance at our operations. This update ensures that the Social Way fully reflects evolving international standards and best practice across human rights, complaints and grievance mechanisms, and socio-economic development. For example, the updated Social Way requirements on human rights are aligned with the United Nations Guiding Principles on Business and Human Rights. Our response has delivered a step change in De Beers' ability to identify and respond to local impacts and priorities.

As a result of this work, in 2015 we identified a complete range of social risks from site to corporate level. This is enabling us to ensure we have effective mitigation plans and assurance processes in place, as required by the Social Way. Our human rights risks and impacts formed part of this review, strengthening our approach to understanding and protecting human rights (see Ethics chapter).

We are also improving our reporting on social performance, especially in terms of social incidents, how effective we are at managing complaints and grievances, and in tracking the number and type of beneficiaries served by our socio-economic development programmes. These improvements will be particularly important in ensuring we know about and can respond to any perceived negative impacts from our activities, and in making our socio-economic development programmes as effective as possible.

The improvements we made through 2015 are enabling us to take a more strategic and systematic approach to social performance than ever before, with the aim of delivering more effective and sustainable socio-economic benefit.

THE IMPROVEMENTS WE MADE THROUGH 2015 ARE ENABLING US TO TAKE A MORE STRATEGIC AND SYSTEMATIC APPROACH TO SOCIAL PERFORMANCE THAN EVER BEFORE, WITH THE AIM OF DELIVERING MORE EFFECTIVE AND SUSTAINABLE SOCIO-ECONOMIC BENEFIT.



Above: Tshimangazo Mercy Rambuda, a farm owner, was assisted by the Zimele fund to buy and equip her farm near Nwandsi, South Africa.

HARNESSING OUR CORE BUSINESS ACTIVITIES FOR DEVELOPMENT

Much of our SED work with our government partners in Botswana and Namibia and our efforts in South Africa currently support economic diversification and development at a national level. These efforts include social investment and national procurement programmes, the employment of citizens and historically disadvantaged nationals, and supporting local diamond cutting and polishing and jewellery manufacturing sectors through beneficiation (see Economics chapter).

One of the primary updates to the Social Way focuses on seven key pillars through which our mining operations can contribute to long-term socio-economic development by systematically harnessing our core business activities for local impact.

We currently work across all seven pillars of the SED approach at our operations, but our activities have so far been weighted towards social investment, enterprise development and infrastructure support.

The focus of the updated requirement in the Social Way is to design and implement an integrated SED programme that provides a greater cumulative impact than stand-alone initiatives at the local level. This holistic approach aims to harness our core business activities to better support communities, in both benefiting from our current mining activities and preparing for when the mine closes.

For example, a training, mentorship and funding initiative for existing and potential suppliers provided by our Zimele Business Hubs in South Africa shows the power of aligning local procurement and enterprise development programmes to increase local employment.

Another example of this is Tokafala, our enterprise development programme in Botswana. This was launched in 2014 and established as a partnership between the Government of the Republic of Botswana, De Beers, Debswana and Anglo American (see Economics chapter).

Through technical training colleges and bespoke programmes, we also seek to ensure that local people can gain the skills needed to benefit from employment opportunities with De Beers and other businesses, including those supported through our enterprise development programmes. In Canada, for example, through a partnership with Aurora College and the Mine Training Society, 12-week technical programmes are run to introduce students to the skills they need to do a variety of jobs. This includes classroom work and hands-on training using a high-tech simulator where they experience what it's like to drive a scoop tram and haul truck. Students are also offered work experience placements within De Beers' mines during their studies.

**JOBS SUPPORTED THROUGH
OUR ENTERPRISE DEVELOPMENT
PROGRAMMES IN BOTSWANA
AND SOUTH AFRICA IN 2015**

1,544

COMMUNITIES

“TOKAFALA HAS INSTILLED IN ME A FEELING OF CONFIDENCE THAT I CAN REALLY DO THIS. IT HAS HELPED ME TO TRANSLATE MY ACADEMIC TRAINING INTO EVERYDAY PRACTICE AND HAS EQUIPPED ME WITH THE TOOLS I NEED TO RUN MY BUSINESS SUCCESSFULLY.”

Pauline Phologolo (left), business owner and beneficiary of Tokafala, Botswana

Photo: Annie Griffiths



FIGURE 16: THE SEVEN SED PILLARS

Harnessing our core business activities to increase local impact.

1

LOCAL PROCUREMENT

Supporting local Small and Medium Enterprises (SMEs) delivering goods and services to De Beers. Includes mentoring support and health and safety training, as appropriate.

2

LOCAL EMPLOYMENT

Supporting local community members, especially young people, to access employment opportunities at De Beers and elsewhere.

3

EMPLOYEE VOLUNTEERING

Supporting our employees who want to get involved in SED programmes and share their skills with local community members.

4

EXTERNAL CAPACITY DEVELOPMENT

Supporting local institutions to improve their social programme delivery through capacity building, and empowering local populations to enforce their rights.

5

ENTERPRISE DEVELOPMENT

Supporting SMEs to grow and deliver employment opportunities, through mentoring, finance, and mapping access to supply chains, and identifying partnering opportunities.

6

SYNERGIES WITH INFRASTRUCTURE

Covering extra costs generated by changing infrastructure design to reach beneficiary communities.

7

CORPORATE SOCIAL INVESTMENT

Yearly spend in social investment.

COMMUNITIES

There are some important cross-overs between our activities focusing on infrastructure, capacity building and social investment. We already help to support SED through the infrastructure we build and share with local stakeholders. For example, the mine hospitals operated by Debswana at the Orapa and Jwaneng Mines and by Namdeb in Oranjemund also serve as community hospitals. Of 186,000 patient visits to these hospitals in 2015, nearly 88,000 or 47 per cent were by members of the community, providing an invaluable service.

We also delivered a number of education and water-related projects throughout 2015. In Botswana, this included an investment of over US\$260,000 in improving the waste water infrastructure in Jwaneng town. In South Africa, we provided water to communities and schools through a number of projects at Venetia. In Canada, our investments have supported the extension of our winter roads to enable access to otherwise snow-bound communities and enabled the removal of public tolls.

SOCIAL INVESTMENT ACTIVITIES PROVIDE TARGETED SUPPORT TO THOSE AREAS IDENTIFIED BY THE COMMUNITY AND OTHER STAKEHOLDERS.

PATIENT VISITS TO MINE HOSPITALS IN 2015

186,000

PERCENTAGE OF VISITS FROM MEMBERS OF THE COMMUNITY RATHER THAN DE BEERS EMPLOYEES

47

Ensuring that all relevant stakeholders can sustainably manage the social service infrastructure that we put in place is a critical element in enabling communities to thrive following mine closure. For example, facilitating the proclamation of the town and helping to build the Town Council's capacity have been key steps in planning the transformation process of Oranjemund, our closed mining town in Namibia (see case study, page 46). The eventual transfer of hospitals and schools in Botswana to Government control will be an important aspect of closure planning for our operations there.

Social investment activities can also provide targeted support to those areas identified by the community and other stakeholders, either as immediate priorities or as elements to be addressed in closure planning. A few examples from the more than 300 programmes supported in 2015 included: support for Early Childhood Development Centres in South Africa; provision of electricity, computers and other infrastructure for schools in Botswana; donations towards environmental research projects in Namibia; and support for the Attawapiskat Women's Group in Canada.

PLANNING WITH THE END IN MIND

We aim to leave sustainable post-mining communities, so planning for closure starts at the exploration stage. During the period that a mine is operational, its social performance should always be closely aligned with, and supportive of, the mine closure plan. This also requires that our SED activities are fully in line with the vision the community shares for a sustainable socio-economic future following closure.

This is why our operations' detailed closure plans are developed in partnership with local stakeholders over the five years prior to closure. They become increasingly precise and robust as a mine enters the later stages of its life, ensuring that adequate funding for closure is in place. Addressing environmental and physical as well as social issues, each plan is based on the guidance contained in the Anglo American Mine Closure Toolbox (www.angloamerican.com/sustainability/environment).

During 2015, we continued to review the closure plans of all our later lifecycle operations (see Environment chapter).



Left: Canada – Victor Mine, a logistics crew member grades the Victor Mine South Winter Ice Road.



TRANSFERRING TOWN MANAGEMENT

In some cases, particularly in remote areas, towns that have developed around a mining operation are actively managed by the mining company. As closure approaches, there is a need to transfer responsibility for infrastructure and public services that will remain in place post-closure to the relevant government authorities.

As part of any closure plan, it is necessary to reduce social dependency on the mining operations to the point where it ceases altogether. For De Beers, a key element of such planning is to develop, hand in hand with our community partners, a post-mining vision that actively helps us to support and enable economic diversification.

FOR DE BEERS, A KEY ELEMENT IS TO DEVELOP, HAND IN HAND WITH OUR COMMUNITY PARTNERS, A POST-MINING VISION THAT ACTIVELY HELPS US TO SUPPORT AND ENABLE ECONOMIC DIVERSIFICATION.

In Botswana, for example, we continued to plan for the eventual proclamation of Orapa town in partnership with local and national government bodies. The plan is aligned with the development priorities of the Botswana Government, and will detail a long-term vision for the area around the Orapa Mine, focusing on its potential as a tourism hub and centre for light industry.

The official handover of Kleinsee and Koinaas in South Africa's Namaqualand is still awaiting completion as we work with local and provincial authorities to resolve some remaining issues and requests they have.

Above: Community engagement with two farmers in Botswana, discussing water levels as part of an Environmental Impact Assessment.

COMMUNITIES



A DIAMOND IN THE DESERT

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

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

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

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

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

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

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

BY INVESTING NOW AND BUILDING PARTNERSHIPS THAT LAST, WE ARE WORKING TOGETHER WITH STAKEHOLDERS TO CHART A COURSE FOR ORANJEMUND BEYOND DIAMONDS.

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

70m

More case studies online
www.debeersgroup.com/stories



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

COMMUNITIES

WHEREVER POSSIBLE, WE PREFER TO SELL AN ASSET TO A SMALLER OPERATOR WITH THE TECHNICAL AND FINANCIAL EXPERIENCE TO CREATE VALUE, EXTEND THE PRODUCTIVE LIFE OF THE MINE AND CONSEQUENTLY EXPAND AND PROLONG SOCIO-ECONOMIC BENEFITS FOR THE COMMUNITY.



EXTENDING PRODUCTIVE LIFE

Immediate closure is not always the only or preferable option for late-lifecycle mines. Wherever possible, we prefer to sell an asset to a smaller operator with the technical and financial experience to create value, extend the productive life of the mine and consequently expand and prolong socio-economic benefits for the community.

We take great care to sell assets to organisations that we determine can deliver the greatest sustainable social value, stipulating conditions of sale that include employment creation, community support and environmental rehabilitation. In South Africa, we also require equity ownership by Black Economic Empowerment groups.

In 2015, we announced the sale of South Africa's Kimberley Mines. Prior to the sale agreement, De Beers explored a variety of alternatives to extend the life of Kimberley Mines beyond 2018. After careful evaluation, it was concluded that the best possible future for Kimberley Mines was to embark upon a sales process aimed at finding an operator with a different business model that could process the remaining tailing mineral resources in a sustainable fashion, ensuring continuation of employment and economic activity in the Northern Cape.

The sale followed a competitive process which attracted over 70 expressions of interest. The decision to sell to Ekapa Minerals was predicated on the basis that they are an experienced local tailing mineral resource operator with sound technical, financial and economic capability. The bid combines experienced operators and enables them to utilise their joint resources, expertise and capabilities to create a compelling future for Kimberley's tailing resources.

ADDRESSING THE IMPACT OF RESETTLEMENT

Within the lifecycle of a mine, it is occasionally necessary to resettle local community members. This is avoided wherever possible, but when it is necessary we do everything in our power to minimise the impact and help restore the livelihoods of those affected.

For example, consultations have been under way with affected farmers around Orapa Mine since 2013 on the expansion of the mining lease area. During 2015, 17 farmers and their households were relocated to three new resettlement sites. One more farmer will be moved in early 2016 once his new farming area has been sufficiently established. In addition to cash compensation, as calculated by the relevant government authorities, they received replacement land and housing, and assistance in the physical relocation process.

We are working with independent consultants to develop a Resettlement Action Plan that meets the same standard for the planned expansion of the Morupule Coal Mine.

In addition, we are continuing to monitor the progress of a semi-rural community of 72 people that De Beers Exploration resettled in 2011 at Mulepe, Angola, to allow for an advanced exploration drilling programme. The monitoring programme, which follows the completion of an evaluation carried out in late 2014, will continue on a six-monthly basis for three years.

In summary

By continuously refining our approach to working with communities and closure planning, we work to ensure that communities benefit from our operations today, and can continue to thrive in the future, far beyond the life of a mine.

Above: General Manager of Orapa Mine, Alan Breen, engaging with communities around Orapa Mine, Botswana.

PROTECTING THE ENVIRONMENT

The sustainable management of the natural environment is vital to the future prosperity of the countries in which we operate. We have committed to proactively managing our impacts on this shared resource.



ENVIRONMENT

Image on page 48:
Diamond Route –
Rooipoort Nature Reserve
and the Vaal River.

In 2015, our businesses based in sub-Saharan Africa were impacted by the worst drought for 30 years and by a rolling programme of scheduled power outages across South Africa, designed to protect the grid against overwhelming demand.

Direct effects on De Beers' business included a lack of water and energy shortages, which affected some facilities across southern Africa. Our employees and the communities in which they live and work also experienced changes to their daily routines.

These shortages are inevitably having a negative impact on the economies of southern Africa. In early 2015, for example, power issues had already led to downward revisions of economic growth and investor confidence in the South African economy.

The events of 2015 reaffirmed the importance of our long-term commitment to reducing our reliance on increasingly scarce resources and planning for the likely impacts of climate change on our operations. They also highlighted the ongoing need to prepare ourselves to handle more extreme environmental challenges.

During the year, we therefore continued our efforts to reduce our impact on the environment so that it can support healthy ecosystems and thriving communities long after our operations cease. We specifically focused on the linked issues of water and climate change, and maintained our 'no net loss of significant biodiversity' commitment.

In addition, we adopted our newly updated Environmental Standards in 2015, which promote and enable an integrated approach to understanding and reducing our impact on the environment. The Standards address five areas: water; energy and climate change; lifecycle planning and management; hazardous substances, waste and emissions; and biodiversity.

OUR PERFORMANCE IN 2015

MATERIAL ISSUES:

- Water and energy security in a changing climate
- Conservation and restoration of biodiversity and maintenance of ecosystem services
- Managing impacts across the mine lifecycle
- Waste and pollution prevention

FULL PERFORMANCE DATA PAGE 56 →

LAND SET ASIDE FOR CONSERVATION

170,785 ha

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

(2014: 195,128 ha¹)

1 Decrease in land under conservation reflects application of new classification under the De Beers Biodiversity Standard, see page 53.

SAVINGS FROM ENERGY AND CARBON EMISSIONS REDUCTIONS OVER TWO YEARS

US\$6.8m

(2014: not reported)

SERIOUS ENVIRONMENTAL INCIDENTS (LEVEL 4 AND 5)

0

(2014: 0 Level 4 and 5 incidents)

PERCENTAGE OF SITES THAT REQUIRE AND HAVE BIODIVERSITY MANAGEMENT PLANS IN PLACE

100%

(2014: 100%)

2015 KEY ACHIEVEMENTS

- Rolled out water, energy and carbon emissions strategy and achieved energy savings target
- Ran several innovative projects to assess potential for expanding renewable energy generation across the business
- Managed all risks related to hazardous substances, effluents, wastes and other emissions, reporting no serious incidents during the year
- Continued to integrate our environmental and social management activities, particularly in the area of mine closure

ENVIRONMENT

UNDERSTANDING THE CLIMATE OF THE FUTURE

For our operations and the communities where we operate, climate change is no longer a theory. It is a reality with serious and permanent impacts. This is why we work to minimise our contribution to climate change while mitigating its most significant consequences.

In 2008, we conducted a study looking at the climate change risks and opportunities that De Beers faces. More recently, we have worked in partnership with the Camborne School of Mines at the UK's University of Exeter to model climate risk in more detail at Venetia Mine. In 2015, we focused on identifying the controls required to manage the two most serious threats to the mine: reduced water availability and flooding due to extreme weather. This longer-range work will inform our ongoing efforts to reduce our water and energy consumption.

In future, energy at our South African operations will be more expensive due to the Government's forthcoming carbon tax. Calculated on electricity and diesel use, this policy aims to support South Africa's commitment to reduce greenhouse gas emissions by 34 per cent by 2020 and by 42 per cent by 2025¹. It was due to be introduced in 2016, but has been delayed due to the poor economic climate.

INVESTIGATING RENEWABLE ALTERNATIVES

We are running several projects to assess the potential for expanding renewable energy generation across the business, and are awaiting the results of a 2015 study into using solar energy at Venetia Mine.

In addition, early work started in 2015 to assess the potential use of kimberlite (residue deposits), one of the diamond-bearing types of rock, in sequestering carbon dioxide at our operations in a process called 'mineral carbonation'. A multidisciplinary team of internal and external experts is using a stepwise approach, first conducting desktop work, followed by qualitative and then quantitative assessments to see if there is potential for benefit at our large mines in southern Africa.

WE RECOGNISE THE IMPORTANT STEWARDSHIP ROLE WE PLAY IN CONSERVING WATER. AS A SIGNATORY TO THE UNITED NATIONS CEO WATER MANDATE, WE ALSO HAVE AN ONGOING COMMITMENT TO ACTION ON WATER POLICY, MANAGEMENT AND PERFORMANCE.

PERCENTAGE OF CARATS MINED FROM WATER-SCARCE COUNTRIES

93

AMOUNT OF FRESH WATER USED ACROSS OUR OPERATIONS

37.9m m³

A reduction of 0.9% from 2014
(2014: 38.2m m³)



REVIEWING WATER SECURITY

In South Africa, the Government's potential introduction of water restrictions makes water scarcity a significant risk to the continuity of our production. In 2015, we therefore built on previous work by undertaking a full water efficiency and security review at our Venetia Mine, considering options for improving efficiency up to 2020 and reducing water risk up to 2025. As a result, we are now investigating a range of options such as evaporation covers on on-mine storage dams, which would work alongside current efficiency practices such as reusing water in processing plants and managing storm water. We undertook a similar review at our Jwaneng Mine in 2013 and a review is to take place at Orapa, Lethlakane and Damtshaa early in 2016.

THE KEY ROLE OF WATER STEWARDSHIP

In 2015, more than 93 per cent of the carats we mined were from the already water-scarce countries of South Africa, Botswana and Namibia. A combination of drought, growing demand from business, water restrictions and the likely impact of climate change appears likely to aggravate the situation further in years to come.

We therefore recognise the important stewardship role we play in conserving water. As a signatory to the United Nations CEO Water Mandate, we also have an ongoing commitment to action on water policy, management and performance.

Stewardship goes further than minimising consumption – we are also exploring alternative sources to reduce the burden on local water supplies. In parallel, our own Water Standard requires all our operations to avoid the unnecessary use of new fresh water, replacing it with poorer quality alternatives and recycling.

Examples of our efforts in 2015 to improve performance include two early-stage projects in Botswana, where our operations are in particularly water-stressed areas. We are in the pre-feasibility phase of a project at Orapa Mine looking at the use of waste water from local salt and soda ash production. And at Jwaneng Mine, we are aiming to reduce the amount of groundwater we extract for processing ore by instead treating and using domestic waste water from the local town.

In total, we used 37.9 million m³ of fresh water during 2015 (2014: 38.2 million m³), down 0.9 per cent from 2014. Our reuse of fresh water decreased marginally to 50.6 per cent (2014: 51.1 per cent). The use of seawater by Namdeb's coastal mining operations held steady in 2015 at 30.1 million m³.

Above: Employees at the tailings treatment dams, Venetia Mine, South Africa.

¹ For more information, see: SA treasury – http://www.treasury.gov.za/comm_media/press/2015/2015110201%20-%20Media%20Statement%20Carbon%20Tax%20Bill.pdf.

ENVIRONMENT

ACHIEVING OUR ENVIRONMENTAL GOALS ACROSS THE DIAMOND PIPELINE

In 2013, we established our overarching five-year environmental goal of being 'aligned with best environmental practices that are fully integrated into the businesses' processes across the diamond pipeline'.

A STRATEGY TO ACHIEVE OUR GOALS

Our strategy on water, energy and carbon emissions is a key element of our overall commitment to environmental sustainability. Our operating time frames often extend over decades, enabling us to take a long-term approach to reduction targets. We are targeting a 20 per cent reduction in water use by 2020, an eight per cent reduction in energy use and a nine per cent reduction in carbon emissions, all against business-as-usual predictions. During the last two years, we have delivered savings of US\$6.8 million through reduced energy usage and carbon emissions.

OUR 2020 REDUCTION TARGETS AGAINST THE 2013 BASELINE

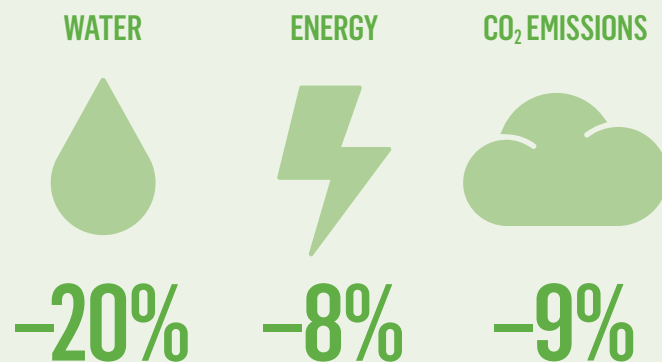
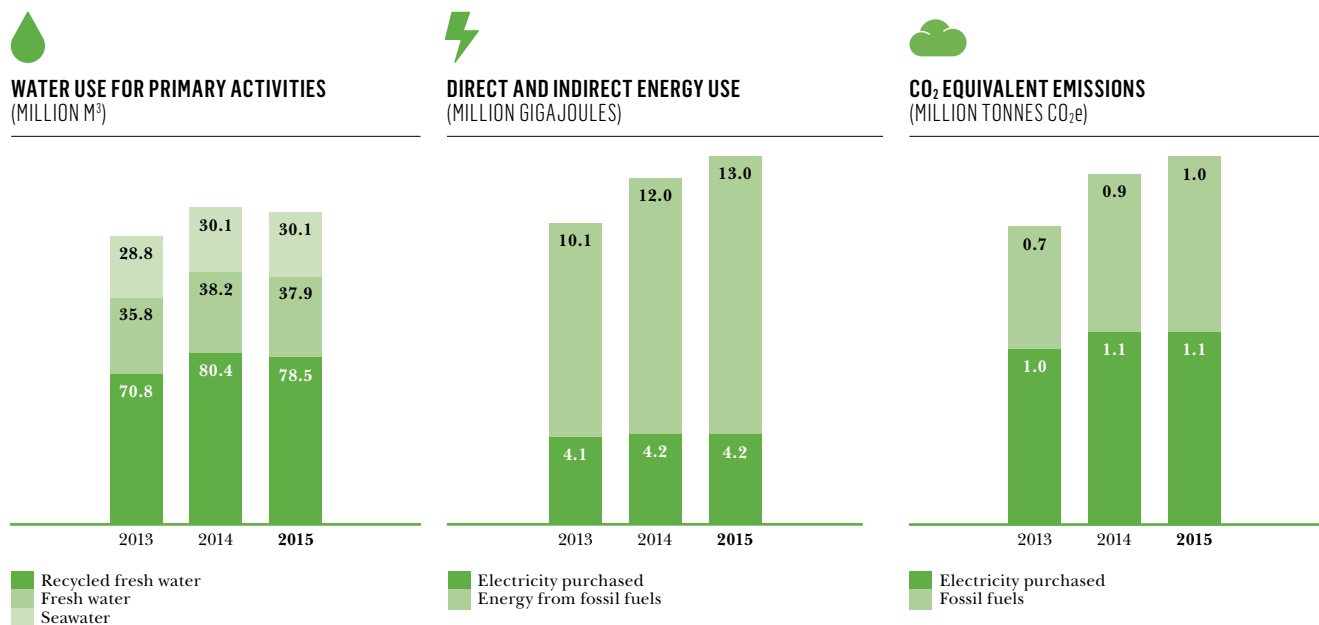


FIGURE 17: OUR 2015 WATER, ENERGY AND CARBON EMISSIONS PERFORMANCE



SAVINGS FROM REDUCED ENERGY USE AND CARBON EMISSIONS OVER 2014 AND 2015

US\$6.8m

ENVIRONMENT



Far left: Geologists at work in Canada.

Left: The pristine environment around our operations in South Africa; Aloe dichotoma, also known as the quiver tree or kokerboom.

OUR APPROACH TO ENVIRONMENTAL MANAGEMENT

Water and energy/climate change are just two of the areas we focus on to minimise our environmental impacts. In 2013, we established our overarching five-year environmental goal of being 'aligned with best environmental practices that are fully integrated into the businesses' processes across the diamond pipeline'. A key means of meeting this goal is maintaining certification to externally audited ISO 14001 environmental management systems at all our working mines and other key facilities¹.

All organisations certified to ISO 14001 have made a commitment to preventing pollution. We are strongly focused on ensuring that all our operations fully control all the risks associated with hazardous substances, effluents, wastes and other emissions. We closely monitor and report on all environmental and near-hit incidents across De Beers – see Figure 18.

No serious (Level 4 or 5) environmental incidents were recorded during the year. One Level 3 incident was reported during 2015, in which underground hydrocarbon contamination was found at Orapa. Detailed studies have been undertaken to assess the full extent of the contamination and determine the remediation work required. No legal fines or sanctions were issued for this incident.

ENVIRONMENTAL INCIDENTS

FIGURE 18: ENVIRONMENTAL INCIDENTS BY SEVERITY

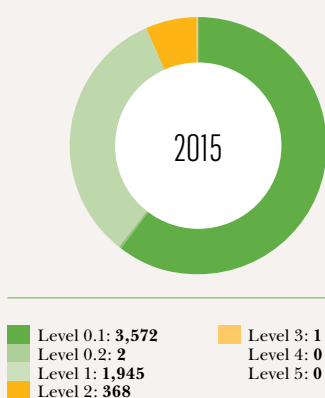
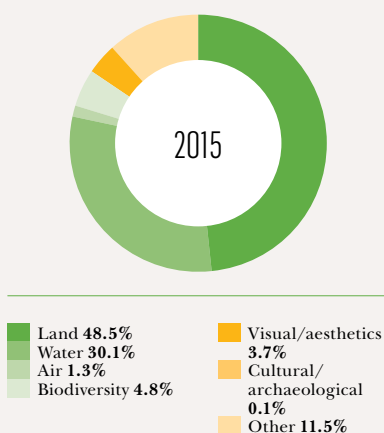


FIGURE 19: SIGNIFICANT ENVIRONMENTAL INCIDENTS BY TYPE



INTEGRATING SOCIAL AND ENVIRONMENTAL ACTIVITIES ACROSS THE MINE LIFECYCLE

Critically, wherever possible our updated Environmental Standards and Social Way requirements (see Communities chapter) enable us to integrate our environmental and social management activities. For example, our Lifecycle Planning and Management Standard and Closure Planning Toolkit help us both to manage environmental and social risks during a mine's life and to ensure we leave a positive environmental and social legacy following closure.

Linking both aspects is a fundamental element of our closure plans, which we begin to develop even before a new mine enters operation. These plans do more than stipulate the environmental rehabilitation necessary during a mine's life and following its closure. They also include a researched and rationalised blueprint for a sustainable local economy that is no longer dependent on mining operations (see Oranjemund 2030 case study, page 46).

We have several late-lifecycle mines, including Victor in Canada and Voorspoed in South Africa, which are currently due to close in 2019 and 2021, respectively. Both have detailed, fully funded closure plans that received comprehensive reviews in 2014.

¹ Namdeb and De Beers Marine successfully completed their triennial ISO 14001 re-certification audits in 2015. However, there has been a delay in decision-making on re-certification, which we expect to be resolved by mid-April 2016.

ENVIRONMENT

During 2015, we also completed a detailed review of the closure plans for our Namdeb operations in Namibia and how these are integrated with life-of-mine planning. The South African Department of Mineral Resources also issued our first-ever mine closure certificate during the year for our mining licence areas where mining ceased in 2010.

PROTECTING AND PROMOTING BIODIVERSITY

During 2015, we worked closely with others to improve biodiversity practices across the industry. We also engaged outside experts and external bodies to help us understand how best to improve our own biodiversity management.

These efforts also help us to progress challenging environmental issues where a broader industry, regulatory or multi-stakeholder effort is needed. A significant example of this relates to the marine environment in which some of our mining takes place. Because active rehabilitation is not possible, we instead use marine biodiversity monitoring to understand the impacts of our offshore activities and the natural process of recovery once mining has finished. We have appointed outside experts to the scientific committees we have established to help ensure we meet our biodiversity aims in our marine mining activities.

One outcome of the marine scientific committees has been the development of an improved seabed environmental sampling campaign, which commenced during 2015. This adopted a more rigorous sampling design, with broader coverage of mined areas and almost three times the number of sample sites.

AN INDUSTRY-WIDE FOCUS

De Beers worked in 2015 to push forward biodiversity management backed by the commitment to achieve 'no net loss of significant biodiversity' that we established in 2009.

The scale, nature and location of our operations all focus us on the imperative to understand, protect and promote biodiversity both at and beyond our own operations.

For example, we recognise that mining alters landscapes and results in the loss of biodiversity. We deliver against our commitment to no net loss of significant biodiversity by following a mitigation hierarchy to protect and restore biodiversity. This process starts with the understanding of biodiversity value (or significance of biodiversity), and then avoiding areas of significant biodiversity; next, we do all we can to minimise our impact; and finally, we rehabilitate any affected areas.

THE SCALE, NATURE AND LOCATION OF OUR OPERATIONS ALL FOCUS US ON THE IMPERATIVE TO UNDERSTAND, PROTECT AND PROMOTE BIODIVERSITY BOTH AT AND BEYOND OUR OWN OPERATIONS.

UNDERSTANDING BIODIVERSITY VALUE

Our proprietary Biodiversity Value Assessment (BVA) methodology, developed in-house by De Beers with contributing insights from outside experts, enables us to fully understand the biodiversity value of specific areas affected by our operations.

We have completed BVAs at all our existing and new mining operations and this helped us identify two existing mines with significant local biodiversity: Voorspoed in South Africa's sensitive grassland biome; and Sendelingsdrif, in Namibia's Succulent Karoo biome. As part of a wider programme of conservation at Sendelingsdrif, we engaged Flora and Fauna International in 2015 to review our biodiversity management.

Our day-to-day biodiversity management practices go further – for every hectare of land disturbed by mining activities, we manage roughly five hectares for biodiversity conservation. This reduction from the seven hectares reported in 2014 is due to our new Biodiversity Standard, under which we reviewed all areas of land considered as 'conservation areas'. Due to the greater rigour we now apply, only areas with formal conservation plans are considered to be land set aside for biodiversity conservation, so reducing the area reported. We also reassessed the areas of land altered by mining to ensure the inclusion of the total area affected by all forms of impacts, resulting in an increase in the total area.



Left: Debmarine Namibia – The Debmar Atlantic, moored some 35 kilometres off the Namibian coastline.

ENVIRONMENT

ECO PARTNERSHIPS TO PROTECT TREASURE OF THE DESERT

A number of our conservation properties form part of the Diamond Route, a biodiversity conservation, education, research and sustainability initiative launched in 2002 that links sites with a strong diamond-related legacy to celebrate southern Africa's unique social and natural history. Following the end of the Diamond Route's Memorandum of Understanding, founding partner E Oppenheimer & Sons withdrew in 2015. In 2016, we will revisit the role of our conservation efforts and how we may link all biodiversity, cultural and heritage properties and actions across all our areas of operation.

One of the key contributions De Beers has made, beyond on-site conservation work and educational outreach programmes, has been to establish an annual research conference to share insights from the scientific research undertaken on our properties or supported by us. In 2015, 180 delegates from a wide range of national and international organisations attended a highly diverse programme featuring 35 presentations and 55 poster presentations.

In summary

Through our continually evolving strategies and programmes to conserve our environment and reduce the impact of our operations, we strive to enable healthy ecosystems and successful, sustainable communities to flourish long after our departure.

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

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

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

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

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



BENEFITS OF THE SENDELINGSDRIF RESTORATION ECOLOGY PROGRAMME PARTNERSHIP

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

Above: *Juttadinteria albata* plant in bloom.

ENVIRONMENT

“MY EXPERIENCE OF WORKING WITH NAMDEB AT SENDELINGSDRIF HAS BEEN THAT THEY ARE REALLY FOCUSED ON DOING THE RIGHT THING AND THEREFORE WORK IN PARTNERSHIPS WITH THE BEST EXPERTISE AND HELP THEY CAN GET.”

Herta Kolberg

Country Co-ordinator, Millennium Seed Bank Project – Namibia

Right: Member of the Millennium Seed Bank project collecting seeds around Sendelingsdrift.



PERFORMANCE SUMMARY

ECONOMICS

	2013	2014	2015
DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED			
Revenue (US\$ billion)	6.4	7.1	4.7
Government taxation (US\$ billion)	1.3	1.4	0.9
Payments to stakeholders (US\$ billion)	5.4	5.7	3.9
Percentage representation of consolidated payments made to stakeholders in Africa (%)	70.0	80.1	81.7
BENEFICIATION			
Total sales of rough diamonds to Sightholders in producer countries for beneficiation (US\$ billion)	1.4	1.6	0.8
Total rough diamond sales (US\$ billion)	6.4	6.5	4.1
PREFERENTIAL PROCUREMENT			
Total procurement spend (US\$ billion)	1.3	2.4	1.9
Preferential procurement spend (US\$ billion)	1.1	1.5	1.1
Preferential procurement as a proportion of total spend (%)	87.0	62.1	56

ETHICS

	2013	2014	2015
BPPs – RAISING STANDARDS ACROSS THE DIAMOND PIPELINE			
Total BPP coverage (number of people)	360,000	370,000	320,000
Total BPP coverage (number of entities)	2,910	3,352	2,928
Number of De Beers Group site visits	7	7	8
Total number of De Beers Group infringements	10	12	0
Number of Sightholder visits for BPP cycle	not reported	122	116
Sightholder 'business' infringements	32	21	24
Sightholder 'social' infringements	146	83	143
Sightholder 'environment' infringements	7	7	6
Total number of Sightholder infringements	185	111	173
Number of Sightholder major infringements	24	9	20

PERFORMANCE SUMMARY

ETHICS CONT.

	2013	2014	2015
KIMBERLEY PROCESS COMPLIANCE			
Kimberley Process compliance (%)	100	100	100
WHISTLEBLOWING/ SPEAK UP			
Investigations into alleged illegalities/breaches of De Beers policies resulting from whistleblowing reports and internal investigations	362	323	394
Dismissals as a result of illegalities	75	57	46
ANTI-CORRUPTION			
Number of business unit and corporate functions that undertook business integrity self-assessments	not reported	6	3

EMPLOYEES

	2013	2014	2015
WORKFORCE¹			
Total workforce ²	20,385	22,947	21,910
Direct employees	16,149	16,938	16,824
Permanent employees ³	14,348	15,059	14,978
Fixed term employees ³	1,455	1,398	1,305
Percentage of direct employees in Africa (%)	82.3	81.3	81.3
TRAINING AND DEVELOPMENT			
Investment in employee training and development (US\$ million)	16.7	18.8	24.3
SAFETY			
Loss of life incidents (on-site)	0	0	0
Fatal incidents (public road incidents)	0	5	0
Lost time injury frequency rate (LTIFR) ⁴	0.19	0.17	0.15
Total recordable case frequency rate (TRCFR) ⁵	0.78	0.62	0.53
High Potential Incidents (HPI)	58	109	146
OCCUPATIONAL HEALTH			
Occupational Illness Fatality Rate	0.0	0.0	0.0
Occupational Illness Frequency Rate (per 200,000 hours worked)	0.04 ⁶	0.03	0.04
Absenteeism rate (%)	2.2	1.8	2.2
New cases of occupational disease	14	4	7

¹ Headcount figures represent year-end figures and exclude DBDJ.

² Includes direct employees and contractors.

³ Excludes bursars, working bursars, graduate trainees, learnerships and other trainees.

⁴ Number of lost time injuries multiplied by 200,000, divided by the number of man hours worked.

⁵ Number of recordable cases multiplied by 200,000, divided by the number of man hours worked.

⁶ Figure reported in the 2013 Report to Society is not comparable with 2014 and 2015 figures as it is calculated per million hours worked.

PERFORMANCE SUMMARY

EMPLOYEES CONT.

	2013	2014	2015
HIV/AIDS AND TUBERCULOSIS IN SOUTHERN AFRICA¹			
Number of employees living with HIV	291	305	1,430
Number of employees tested for HIV status	1,082	1,403	3,184
Number of new cases of HIV	117	31	24
Number of employees on HIV wellness programmes	103	131	934
Number of employees receiving antiretroviral drugs	81	115	1,099
Proportion of workforce with access to free and confidential HIV testing and wellbeing programmes (%)	100	100	100
Incidence of tuberculosis cases per 100,000 full-time employees	207	169	149
New cases of tuberculosis (pulmonary and extra-pulmonary)	7	6	18

¹ 2013 and 2014 data only covers South Africa; 2015 data also includes Namibia and Botswana.

COMMUNITIES

	2013	2014	2015
SOCIAL INVESTMENT SPEND			
Total social investment spend (US\$ million)	29.5	27.6 ¹	28.2
SOCIAL INVESTMENT SPEND BY REGION			
Africa (%)	77.0	64.8 ¹	76.4
Americas (%)	22.0	33.9 ¹	23.2
Other countries (%)	1.0	1.3 ¹	0.4
REGULATORY AND FORMALISED SOCIAL INVESTMENT SPEND			
Total IBA spend in Canada (US\$ million)	5.2	8.0	5.6
Total number of IBAs	8	13	13
Total SLP spend in South Africa (US\$ million)	4.7	2.0	2.5
Total number of Mine Community Development Projects supported through SLPs in South Africa	18	21	24
ENTERPRISE DEVELOPMENT INITIATIVES			
Businesses supported through enterprise development initiatives	52	125	126
Number of jobs supported through enterprise development initiatives	682	1,795	1,544

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

PERFORMANCE SUMMARY

ENVIRONMENT

	2013	2014	2015
COMPLIANCE WITH ENVIRONMENTAL MANAGEMENT STANDARDS¹			
Compliance against the De Beers Lifecycle Planning and Management Standard (%)	not reported	not reported	90
Compliance against the De Beers Biodiversity Standard (%)	not reported	not reported	96
Compliance against the De Beers Water Standard (%)	not reported	not reported	75
Compliance against the De Beers Energy & Climate Change Standard (%)	not reported	not reported	70
Compliance against the De Beers Hazardous Substances, Waste and Emissions Standard (%)	not reported	not reported	92
Overall compliance against the De Beers Environmental Standards (%)	not reported	not reported	85
LAND USE			
Land set aside for conservation (ha)	195,640	195,128	170,785
Total sites which required and have biodiversity management plans in place (%)	100	100	100
Land altered for mineral extraction (ha)	40,806	26,844 ²	35,271
ENVIRONMENTAL INCIDENTS BY SEVERITY			
Total number of incidents	2,754	1,801	2,314
Level 3	6	1	1
Level 4 and 5	0	0	0
WATER WITHDRAWAL BY SOURCE			
Potable water from an external source (million m ³)	1.9	0.3	0.4
Non-potable water from an external source (million m ³)	0.19	0.00	0.01
Waste water/second class water abstracted (million m ³)	0.0	0.0	0.0
Surface water abstracted (million m ³)	5.3	6.9	8.5
Ground water abstracted (million m ³)	26.0	31.0	30.9
Sea water abstracted (million m ³)	28.8	30.1	30.1
Sea water purified for use (million m ³)	0.03	0.03	0.03
Rain/snowmelt/glacial water harvested (million m ³)	0.5	1.9	2.1
Water removed from source/dewatered (million m ³)	32.8	33.3	51.9
Total water consumed by source (million m ³)	95.5	70.3 ³	72.0
DIRECT AND INDIRECT ENERGY USE			
Energy consumption (direct and indirect) (million GJ)	14.1	16.2 ⁴	17.2
CO₂ EQUIVALENT EMISSIONS			
CO ₂ emissions total (Mt CO ₂)	1.8	2.0	2.0
EMISSIONS			
Sulphur emissions from diesel (tonnes)	197	240	248
Sulphur emissions from marine gas oil (tonnes)	539	594	537
Sulphur dioxide emissions total (tonnes)	736	834	785
NOx emissions from diesel	8,792	10,114	9,796

1 Compliance against standards recorded from 2015 onwards.

2 2014 figure is restated from previously reported figure in the 2014 RTS.

3 Restated from previously reported figures in the 2014 Report to Society. Total water consumed by source no longer includes water removed from source/dewatered, which was included in previously stated figures.

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

GLOBAL REPORTING INITIATIVE INDEX

We have prepared the 2015 Report to Society in line with the Global Reporting Initiative (GRI) G4 Guidelines, an international best practice standard for sustainability reporting.

The following index provides information to supplement and support the Report to Society, and provides direction to other documents and online content that, taken together, provide a full disclosure of our sustainability approach and performance in 2015.

The following table sets out how we have applied the GRI G4 Guidelines to our sustainability reporting. We have prepared the table to help stakeholders quickly find the information they are seeking.

Applying the GRI Reporting Guidelines is a key part of our commitment to continuous improvement and to achieving the highest levels of sustainability performance and transparency.

It is our belief, and the independent assessment of our assurance provider, that the 2015 Report to Society is prepared in accordance with the 'core' level of the GRI's fourth generation Guidelines (GRI G4).

Page references provided in this index relate to this report – the 2015 Report to Society – except where noted as being for the De Beers Group website (www.debeersgroup.com) or the 2015 Anglo American Annual Report, which is available to download at www.angloamerican.com.

GRI INDEX

GENERAL STANDARD DISCLOSURES

GRI G4 Indicator	Description	Location	Notes
STRATEGY AND ANALYSIS			
G4-1	CEO statement	4	
G4-2	Description of key impacts, risks and opportunities	8, 10-11, 13, 21, 29, 39, 49	
ORGANISATIONAL PROFILE			
G4-3	Name of the organisation	Cover	
G4-4	Primary brands, products and services	2-3	
G4-5	Location of headquarters	86	
G4-6	Operating countries	2-3	
G4-7	Nature of ownership and legal form	2-3	
G4-8	Markets served	2-3	
G4-9	Scale of the organisation	2-3	
G4-10	Breakdown of workforce	30-32, 57, 63, 74	
G4-11	Percentage of total employees covered by collective bargaining agreements	GRI Index	Trade union participation is high at our African mining operations. In these operations, certain bands – A, B and CL – are covered by collective bargaining agreements (generally semi-skilled workers). Figure 20 shows the percentage of employees in these bands covered by collective bargaining unit agreements. Figure 21 shows the number of employees within these bands. Across the whole of De Beers, 43.1 per cent of direct employees are covered by collective bargaining unit agreements.
G4-12	Describe the organisation's supply chain	GRI Index	As an international mining company, De Beers has a large and complex supply chain supporting our varied operations. In 2015, our Group-wide procurement spend was almost US\$1.88 billion with 5,757 suppliers and over 250,000 individual purchase order lines. Our supply function employs some 483 people globally.
G4-13	Significant changes regarding the organisation's size, structure, ownership or supply chain	GRI Index	No significant changes during 2015.
COMMITMENTS TO EXTERNAL INITIATIVES			
G4-14	Whether and how the precautionary approach or principle is addressed by the organisation	8, 22-24, 27, 34-37, 49-50, 53-55	
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives subscribed to or endorsed	22, 24, 50, 63	
G4-16	Memberships of associations and national or international advocacy organisations	22, 24, 50, 63	

GRI INDEX

GENERAL STANDARD DISCLOSURES CONT.

GRI G4 Indicator	Description	Location	Notes
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	Entities included in the organisation's consolidated financial statements or equivalent documents and whether covered in GRI report	GRI Index	We do not include De Beers Diamond Jewellers in this report, as it is an independently managed company that is not part of our sustainability governance structure and does not use the same processes as the rest of the Group of Companies e.g. the BPPs; Debswana and Namdeb are also independently managed companies but are included due to the strategic and operational alignment of sustainability activities across the business.
G4-18	Process for defining report content and boundaries	10-11	
G4-19	Material aspects identified	10-11	Also www.debeersgroup.com/materiality
G4-20	Aspect boundaries within the organisation		www.debeersgroup.com/materiality
G4-21	Aspect boundaries outside the organisation		www.debeersgroup.com/materiality
G4-22	Restatements of information provided in previous reports	GRI Index	No restatements of information or data other than where noted in the 2015 Report to Society.
G4-23	Significant changes in the report scope and boundaries	GRI Index	No significant changes were made to scope, boundary or measurement methods.
STAKEHOLDER ENGAGEMENT			
G4-24	Stakeholder groups engaged by the organisation	10, 33, 40, 46	
G4-25	Basis for identification and selection of stakeholders	10	Also www.debeersgroup.com/buildingforever
G4-26	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	10, 33, 40, 46	
G4-27	Key topics and concerns raised through stakeholder engagement, and how the organisation has responded	10-11, 33, 40, 46	
REPORT PROFILE			
G4-28	Reporting period	GRI Index	Information provided in the 2015 Report to Society refers to the calendar year (1 January to 31 December 2015).
G4-29	Date of most recent previous report	GRI Index	June 2015
G4-30	Reporting cycle	IFC	
G4-31	Contact point for the report	87	
GRI CONTENT INDEX			
G4-32	GRI content index	GRI Index	
ASSURANCE			
G4-33	Policy and current practice with regard to external assurance	IFC, 9, 81-84	
GOVERNANCE			
GOVERNANCE STRUCTURE AND COMPOSITION			
G4-34	Governance structure of the organisation	9	Also www.debeersgroup.com/our-story/corporate-governance

GRI INDEX

GRI G4 Indicator	Description	Location	Notes
ETHICS AND INTEGRITY			
G4-56	Values, principles, standards and norms of behaviour	8	Also www.debeersgroup.com/building-forever/our-approach/our-principles
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	GRI Index	Our Whistleblowing and Business Integrity Policies detail the conduct or behaviour that employees and others have a duty to report. Our whistleblowing facility, Speak Up, provides a range of confidential and secure options to contact De Beers. Those using the facility are able to preserve their anonymity. Complaints and grievance procedures, including publicly available anonymous reporting mechanisms, are currently being put in place at all our mining operations to enable external stakeholders to report potentially unethical or unlawful behaviour.

FIGURE 20: G4-11, HR4 – PERCENTAGE OF EMPLOYEES IN CL-BAND/GRADE 2/BANDS GFB8-10 COVERED BY COLLECTIVE BARGAINING UNIT AGREEMENTS AT AFRICAN OPERATIONS, 2013-2015

	2013	2014	2015
De Beers Consolidated Mines (DBCM)	65.0	94.9	92.4
Debswana Diamond Company	64.0	62.7	60.3
Namdeb (land operations)	72.0	87.5	86.7

FIGURE 21: G4-11, HR4 – WORKFORCE COMPOSITION, BREAKDOWN BY GRADE, 2015¹

	2015
Grade 9 UK/GBF2	1
F-Band/Grade 8/GBF3	19
EU-Band/Grade 7/GBF4	78
EL-Band/Grade 6/GBF5	331
DL & DU-Band/Grade 4 & 5/GBF6	2,103
CU-Band/Grade 3/GBF7	2,687
CL-Band/Grade 2/GBF8 – GBF10	11,391
Total	16,610

¹ Total figures exclude no graders.

SPECIFIC STANDARD DISCLOSURES

Material aspects	DMA and indicators	Location	Notes
ECONOMIC			
ASPECT: ECONOMIC PERFORMANCE			
G4-DMA	Disclosure on Management Approach	8, 12-19; Anglo American AR 49-51	The amount of tax we generate and pay to governments as well as our approach to managing tax affairs are of considerable interest to many of our stakeholders. Being able to demonstrate the contribution we make to host countries and communities through the payment of taxes is critical for building trust with stakeholders and in supporting our licence to operate. Through De Beers' parent company, Anglo American, we voluntarily provide information about our tax payments on a country-by-country basis. A detailed account of Anglo American's tax payments is available in Anglo American's annual Tax and Economic Contribution Report (www.angloamerican.com). We are strong supporters of tax transparency. We were an early supporter of the Extractive Industry Transparency Initiative and, through Anglo American, remain an active participant. We will continue to consider what appropriate voluntary disclosure enables us to provide stakeholders with more detailed information upon which to base their assessment of our overall economic contribution.
G4-EC1	Direct economic value generated and distributed	14, 56; Anglo American AR 49-51	In 2015, we paid US\$934 million in taxes and royalties. Of this total 94.3 per cent was paid in Africa.
G4-EC4	Financial assistance received from government	GRI Index	No significant financial assistance was received from governments in 2015.
ASPECT: MARKET PRESENCE			
G4-DMA	Disclosure on Management Approach	28-32	
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	31	
MMG4-EC6	In significant location of operations, report proportion of the facility's total workforce from the local community	31	
ASPECT: INDIRECT ECONOMIC IMPACTS			
G4-DMA	Disclosure on Management Approach	13, 17-18, 28-32, 42-44, 56	In addition to the revenues generated by our mining operations, we contribute to and invest in producer country economies through: • Direct employment (see EC8) and employment of local citizens (see EC6) • Enterprise development and social investment (see EC8) • Preferential procurement from local and historically disadvantaged groups (see G4-EC9) • Supporting beneficiation (see page 17) These activities present a compelling value proposition to governments by helping to develop skills, businesses and infrastructure that can extend beyond the life of a mine.
G4-EC7	Development and impact of infrastructure investments and services supported	15-16, 42-44	

GRI INDEX

Material aspects	DMA and indicators	Location	Notes
ECONOMIC CONT.			
G4-EC8	Significant indirect economic impacts	17-18, 42-44, 56	
ASPECT: PROCUREMENT PRACTICES			
G4-DMA	Disclosure on Management Approach	18	
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	18, 56	
ENVIRONMENT			
G4-DMA	Disclosure on Management Approach – Environment	49-54	In 2015, we launched an updated set of De Beers Environmental Standards to provide a single source of environmental requirements for our operations. The new Standards cover Lifecycle Planning and Management; Water; Energy and Climate Change; Biodiversity; and Hazardous Substances, Waste and Emissions. They incorporate Anglo American's Environment Way and technical standards on managing water and energy/greenhouse gas (GHG) emissions; environmental aspects of closure planning; and the requirements of the most recent Responsible Jewellery Council Code of Practices. The roll-out and implementation of the revised environmental standards, including site self-assessments against their requirements, were key topics for the Environmental Peer Group. The Peer Group is a forum of environmental practitioners from around De Beers that reviews environmental issues, management and performance for each operating unit, as well as reviewing topics of Group-wide importance. The Peer Group met four times in 2015. Self-assessments against the new Environmental Standards showed good compliance across the Group with an average score of 85 per cent. Compliance against the Water Standard and Energy and Climate Change Standard was lowest (75 and 70 per cent respectively). Our Group focus on water, energy and carbon emissions will drive improved performance against these standards. See page 59 for full compliance details. Our Lifecycle Planning and Management Standard guides us in managing lifetime environmental and social risks at our operations and contributing toward a positive environmental and social legacy once a mine has closed. We are committed to adopting the mitigation hierarchy approach at every stage of the mining lifecycle – from exploration to closure and rehabilitation. We endeavour first to avoid, then minimise, and finally rehabilitate the impact of our activities to leave a minimal residual impact. Figure 22 outlines environmental and social screening and impact assessments, and environmental management activities we undertook at different stages of the mining lifecycle in 2015.
ASPECT: ENERGY			
G4-DMA	Disclosure on Management Approach	49-51	
G4-EN3	Energy consumption within the organisation	51,59	
G4-EN6	Reduction of energy consumption	51,59	
ASPECT: WATER			
G4-DMA	Disclosure on Management Approach	49-51	
G4-EN8	Total water withdrawal by source	51,59	
G4-EN10	Percentage and total volume of water recycled and reused	50-51	

SPECIFIC STANDARD DISCLOSURES CONT.

Material aspects	DMA and indicators	Location	Notes
ENVIRONMENT CONT.			
ASPECT: BIODIVERSITY			
G4-DMA	Disclosure on Management Approach	53-55	
G4-EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	53-55	We respect legally designated Protected Areas and areas with significant biodiversity, and do not operate within World Heritage Site Core Areas. Our annual Biodiversity Overlay Assessment assesses whether our operations overlap with areas of high biodiversity value. In 2012, 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, which was proclaimed as a World Heritage Site in 2003. Following consultation with the government, a revised buffer zone excluding the Venetia Mine area was proposed. The UNESCO World Heritage Committee accepted the change in June 2014 and the adjustment now requires legal change to come into effect. In the meantime, Venetia continues to operate with consent from the South African Government received in 2013. In addition, we know that some exploration licences overlap with portions of known IUCN Category I-IV Protected Areas in South Africa, Botswana and Namibia and no exploration activities are conducted in these overlap areas. With no key changes to our mining footprint or new development projects in 2015, a reduced overlay assessment was completed and this confirmed we are adhering to our policy commitment.
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	59; GRI Index	Details of the closure and rehabilitation status of various De Beers' sites is provided in Figure 23.
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	59	100 per cent of our operations have environmental management plans in place, which include biodiversity criteria and actions.
G4-EN13	Habitats protected or restored	54-55; GRI Index	Details of the rehabilitation status of various De Beers' sites are provided in Figure 23.
ASPECT: EMISSIONS			
G4-DMA	Disclosure on Management Approach	49-51	We calculate our GHG emissions using the WRI 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.
G4-EN15	Direct greenhouse (GHG) emissions (scope 1)	51, 59	
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	51, 59	
G4-EN21	NO _x , SO _x , and other significant air emissions	59	

GRI INDEX

Material aspects	DMA and indicators	Location	Notes
ENVIRONMENT CONT.			
ASPECT: EFFLUENTS AND WASTE			
G4-DMA	Disclosure on Management Approach	49	We are focused on ensuring that all operations and facilities control risks associated with hazardous substances, effluents, wastes and emissions to prevent pollution. Prevention of pollution is a key commitment for ISO 14001-certified operations and we focus on understanding and managing potential pollution sources and receiving environments. We have two main waste streams – non-mineral waste comprising a range of waste and recycling/reuse streams, and mineral waste in the form of fine and coarse residues. <i>Non-mineral waste:</i> Non-mineral waste is separated at source to ensure appropriate disposal and recycling. Other than recycling, disposal methods include landfill and incineration. Although diamond mining is mostly a physical process and does not require the use of hazardous substances, elements of the treatment process for diamond-bearing ore do use hazardous substances under controlled conditions. Due to its hazardous nature, the management of hydrofluoric acid (HF) receives particular attention to ensure stringent processes are in place to minimise risk of a spill. An HF Peer Group has been in place for a number of years to share knowledge and expertise between facilities using HF regarding its transport, storage, handling and record keeping. Hazardous waste produced is either responsibly stored on-site for future management or disposed of at certified hazardous waste sites. Hazardous waste from our operations in Botswana is disposed of through facilities in South Africa. This movement of hazardous waste is conducted in full compliance with the Basel Convention for controlling trans-boundary movements of applicable hazardous wastes. De Beers Marine Namibia reviewed its practice of transporting hazardous waste from its ships to South Africa, during 2015. It is currently transported to a hazardous waste site in Namibia. <i>Mineral waste (MMS-DMA):</i> At each active operation, an external operator runs the fine residue deposits and an independent legal assurance provider is also appointed. Every three months, a site visit and detailed review is held and involves a multidisciplinary team of internal and external specialists to cover adherence to policy, legal compliance, environmental, safety and technical aspects. The rigour of the reviews has increased in the past few years. There is no riverine tailings disposal. Submarine tailings disposal occurs from land and at sea in Namibia in accordance with the Responsible Jewellery Council requirements.
G4-EN22	Total water discharge by quality and destination	GRI Index	In our water-abundant areas, water discharge from our Canadian operations amounted to 51.9 million m³ in 2015 (2014: 33.3 million m³). Discharged water is the excess water from dewatering that is not used in operational processes. The environmental impact of these discharges is managed to strict requirements. Snap Lake, the receiving water body at the Snap Lake Mine, is 200 hectares in area and has a limited absorption capacity because of its size and low flow rate. Water quality aspects therefore require careful management. During 2015, Snap Lake Mine was granted a new water licence that controls water quality discharge limits from the mine. The mine was put on care and maintenance in late 2015.
G4-EN23	Total weight of waste by type and disposal method	GRI Index	Figure 24 provides data for a range of hazardous and non-hazardous waste streams and disposal methods.

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SPECIFIC STANDARD DISCLOSURES CONT.

Material aspects	DMA and indicators	Location	Notes
ENVIRONMENT CONT.			
ASPECT: EFFLUENTS AND WASTE CONT.			
G4-EN24	Total number and volume of significant spills	52, 59	Our incident reporting system monitors environmental incidents across De Beers. Incidents mainly have an impact on land/biodiversity (53 per cent) and on water (30 per cent); fewer have a visual or aesthetic impact or affect the air. Our incident-reporting definitions and severity levels are aligned with those of Anglo American. We continue to report on near-hit incidents for all De Beers operations.
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks	GRI Index	See G4-DMA (above) for mineral waste, which relates to risk management of the fine residue deposits. The overall risk management process covers risks associated with all aspects of mining and treatment.
ASPECT: COMPLIANCE			
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	GRI Index	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 2015.

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FIGURE 22: ENVIRONMENT DMA – ENVIRONMENTAL MANAGEMENT ACTIVITIES ACROSS THE MINING LIFECYCLE, 2015

Phase	Activity	Objective	2014 action/key projects
Conceptual	Environmental and social screening	To establish if the proposed project has the potential to generate significant or unacceptable environmental or social impacts	• Alternate Mining Vessel 3
Pre-feasibility	Scoping	To gather and evaluate information and undertake specialist studies for the Environmental and Social Impact Assessment (ESIA)	• Jwaneng Cut 9 • Orapa Cut 3 • Orapa Process Plant Optimisation • DP 700
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	• Grand Banks (Life Extension)
Construction or commissioning		To ensure inclusion of all requirements of the EMP for the operational phase, for smooth transition to the operational phase	• Gahcho Kué • Letlhakane Tailing Mineral Resource Treatment Plant • DBMN Alternative Resource Development Capability (ARDC) project • Venetia Underground
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	• All ISO 14001 certified operations retained their certification
Closure/disposal	Closure plans/liabilities	To implement a final closure plan once production ceases, or ensure adequate financial provision for outstanding environmental liabilities on sale of a mine to other operators	• Closure and rehabilitation of various sites (see details in Figure 25)

SPECIFIC STANDARD DISCLOSURES CONT.

FIGURE 23: MMI AND EN13 – CLOSURE AND REHABILITATION STATUS ACROSS DE BEERS, 2015

South Africa	Closure of The Oaks open-pit mine that 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 criteria. Water quality sampling is ongoing. Marine mining, west coast Marine mining off the west coast of South Africa where production ceased in 2010. A legal closure certificate was issued during 2015. Although closure has been granted, one further monitoring survey of seabed fauna has been done to provide further data on demonstrating seabed recovery after mining. Namaqualand, Northern Cape Province The sale of Namaqualand Mines was concluded in 2014. DBCM retained US\$17.4 million of the rehabilitation liabilities in the Buffels Marine Right with altered land of size 3,652 ha. Rehabilitation of the area disturbed by many decades of mining has been ongoing to reduce the rehabilitation liability. This area lies in the Succulent Karoo Biome so restoration of biodiversity is important. All land reclamation and profiling work was completed in 2015 with approximately 35 million cubic metres of earth having been reclaimed over a period of eight years. Various areas across the landscape have been subject to active ecological intervention in the form of netting, seeding and transplanting and these are being monitored. During 2015, work continued on a number of general clean-up projects and commenced on accurately quantifying the remaining demolition work required. Kimberley, Northern Cape Province As part of decommissioning of the Exploration Geology Pit in Kimberley that ceased operations in 2005, water monitoring and vegetation assessments continue according to the comprehensive five-year closure plan that is in line with legal requirements. Alien invader plants were removed and shale material was reused from the Gemdene dump to backfill and level the site. Revegetation of the site will commence in October 2016 ahead of the annual rainy season.
Namibia	As part of the comprehensive Namdeb Legacy Rehabilitation Project, the status is as follows: • All marine contractor mining sites have been fully rehabilitated • Within the concrete and demolition project, several redundant infrastructure areas were removed from Southern Coastal Mines and Orange River Mines • Scrapyards have been rehabilitated with the removal of 121,000 tonnes of scrap since 2008 • A permanent on-site asbestos disposal landfill site has been permitted and implemented for receiving significant asbestos waste from legacy areas • The landscaping and profiling of all 10 overburden dumps at Auchas has been completed • All infrastructure and earthworks rehabilitation completed at Bogenfels, and the implementation of the restoration ecology programme and post-mining monitoring continues at the site • Selected existing infrastructure was upgraded to a self-sustainable status in the Northern Coastal Mines area • Concurrent rehabilitation at Daberas of profiling of dumps reduces the legacy liability • Complete successful rehabilitation of Pocket Beaches Site 2
Botswana	Closure of the Exploration Lobatse Sample Treatment Centre in Botswana, which was decommissioned in 2005. All active rehabilitation has been concluded and a water and soil quality sampling programme is ongoing.

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		2013	2014	2015
FIGURE 24: TOTAL WEIGHT BY TYPE AND DISPOSAL METHOD				
Non-hazardous waste	Non-hazardous waste to legal landfill – volume (m ³)	63,550.7	67,929.0	127,841.2 ¹
	Non-hazardous waste to legal landfill – mass (tonnes)	19,501.4	3,088.5	3,333.0
Hazardous waste	Hazardous waste to legal landfill – volume (m ³)	not reported	not reported	5,803.3
	Hazardous waste to legal landfill – mass (tonnes)	1,246.6	880.0	8,398.2
	Liquid hazardous waste – volume (L)	1,747,205.0	1,023,922.0	1,315,791.4
	Medical waste disposed (not incinerated) – mass (tonnes)	0.3	0.2	0.2
Incineration	Non-hazardous waste to incineration – mass (tonnes)	503.7	742.8	749.5
	Hazardous waste to incineration – mass (tonnes)	2,329.8	308.4	108.8
	Medical waste to incineration – mass (tonnes)	39.1	62.6	32.5
Recycling and reuse	Cardboard/paper sent for recycling – mass (tonnes)	100.0	141.3	154.5
	Scrap metal (incl. cans) sent for recycling – mass (tonnes)	14,871.8	161,732.5 ²	8,181.0
	Conveyor belting sent for recycling – mass (tonnes)	110.7	116.0	143.7
	Drums sent for recycling/reuse – number	2,598	5,042	4,369
	Lead acid batteries sent for recycling/reuse – number	411	2,296 ³	2,333
	Plastic sent for recycling/reuse – mass (tonnes)	21.4	44.9	29.4
	Toner/ink cartridges sent for recycling/reuse – number	1,238	2,134	2,977
	Used oil/grease sent for recycling/reuse – volume (L)	2,855,600	3,190,949	2,094,474
	Reused oil/grease – (L)	564,000	346,227	148,043

¹ These figures are typically highly variable depending on waste projects.

² The increase is a result of 3,900m³ moved off Namaqualand as part of closure.

³ Restated from previously reported figures in the 2014 Report to Society.

Material aspects	DMA and indicators	Location	Notes
LABOUR			
ASPECT: EMPLOYMENT			
G4-DMA	Disclosure on Management Approach	28-33	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	GRI Index	Employee turnover, which includes resignations, redundancies, retirement, dismissals and completion of fixed contracts, rose slightly in 2015 to 9.8 per cent (2014: 8.6 per cent). See Figures 25 and 26. Turnover of female and male employees in 2015 was 11.4 and 9.3 per cent respectively. This is the first year we have reported employee turnover by gender and we do not have comparative data for previous years.

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SPECIFIC STANDARD DISCLOSURES CONT.

Material aspects	DMA and indicators	Location	Notes
LABOUR CONT.			
ASPECT: OCCUPATIONAL HEALTH AND SAFETY			
G4-DMA	Disclosure on Management Approach	34-37; GRI Index	<i>Occupational health:</i> Optimal employee health is essential to the effectiveness of our operations, and to the wellbeing and participation of employees in their local communities. Our approach to occupational health is guided by the Good to Great Strategy, the Health Way and associated technical standards. The De Beers Occupational Health Policy outlines our approach to employee health. In 2015, we aligned our approach to health risk management with De Beers' operational risk management process. Health assurance visits took place at a number of operations including Namdeb, Debmarine Namibia and Kimberley Microdiamond Laboratory. These reviews assessed the operations' occupational health and medicine programmes and medical emergency preparedness. We also completed a data integrity audit at Jwaneng and Morupule in Botswana. Improvements identified are built into health improvement plans for 2016, which all sites have in place. The Health Peer Group met five times in 2015 to share insight and good practice across three areas of occupational health – occupational medicine, occupational hygiene and employee wellness. Significant focus areas in 2015 included ongoing alignment with the Good to Great improvement framework and a reenergised approach to HIV/AIDS and tuberculosis management.
G4-DMA	Disclosure on Management Approach	34-37; GRI Index	<i>Safety:</i> Our approach to safety is guided by the Safety Way, defined by our Group Safety Policy, and supported by a set of standards and guidelines that establish the foundations for safety excellence, leadership and behaviour change. These standards include Fatal Risk Standards and Major Risk Standards, which cover all activities with a high risk of fatalities and serious injury. In 2015, we adapted Anglo American's Fatal Risk Standards and Major Risk Standards to better match De Beers' operations and approach to safety. The Safety Peer Group provides a platform where best practice and learning from across De Beers is shared. The Peer Group met six times in 2015. Major topics discussed at the Peer Group included aligning De Beers' operations with Anglo American's Global Safety Day on 7 October, reviewing light vehicle standards and isolation incidents, developing our 10 golden rules for safety and the implementation of new leading indicators.
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	34, 36-37	
ASPECT: TRAINING AND EDUCATION			
G4-DMA	Disclosure on Management Approach	18, 29-30, 32-34	

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Material aspects	DMA and indicators	Location	Notes
LABOUR CONT.			
ASPECT: TRAINING AND EDUCATION CONT.			
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	GRI Index	Employee performance is assessed against a defined set of key results areas (KRAs) through regular dialogue and feedback. In 2015, across the company, all employees (100 per cent) within the non-unionised workforce were included in a performance management system where objectives are set, development discussed and feedback provided (2014: 100 per cent). Employees within the unionised workforce (see indicator G4-I1) negotiate as a group and do not take part in these reviews.
ASPECT: DIVERSITY AND EQUAL OPPORTUNITY			
G4-DMA	Disclosure on Management Approach	28-32	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	31-32; GRI Index	See Figure 27 for a breakdown of women in the workforce by business unit.

FIGURE 25: LA1 – LABOUR TURNOVER, 2013–2015

	2013	2014	2015
Resigned, redundant, retired, contract completed (%)	10.9	7.8	9.1
Dismissed (%)	0.6	0.9	0.7

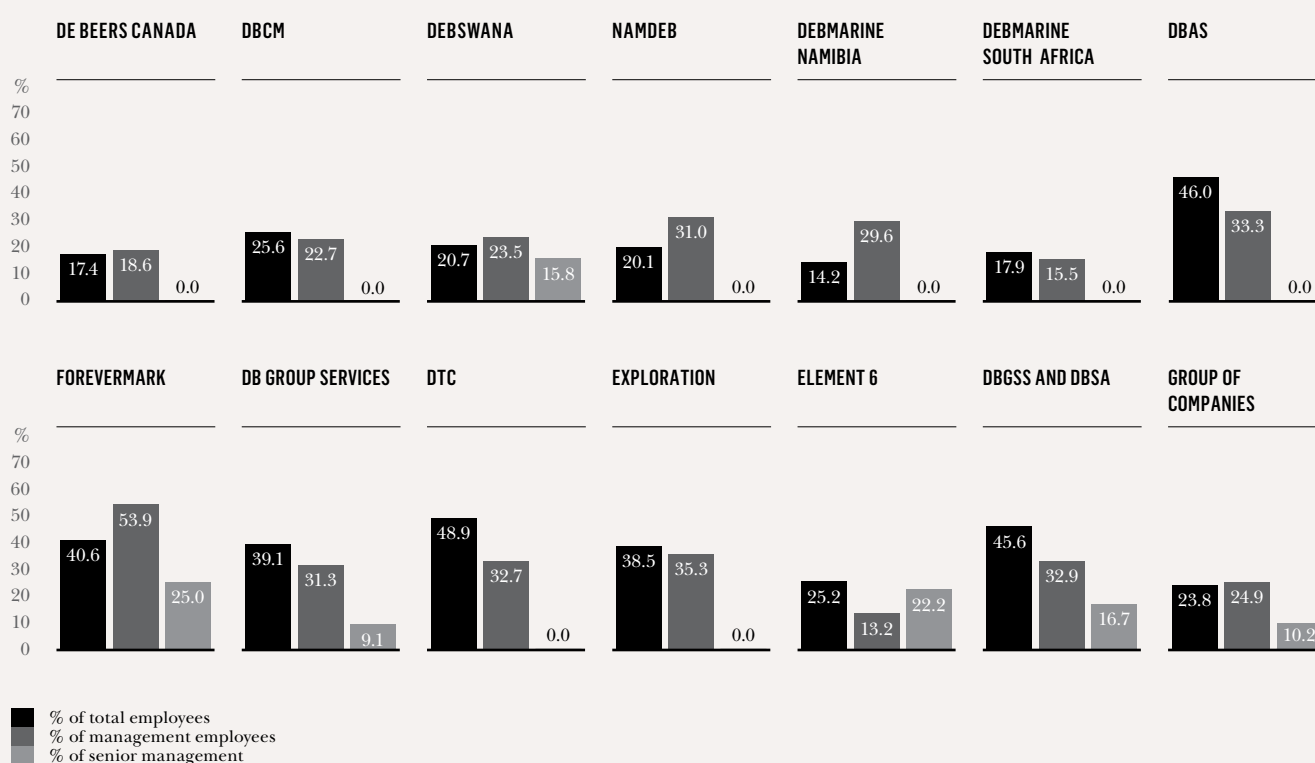
FIGURE 26: LA1 – LABOUR TURNOVER BY REGION, 2015

Africa	Resigned, redundant, retired, contracts completed %	1,089
	Dismissed	59
Asia	Resigned, redundant, retired, contracts completed	45
	Dismissed	4
Europe and Middle East	Resigned, redundant, retired, contracts completed	173
	Dismissed	8
Americas	Resigned, redundant, retired, contracts completed	222
	Dismissed	46

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SPECIFIC STANDARD DISCLOSURES CONT.

FIGURE 27: LA12 – WOMEN IN THE WORKFORCE AND MANAGEMENT BY BUSINESS UNIT, 2015



Material aspects	DMA and indicators	Location	Notes
HUMAN RIGHTS			
G4-DMA	Disclosure on Management Approach	21-22, 27; GRI Index	The key areas of human rights we focus on include labour rights, the rights of indigenous peoples and local communities, and rights that may be at risk due to specific activities, such as our investment, procurement and security practices.
ASPECT: INVESTMENT			
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	GRI Index	All investments over US\$20 million are considered by the DBsa Investment Committee. No significant investment agreements with the potential to directly affect human rights took place in 2015.
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	27	

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Material aspects	DMA and indicators	Location	Notes
HUMAN RIGHTS CONT.			
ASPECT: NON-DISCRIMINATION			
G4-DMA	Disclosure on Management Approach	GRI Index	A safe, respectful and fair workplace is the baseline for all of our operations. We aim to meet or exceed all relevant global labour standards. Our Employee Human Rights Policy outlines our commitment to providing a work environment in which every employee is treated fairly, respected, has the opportunity to contribute to business success and also to realise their full potential as individuals. Specifically, on non-discrimination our policy states that there will be no unfair discrimination in employment on the basis of race, colour, sex, religion, political opinion, gender orientation, national extraction or social origin, and that employees will receive equal pay for work of equal value.
G4-HR3	Total number of incidents of discrimination and corrective actions taken	GRI Index	No substantiated incidents of discrimination were reported within the Group of Companies in 2015.
ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
G4-DMA	Disclosure on Management Approach	GRI Index	We respect the right of employees to associate freely and bargain collectively. This commitment is set out in our Employee Human Rights Policy.
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures to support these rights	GRI Index	No operations have been identified where the right to exercise freedom of association and collective bargaining has been violated or at significant risk. See indicator G4-I1 for information on employees covered by collective bargaining agreements.
ASPECT: CHILD LABOUR			
G4-DMA	Disclosure on Management Approach	GRI Index	Our Employee Human Rights Policy prohibits employment of anyone under the age of 16, and under 18 for roles that may be hazardous to their health, wellbeing or safety, including any night work, underground work and work involving machinery.
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	GRI Index	As part of our BPPs, we assess the risk of child and forced labour at all of our operations. To date, no operations have been identified as presenting a significant risk of child labour. The BPPs also cover our substantial diamond contractors.
ASPECT: FORCED OR COMPULSORY LABOUR			
G4-DMA	Disclosure on Management Approach	GRI Index	Our Employee Human Rights Policy states that employees will not be subjected to any forced labour and that overtime will be voluntary and restricted to the national permitted level.
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced and compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	GRI Index	See G4-HR5.
ASPECT: SECURITY			
G4-DMA	Disclosure on Management Approach	27; GRI Index	Our Security Services and Human Rights Policy applies to employees and contractors at every level of De Beers' majority owned and managed companies. The policy is aligned with the Voluntary Principles on Security and Human Rights.
G4-HR7	Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations	27; GRI Index	All security personnel receive training that includes human rights. Since 2006, we have required external contractors to ensure their personnel are also trained in the human rights aspects of security.

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SPECIFIC STANDARD DISCLOSURES CONT.

Material aspects	DMA and indicators	Location	Notes
HUMAN RIGHTS CONT.			
ASPECT: INDIGENOUS RIGHTS			
G4-DMA	Disclosure on Management Approach	27; GRI Index	Indigenous communities often have cultural and spiritual connections to traditional or ancestral lands. Livelihoods and lifestyles can also be closely connected to their local environment. The rights of Indigenous Peoples are recognised in the Social Way, our framework for managing social performance and assured through the Best Practice Principles programme.
G4-HR8	Total number of incidents of violations involving rights of Indigenous Peoples and actions taken	GRI Index	No incidents of violations involving rights of Indigenous Peoples were recorded in 2015 (2014: none).
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	GRI Index	Two of our mines operate in or adjacent to Indigenous Peoples' territories. Both are in Canada, at Victor Mine in Ontario and Snap Lake Mine (currently on care and maintenance) in the Northwest Territories (NWT). Our Gahcho Kué project, which is expected to start production at the end of 2016, is also located close to indigenous communities in the NWT. In these locations, we have agreed Impact Benefit Agreements (IBAs) with indigenous groups, which provide a framework of commitments through which these communities will benefit from our operations. At Snap Lake, we have agreed four IBAs, at Victor three, and at Gahcho Kué six.
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	27	
SOCIETY			
ASPECT: LOCAL COMMUNITIES			
G4-DMA	Disclosure on Management Approach	38-47; GRI Index	Our community strategy sets three broad aims: • To know and work with our communities • To understand our impacts and responsibilities • To manage our short- and long-term community risks This strategy is aligned to the Social Way – the governing framework for social performance at our operations – and applies across the whole lifecycle of our operations from exploration to closure, and also covers the acquisition and sale of assets. Compliance with the Social Way requires that a multifunctional approach be taken at our operations. Best practice is shared through the Group-wide Social Performance Peer Group, which met twice in 2015. During the year, we also established a Social Performance Council that provides a platform for sharing and aligning on the delivery of Social Performance strategies, improvement plans, policies and guidance. The Council met once in 2015. We continue to train our social performance practitioners through the Certificate Programme in Community Relations Practice in the Extractives Industry run by the University of Witwatersrand and Synergy Consulting. In 2015, five Social Performance practitioners successfully completed the Certificate Programme. This is in addition to the five who passed in 2014; nine further practitioners are currently enrolled in the programme.

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Material aspects	DMA and indicators	Location	Notes
SOCIETY CONT.			
ASPECT: LOCAL COMMUNITIES			
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments and development programmes	40, 42-43	
G4-SO2	Operations with significant actual or potential negative impacts on local communities	40, 42; GRI Index	All mining operations have positive and negative social impacts. These can include local population changes, including the influx of employment-seekers from outside the community; changes to the local economy and livelihoods; changes in health status; changes in the pressures on local infrastructure and services; the quality and availability of natural resources; social nuisance factors, such as dust and noise; and impacts on safety and security. During the development of a mine, or when planning significant changes to existing operations, we undertake ESIA's to identify our potential impacts and develop mitigation measures.
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples	GRI Index	In South Africa, three communities have made formal land claims under the Restitution of Lands Act to areas in which we operate. These relate to properties owned by DBCM at Venetia, Rooipoort and Hondeklip Bay in Namaqualand.
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	42; GRI Index	Effective grievance mechanisms for local stakeholders are a key requirement of the Social Way. They allow new impacts to be identified by local stakeholders and addressed by an operation's management team. During 2015, our operations worked to improve their grievance mechanisms in line with the newly updated Social Way. Grievance mechanisms need to align with the UN Guiding Principles for Business and Human Rights, which includes proactively informing local community stakeholders that grievance mechanisms exist and providing a mechanism for appeals against internal investigations of grievances. We will continue to focus on grievance mechanisms in 2016 and will complete the roll-out of a system to record and monitor progress with grievances. Grievance systems are audited each year through the BPP process.
ASPECT: ANTI-CORRUPTION			
G4-DMA	Disclosure on Management Approach	26; GRI Index	We take a zero-tolerance approach to all forms of corruption and are committed to ensuring continued compliance with anti-bribery and anti-corruption laws and regulations in all jurisdictions in which we operate. Our zero-tolerance approach covers all forms of corruption, bribery, conflicts of interest, theft, extortion, embezzlement, fraud and misuse of company assets. Our approach to managing bribery and corruption risk is guided by our Business Integrity Policy. The policy is supported by 11 Prevention of Corruption Performance Standards that provide principles and guidance on key areas of bribery risk, including: gifts, entertainment and hospitality; conflicts of interest; facilitation payments; use of company assets; political donations; interactions with government officials and lobbying; charitable donations; social and community investment and enterprise development; sponsorship; retention and payment of intermediaries; and mergers, acquisitions, joint ventures and associates. To De Beers, business integrity means ensuring that we compete fairly, legally and without improper influence, and in line with international best practice in all jurisdictions in which we operate. This includes our interactions with our host governments, business partners, employees, competitors, suppliers and customers. 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'.

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SPECIFIC STANDARD DISCLOSURES CONT.

Material aspects	DMA and indicators	Location	Notes
SOCIETY CONT.			
ASPECT: ANTI-CORRUPTION CONT.			
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	26, 57; GRI Index	During 2015, all De Beers business units updated their Business Integrity risk questionnaires and developed individual Business Integrity implementation plans. These plans work to incorporate the requirements of the Business Integrity Policy and associated Performance Standards into each operation's activities and processes. In most cases, the implementation plans were successfully completed in 2015. In 2015, compliance with our Business Integrity requirements was subject to an internal audit. Fourteen business units and corporate functions were subject to a full internal audit and another three business units undertook self-assessments. The results of the audit were 'moderate', showing that, as a whole, the Group's processes for managing business integrity risks are generally in accordance with the requirements of the Business Integrity Policy and the Prevention of Corruption Performance Standards. Some areas for improvement were identified and action plans to deliver these improvements have been agreed.
G4-SO4	Communication and training on anti-corruption policies and procedures	26; GRI Index	Business Integrity training follows a four-year cycle. This includes workshop training in year one followed by online training in year three and supported by regular global and local communications to support awareness and understanding. The latest training cycle began in 2013 and since then 1,816 people have participated in workshop training. Workshop training is provided to those in roles with a higher risk of exposure to bribery and corruption. The workshops were tailored for each participant group to deliver a good understanding of what corruption is, its presence in the modern world, and to provide a focus on the corruption risks that employees may face in their daily commercial or operational activities. The roll-out of online training commenced in 2015.
G4-SO5	Confirmed incidents of corruption and actions taken	GRI Index	
ASPECT: PUBLIC POLICY			
G4-DMA	Disclosure on Management Approach	10	
G4-SO6	Total value of political contributions by country and recipient/beneficiary	10	

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Material aspects	DMA and indicators	Location	Notes
SOCIETY CONT.			
ASPECT: ANTI-COMPETITIVE BEHAVIOUR			
G4-DMA	Disclosure on Management Approach	27; GRI Index	De Beers is committed to ensuring continued compliance with competition and anti-trust laws and regulations everywhere we operate. We have a zero-tolerance stance towards any non-compliance and will not tolerate violations of competition laws, or mistakes resulting from carelessness or inattention to compliance by our employees. We provide training and guidance for employees on complying with competition law to support our zero-tolerance approach. Our guidance outlines how to manage key risk areas relating to competition law compliance. Risk areas include: contact with competitors; the use of competitively sensitive information; contact with suppliers and customers; abuse of market power; competition law enforcement; and corporate transactions, such as mergers, acquisitions, joint ventures and co-operative arrangements. The annual competition law compliance programme includes a requirement for relevant employees to undertake either standard or refresher online competition law training. The annual programme includes a self-certification process that requires relevant employees to certify they have read the De Beers Anti-Trust Compliance Manual and Policy before they can access the online compliance training. In 2015, 1,452 (2014: 1,311) relevant individuals were nominated to complete the programme (excluding Element Six). The average completion rate across De Beers was 99.79 per cent (2014: 98.7 per cent completion). In 2015, we updated our employee on-boarding procedures to ensure that relevant individuals self-certified against the Anti-Trust Compliance Manual and Policy on joining or moving into a relevant role. We also enhanced our dawn raid procedures for our UK offices. Our competition law compliance programme was subject to an internal audit in 2015. The overall result of the audit was 'good' and findings showed our employee compliance programme to be well prepared and executed, with thorough and regularly updated monitoring of employees' completion of the programme.
G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	GRI Index	In addition to the need to comply with applicable competition laws: • De Beers is subject to legally binding commitments to the European Commission not to purchase rough diamonds from ALROSA, directly or indirectly • As part of a Settlement Agreement that De Beers entered into in March 2006 to settle all outstanding class actions against it in the US, we also entered into an injunction, which will remain in effect until June 2017 In 2015, De Beers was not subject to any fines or non-monetary sanctions for non-compliance with competition or anti-trust laws, or for breach of the commitments and injunction referred to above. De Beers continued to be involved in legal proceedings in Belgium relating to the termination of rough diamond supply to a former client in 2003. There are four class actions against De Beers in Canada, three of which are active. De Beers continued to vigorously defend the cases that are active.
ASPECT: COMPLIANCE			
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	GRI Index	

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SPECIFIC STANDARD DISCLOSURES CONT.

Material aspects	DMA and indicators	Location	Notes
SOCIETY CONT.			
SECTOR-SPECIFIC ASPECT: RESETTLEMENT			
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process	47; GRI Index	In addition to the farmers around Orapa Mine that were resettled in 2015 (see page 47), an additional 12 farmers will also be impacted by the loss of land. Consultation is ongoing to identify the most effective means of compensation, given that the land was not actively being used. An internationally recognised consultancy is identifying additional livelihood support measures. It is also developing a monitoring and evaluation framework in accordance with international good practice as defined by the International Finance Corporation's (IFC) Performance Standard 5 covering land acquisition and involuntary resettlement.
SECTOR-SPECIFIC ASPECT: CLOSURE PLANNING			
G4-DMA	Disclosure on Management Approach	39, 44-47, 52-53	Our Environmental Policy and Lifecycle Planning and Management Standard require all operations to have adequately funded closure plans at the right level of detail for their remaining life of mine. Closure plans and costs are not static and require ongoing adjustment to ensure they remain aligned with changes to the mine plan and remaining life of an operation. All closure plans are developed in accordance with the Anglo American Mine Closure Toolbox.
MM10	Number and percentage of operations with closure plans	GRI Index	100 per cent of our operations have closure plans. The level of detail of each closure plan is dependent on the remaining life of mine. Figure 28 shows the status of our closure plans based on each mine's remaining life of mine. Exploration operations have Environmental Management Plans that cover closure of the exploration sites.

FIGURE 28: MM10 – STATUS OF CLOSURE PLANNING FOR MINING OPERATIONS, 2015

Production phase – life of mine to scheduled closure and closure plan level of detail					Closure phase
>25 years	25–15 years	15–10 years	10–5 years	5–0 years	0–5 years
Preliminary closure plan	Preliminary closure plan	Draft closure plan	Detailed closure plan	Final closure plan	Final closure plan
• Venetia • Morupule • Orapa	• Letlhakane • Damtshaa • Jwaneng • Namdeb – Atlantic 1		• Voorspoed	• Victor	• The Oaks • Namaqualand

Material aspects	DMA and indicators	Location	Notes
PRODUCT RESPONSIBILITY			
ASPECT: PRODUCT AND SERVICE LABELLING			
G4-DMA	Disclosure on Management Approach	21, 24	
G4-PR3	Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	24, 25	
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	24, 57	

ASSURANCE STATEMENT

ASSURANCE STATEMENT

De Beers has commissioned Corporate Citizenship to provide external assurance and a commentary on its 2015 Report to Society.

THE SCOPE OF OUR ASSURANCE

The assurance provides the reader with an independent, external assessment of the report and, in particular, with how it corresponds with the AA1000 standard. It is intended for the general reader and for more specialist audiences who have a professional interest in De Beers' sustainability performance.

De Beers has chosen to use the AA1000 assurance standard AA1000AS (2008).

Our assurance is a Type 2 assurance as defined by the standard, in that it evaluates the nature and extent of adherence to the AA1000AS principles of inclusivity, materiality and responsiveness and assures the performance of the organisation as reported here. Our assurance used disclosed information as its starting point and then investigated the underlying systems, processes and sustainability performance information to arrive at its conclusions. In addition, it has verified the reliability of selected reported sustainability performance information.

We have verified the 2015 environmental and social data from the report. Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process. Selected environmental, health and social indicators were reviewed by PWC as part of the assurance of Anglo American's 2015 sustainability data. For these indicators, consolidated data was reviewed, but not checked back to source.

The level of assurance is moderate, which means that we believe there to be sufficient evidence to support the statement such that the risk of the conclusion being in error is reduced.

In conducting the assurance, we have had consideration to the Global Reporting Initiative Principles for Defining Report Content and Ensuring Report Quality.

De Beers is entirely and solely responsible for the contents of the report, Corporate Citizenship for its assurance. As noted above, our assurance is confined to the 2015 Report to Society. It does not cover De Beers' previous reports, the Summary Review, or online material and coverage.

A detailed note of our assurance methodology appears at the end of this statement.

OPINION AND CONCLUSIONS

In our opinion, the 2015 De Beers Report to Society reflects the principles of AA1000 (2008): inclusivity, materiality and responsiveness. We comment on each individually below.

COMMENTARY

With regard to inclusivity, the principle that people should have a say in the decisions that matter to them, we find De Beers demonstrated active engagement with its key stakeholder groups to gain a good understanding of their interests.

The community section of the report discusses stakeholder engagement mechanisms in detail but reporting on other areas of engagement in more depth (e.g. supply chain) could be beneficial.

It is clear that there is an ongoing process of stakeholder engagement and that De Beers has identified key stakeholders for engagement. It is important going forward that views of stakeholders are actively represented from the local level, especially producer countries.

With regard to materiality, the principle that decision-makers should be clear about the issues that matter, we find De Beers has continued to assess the material issues across the business and clearly presents this across its five reporting areas. During 2015, De Beers carried out a multi-stakeholder forum to review its material issues with external stakeholders and sustainability experts. De Beers has identified that it will be undertaking a comprehensive review of its material issues in 2016.

The report does not include any overall goals and targets for the material aspects identified and would benefit from a more forward-looking approach to allow the reader to better understand what De Beers sets out to achieve, and how it tracks performance against these areas. This has been commented on in previous assurance statements and remains an improvement point.

With regard to responsiveness, the principle that organisations should act transparently on material issues, we find De Beers has robust processes in place for stakeholder engagement and feedback. This year, the report shows the results of the employee survey which was put into place at the end of 2014. This demonstrates improved responsiveness for the stakeholder group.

ASSURANCE STATEMENT

ASSURANCE STATEMENT CONT.

The specified sustainability performance information is reliable and accurate.

In our opinion, the De Beers Report to Society and Supplement 2015 are presented in Accordance with the Core option for GRI G4 (2013) and fulfil all the required content and quality criteria.

GENERAL STANDARD DISCLOSURES AND SPECIFIC STANDARD DISCLOSURES

We are satisfied that the General Standard Disclosures and Specific Standard Disclosures on Aspects identified as material have been addressed in line with the Core requirements of GRI G4 (2013).

PRINCIPLES

In our opinion, the content and quality of the report has been produced in line with the ten GRI Principles.

CORPORATE CITIZENSHIP

London
6 April 2016



SUMMARY REPORT FOR DE BEERS GROUP 2015 CYCLE

ROLE OF SGS IN THE BPP PROGRAMME APPOINTMENT OF SGS

SGS has been the verification partner for the De Beers Best Practice Principles (BPPs) since July 2003. After involvement in the development of the programme and initial pilot programmes, SGS has verified compliance against the BPPs since they came into full force in 2005. The 2015 cycle marks the 10th anniversary of this programme.

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 or the De Beers Group. This has been supplemented by further safeguards since SGS gained accreditation as a Certification Body for the Responsible Jewellery Councils (RJC) which also has requirements in this regard.

SCOPE OF WORK AND EVOLUTION OF PROGRAMME

The 2015 BPP cycle ran from 31 March 2015 to 30 March 2016. As in 2014, the programme remained fully aligned with the RJC Standards, having been updated to incorporate the 2013 Code of Practices. At the same time, where the BPP requirements are at a higher level, these have been retained, ensuring that the programme has not been compromised in any way. The 2015 programme continued to reinforce requirements in relation to the risk of undisclosed synthetic diamonds entering into the natural diamond pipeline through the requirement for a risk assessment of the diamond pipeline and a targeted testing protocol. References to Provenance Claims continue to be an option which can be put forward for review.

Sightholders and Accredited Buyers were again given the opportunity of integrating RJC certification visits into their BPP programme in order to provide a streamlined approach and to leverage the areas of commonality. Participants were able to upload their RJC certificates to the online system and respond to a more limited number of questions for their first-party assessments. As before, the third-party verification visits continued to assess compliance across all relevant points, so that a 'deeper' verification was undertaken.

The scope of work undertaken by SGS as the BPP verifier for the 2015 cycle comprised the following:

- Desktop review of a sample of the workbooks submitted by Sightholders and Accredited Buyers for their owned operations and contractor (Tier B) sites and by The De Beers Group of Companies. This process verifies that all required workbooks have been submitted; that all questions have been answered; that the responses to the questions support the compliance status declared in each case; and that the conclusions have been tested by requesting supporting evidence on a random number of questions.
- Verification visits on up to 10 per cent of each Sightholder Group's and Accredited Buyers' declared eligible entities to independently assess the situation through first-hand evidence of compliance with the issues concerned.
- Provision of information relating to the compliance status of Sightholders' and Accredited Buyers' 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 ensuring that the alignment to the 2013 RJC Code of Practices remains in place.

During the 2015 cycle, De Beers renewed its RJC certification, and the results from the visits for this certification, which were undertaken by RJC-accredited auditors who have had no previous involvement with the BPP programmes, have also been taken into account.

VERIFICATION METHODOLOGY

The verification process is undertaken in three stages:

- In the country of operation, workbooks are reviewed 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 BPPs.
- Local reviews are then submitted to a central review point and subsequently cross-checked to ensure consistency by country and key points.
- An average sample of 10 per cent of each Group's entities are selected centrally for on-site verification visits to check the effectiveness of the first-party assessments and to evaluate at first hand the situation on the ground. For the De Beers Group, these visits were undertaken by RJC-accredited auditors who had not previously been involved in the BPP programme in order to satisfy the independence requirements set by the RJC.

DE BEERS GROUP FACILITIES

For the De Beers Group, the requirement for the submission of self-evaluations was completed to the agreed deadlines and 66 workbooks were submitted for eligible facilities. Twenty-one workbook reviews were conducted by the team managing the BPP programme and completed during the cycle. These have been rated in accordance with the BPP programme requirements and any issues found were actively followed up.

BPP ASSURANCE STATEMENT

SUMMARY REPORT FOR DE BEERS GROUP 2015 CYCLE CONT.

Eight on-site verification visits were also completed as part of the renewal of their RJC certification with the information uploaded to the SMART system.

The locations of the visits were selected by the team managing the RJC certification through a risk-based approach in accordance with the programme requirements and resulted in a further three-year certification recommendation to the RJC.

All infringements in the De Beers entities found in the course of previous cycles have been rectified with evidence of implementation verified either on-site or through the workbooks. This is a very strong position from which to be moving to the next phase of this programme.

SIGHOLDERS AND ACCREDITED BUYERS

Sightholders and Accredited Buyers were required to complete and upload workbooks for all eligible entities and contractors for whom they represent >75 per cent of their business and declare any non-substantial contractors on the SMART system. 2,178 eligible 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 831 individual workbooks. Two hundred and fifty-one workbooks were reviewed for this cycle and rated in accordance with the BBP programme requirements.

One hundred and sixteen on-site verification visits were also completed based on the sampling rules defined above and the third-party workbooks were uploaded to the SMART system.

OVERALL SUMMARY

Policies and procedures are now embedded into normal operations for De Beers' facilities and there is a commitment to continuing to meet and exceed both the BPP and RJC requirements.

No Material Breaches or Major or Minor Infringements were identified during first- or third-party assessments and the De Beers Group achieved full three-year certification to the RJC Code of Practices.

Sightholders and Accredited Buyers had a more mixed performance. A total of 173 infringements were raised during the cycle, of which 20 were Major Infringements with five raised against Business Principles; 13 against Social Requirements; and two against Environmental Requirements.

RECOMMENDATIONS FOR FUTURE DEVELOPMENT

As in previous cycles, the lack of detail in the first-party assessments continues to be a challenge in trying to undertake effective desktop reviews of the workbooks. It is strongly recommended both for De Beers and for the Sightholders and Accredited Buyers that more emphasis is placed on the effective completion of this part of the process and that the BPP Coordinators and Managers are encouraged to undertake deeper self-assessments and provide more information concerning the evidence to support compliance or otherwise.

For Sightholders and Accredited Buyers, disclosure will continue to be a major focus and this is being expanded further to incorporate the BPP Melee Assurance Protocol which covers diamonds in the size range of 0.01ct and below. 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.

De Beers Group successfully completed its RJC Code of Practices re-certification and is now looking at going further, especially in relation to the Mining Supplement section and the points relating to Community Engagement.

The workbooks have been extended for all parties to allow more meaningful and quantifiable responses to the section on Corporate Social Investment and Impact and to be able to measure activities that support the UN Global Goals for Sustainable Development.



EFFIE MARINOS

SGS United Kingdom Ltd

31 March 2016

www.uk.sgs.com

An independent design and implementation review of SGS Central's performance of the planning, coordination and delivery of the annual verification of the Best Practice Principles Programme was conducted in 2015 by Insight ResponsAbility. Please visit www.debeersgroup.com/buildingforever for more detail on the outcome of the review.

WHISTLEBLOWING HOTLINE

The De Beers Group of Companies' whistleblowing service (Speak Up) enables employees and other stakeholders to raise concerns about conduct that is unlawful, unethical or unsafe, including (but not limited to):

HEALTH AND SAFETY

Actions that could result in harm to individuals or the environment.

BRIBERY AND CORRUPTION

Illegally taking or offering financial incentives.

MISUSE OF ASSETS

Inappropriate use or theft of company property.

LEGAL OBLIGATIONS

Failure to comply with or meet legal commitments.

CONFLICT OF INTEREST

Concealment of interests that may influence decisions.

Any person wishing to report an incident can use Speak Up, a confidential whistleblowing service for all employees and stakeholders of the Anglo American group. It is independently managed by Deloitte Tip-offs Anonymous. Contact details are as follows:

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FURTHER INFORMATION

BUILDING FOREVER

You can find out more about how we are Building Forever at our online hub. Click on 'Our Stories' for videos, case studies, blogs, news and more.

www.debeersgroup.com/buildingforever



REPORTING CENTRE

Information on our financial performance, production data and market analysis and insights can be found on our website.

www.debeersgroup.com/reports



FINANCIAL PERFORMANCE

Our financial performance can also be found in the Anglo American plc group Annual Report.

www.angloamerican.com



GLOSSARY

Definitions for terms and abbreviations used within this report can be found on our website.

www.debeersgroup.com/glossary



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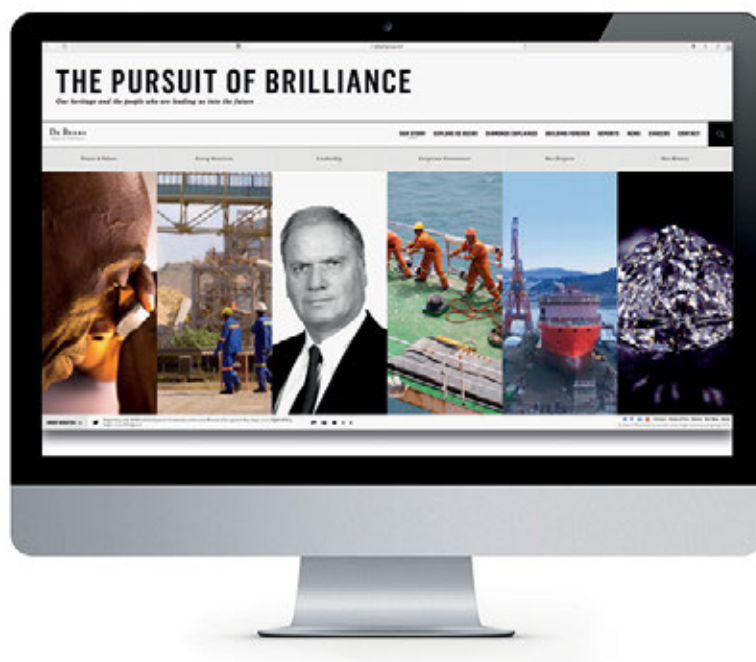
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FURTHER INFORMATION CONT.

FEEDBACK

We appreciate your feedback on this report or any other aspect of our sustainability performance. Please contact us at:

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