De Beers
Group of Companies

MAPPING THE SDGs TO THE DE BEERS GROUP DIAMOND VALUE CHAIN



DIAMOND **DIALOGUES**

INTRODUCTION

Launched by the United Nations in 2015, the Sustainable Development Goals (SDGs) are a universal set of targets and indicators. Covering a range of urgent issues, from poverty eradication to environmental protection, they provide a vision of a more sustainable future for governments, businesses, civil society, communities and individuals.

WHY THE SDGs MATTER

With its global scale and diverse operations, the diamond industry has the potential to influence and affect all the SDGs. In turn, the SDGs are of vital importance to the diamond industry. The ongoing success of diamond companies will depend on accountability across the diamond value chain regarding contributions to sustainable development. The SDGs also present an opportunity to translate development priorities into tangible business actions, while the achievement of the SDGs across different countries will support stability, economic growth and prosperity.

De Beers Group has long been driven by its commitment to Building Forever – ensuring its diamonds drive prosperity and create a positive legacy in its producer countries. Building Forever is not just the right thing to do, it is also a way for De Beers Group to de-risk its business, demonstrate value to partners and live up to its responsibility to consumers.

The SDGs enable De Beers Group to align its Building Forever commitments to contribute to global priorities, while enhancing its operations and value chain in the following areas:

Building confidence
By contributing to the delivery of the SDGs, De Beers Group and its partners can strengthen confidence in their sustainability approach. Further, in its efforts to ensure the highest levels of ethical and sustainable business practice, the company can build further trust in the diamonds it sells.

Facilitating collaboration
In order to create a positive legacy, all De Beers Group operations and organisations along the value chain need to play their part. The SDGs enable the company to mobilise, engage and unite a diverse range of stakeholders around a shared ambition: to increase the positive contributions of diamonds to sustainable development.

Strengthening partnerships
By clarifying national development priorities in host countries, the SDGs enable De Beers Group and its partners to direct resources more effectively in appropriate areas and deliver socio-economic benefits. In this way, they help De Beers Group to be a better partner and to make meaningful and multi-faceted contributions to national development goals.

As the world's leading diamond company, De Beers Group has a unique role to play in advancing the SDGs across the diamond industry. The business is also well positioned to assess and deepen the relationship between its value chain and the SDGs.

In this new series of *Diamond Dialogues*, De Beers Group explores the importance of the SDGs to the company and its value chain partners, and the opportunities for engagement with the SDGs.

De Beers Group has worked with businesses across its value chain to understand and map the existing contributions to the SDGs. It is sharing these insights to provide a baseline to support the assessment of roles, responsibilities and opportunities arising from the SDGs and to drive action across its value chain.

At the heart of this collaboration is the shared belief that the SDGs represent a vital opportunity to further sustainable development. But this can only be achieved by continuing to work in partnership.

Examples of existing contributions to the SDGs are highlighted throughout this publication, with more information available online at:

www.debeersgroup.com/SDGs



BEST PRACTICE PRINCIPLES

De Beers Group operates in line with international best practice and ethical business principles.

In the early 2000s, the company was instrumental in the development of the Kimberley Process, a joint government, industry and civil society initiative to stem the flow of conflict diamonds. De Beers Group is also committed to going beyond the scope of the Kimberley Process and addressing other key industry issues, such as human rights, labour, social and environmental standards.

As part of this work, in 2003 the company launched the Best Practice Principles (BPP) Programme. The BPP Programme enables De Beers Group to assess its own operations, its relevant customers and their relevant subcontractors for compliance with best practice ethical standards.

An internationally recognised initiative, the BPP Programme currently covers approximately 345,000 employees across 3,000 diamond entities in 76 countries. It provides a rigorous, third-party assured mechanism for the company to improve responsible business practice internally and seek to raise industry practices and standards externally.

Furthermore, by making compliance with the Best Practice Principles and participation in the BPP Programme a condition of rough diamond supply for relevant customers, De Beers Group is able to drive deeper engagement and accountability for contributions to the SDGs across the value chain, raising the profile of the SDGs within the diamond industry and giving participating customers an opportunity to share new initiatives and endeavours.

PARTNERING FOR GREATER IMPACT

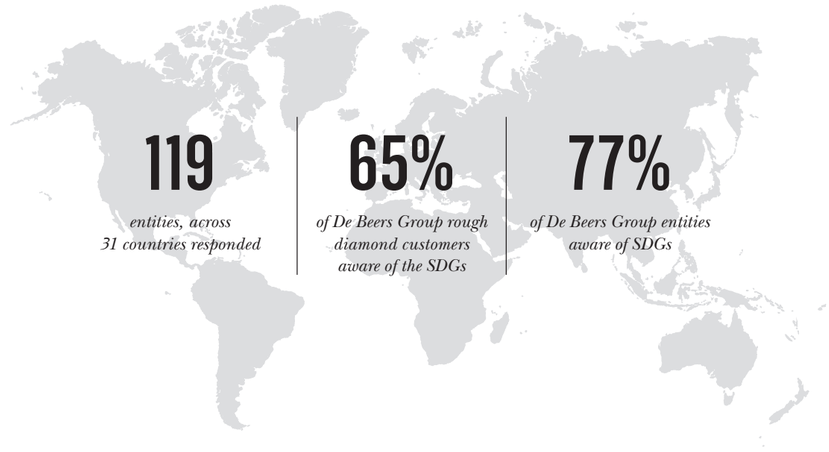
Partnerships are one of De Beers Group's greatest strengths and are fundamental to its business model. With collaboration crucial to the delivery of the SDGs, De Beers Group is well placed to make a significant contribution, drawing on new and existing partnerships, and crossing sectoral and national barriers.

Undoubtedly, partnership between the company, its value chain and key stakeholders, including governments, civil society and development agencies, is essential to increasing the impact of the contributions to the SDGs and removing obstacles to success.

www.debeersgroup.com/SDGPartnerships

MAPPING THE SDGs

In 2016, De Beers Group used the BPP Programme's assurance process to conduct a preliminary assessment of the awareness of, and contributions to, the SDGs across its value chain. Encouragingly, despite no prior engagement on the SDGs, awareness levels were high.



PRIMARY CONTRIBUTIONS TO THE SDGs

Activities across the De Beers Group value chain directly contribute to the SDGs in a number of ways. These may relate to a company's core business and social investments, or to its public advocacy and participation in policy dialogue. While all contributions are important, De Beers Group believes the greatest opportunities for impact are through core business activities.

The summary below includes the most material linkages between the SDGs and the De Beers Group value chain, as identified via a preliminary assessment of contributions.

More information to assist individual companies to benchmark current contributions and identify new opportunities is available online at: www.debeersgroup.com/SDGs.

THE DIAMOND PIPELINE	*Upstream*		*Midstream*			*Downstream*
	EXPLORATION	**PRODUCTION**	**SORTING AND VALUATION**	**CUTTING AND POLISHING**	**JEWELLERY MANUFACTURING**	**RETAIL AND BRANDS**
	De Beers Group's exploration activities are currently focused on Botswana, Canada, Namibia and South Africa, where highly sophisticated technologies are used to find deposits.	De Beers Group operates open-pit mines in Botswana, Canada and South Africa, and recovers alluvial diamonds in Namibia using onshore extraction techniques and mining vessels. Through Element Six, its synthetic industrial diamond supermaterials business, De Beers Group supplies tool and application manufacturers across a diverse range of global sectors.	Rough diamonds are split into categories according to size, shape, colour and clarity, and are assigned a value that reflects the prevailing supply and demand conditions for each category. De Beers Group sells the majority of its rough diamond production via term contract sales to customers known as Sightholders, and on a more ad hoc basis to customers known as Accredited Buyers. The balance of production is sold to the wider industry through online auctions.	The cutting and polishing of diamonds and the manufacture of diamond jewellery takes place in Belgium, Botswana, China, India, Israel, Namibia, South Africa and the US. De Beers Group aims to support activities such as cutting and polishing in its countries of operation through its beneficiation strategy.	Skilled artisans create a range of jewellery products in a variety of designs to meet the demand from different geographical markets and consumer groups.	De Beers Group markets polished diamonds to consumers through Forevermark, which promises a consumer that his or her diamond is beautiful, rare and responsibly sourced, and it retails diamond jewellery through De Beers Jewellers. De Beers Group's value chain partners retail to consumers through a variety of other consumer brands.
	De Beers Group and joint venture partners (including the Governments of the Republics of Botswana and Namibia).		De Beers Group (including joint ventures) and its customers (Sightholders and Accredited Buyers).	Sightholders, Accredited Buyers and their customers.		De Beers Group, Sightholders, Accredited Buyers and their customers.

SDG CONTRIBUTIONS VIA CORE BUSINESS

Whole value chain



Specific sections



UPSTREAM AND MIDSTREAM

DOWNSTREAM

OTHER SDG CONTRIBUTIONS



DIAMONDS IN ACTION

These examples, including case studies from De Beers Group's rough diamond customers, illustrate different contributions across the value chain. They show the relationship between existing economic, social and environmental initiatives and the SDGs, and how collaboration can help to optimise additional resources and enhance impact.

	Upstream	SDGs IMPACTED	*Midstream*	SDGs IMPACTED	*Downstream*	SDGs IMPACTED
ECONOMIC *Contributing to economic development, through decent jobs and livelihoods, taxes, infrastructure investments, enabling economic diversification, building the skills of employees, and local procurement. Diamond revenues to partner governments in particular help to fund vital public services.*	The **Tokafala Enterprise Development Programme** is a public-private partnership between De Beers Group, Debswana, Anglo American and the Government of the Republic of Botswana. It was established to help reduce Botswana's dependence on diamond mining by building a diversified and sustainable economy beyond mining, as well as to stimulate job creation. Tokafala empowers a broad base of entrepreneurs – typically micro, small and medium enterprises – through the provision of business mentorship and advisory support services. Since 2014, the programme has delivered US$8 million in joint public-private investment, seen a 39 per cent growth in participating enterprise revenue and helped micro-enterprises grow by 260 per cent.	8, 17	**Dimexon** is empowering women in Tamil Nadu, India, by providing employment and development opportunities at its cutting and polishing factory. Historically, South Asia has had the third lowest female labour force participation rate of all regions globally. However, at Dimexon, the hiring and training of women have been prioritised since the late 1980s. Actively recruiting women after they graduate from high school, the company builds their capabilities through technical, workplace and management training programmes. The company is now one of the largest employers of women in the industry in Tamil Nadu, with female staff accounting for 86 per cent of its workforce.	1, 5, 8	The aim of the **Young Jewellery Designers Skills Development Initiative** and **Shining Light Awards** is to develop the creativity and business skills of young people in Botswana, Namibia and South Africa. Through these awards, De Beers Group is helping to address the major challenge of youth unemployment in the region, where currently around 60 per cent of young people are unemployed, and those who are employed tend to work in low-pay, low-skilled jobs. Encouragingly, of the previous 25 Shining Light Award winners, nearly three quarters of them currently work in jewellery design and manufacturing, with almost half now owning their own business.	4, 8
SOCIAL *Supporting social development and inclusion through workplace policies and initiatives for equality, occupational health and safety, and provision of healthcare to employees and their dependents.*	Since 2001, **De Beers Group** has been working to reduce the impact of HIV/AIDS on employees and communities in Botswana, Namibia and South Africa. Comprising prevention, treatment, care and support, the programme has had a dramatic impact. HIV-positive employees in Debswana, in particular, dying from HIV/AIDS dropped from 31 per cent in 1996 to less than one per cent in 2004. Recently, De Beers Group has also embraced the World Health Organisation's campaign to get 90 per cent of employees to know their status, 90 per cent of HIV-positive employees to be enrolled in a treatment plan, and 90 per cent of those on a plan to achieve viral suppression.	3	In response to a paucity of skills and employment opportunities among India's youth, **Shree Ramkrishna Exports (SRK)** has established the Research and Knowledge Institute of Diamonds. Initiated in 2014 in Surat, Gujarat, the institute provides young people with access to short-term vocational and technical training in core diamond manufacturing. Courses are extended to students from all backgrounds, targeting not only unskilled young people, but also industry professionals interested in enhancing their knowledge and skills. Since launch, nearly 900 young people have been trained in diamond cutting and polishing, with the majority subsequently employed by SRK.	4, 8	Given China's rapid rise in automation, and the skills-gap challenge facing graduates and employees, **Chow Tai Fook** is attempting to drive business growth through targeted employee development. In 2015, the company expanded its contribution to the SDGs by establishing the Chow Tai Fook Academy, which aims to increase employee training, especially benefitting the young people in its workforce. While some courses are tailored to job functions, others are broader in nature, reflecting a holistic approach to entrepreneurship skills. As of March 2016, Chow Tai Fook has provided a total of 739,000 hours of employee training through more than 3,600 courses.	4, 8
ENVIRONMENTAL *Protecting the environment and combating climate change by preserving local ecosystems, investing in technologies that reduce greenhouse emissions, energy and water use.*	Reducing carbon emissions is critical to climate change management. As part of **De Beers Group's** efforts to be carbon neutral by 2030, the company established Project Minera in 2016 to explore the feasibility of carbon-neutral mining. The company's scientists are exploring the potential of kimberlite, a type of diamond-bearing rock with the ability to capture carbon dioxide through a process called 'mineral carbonation'. It is estimated that the carbon storage potential of kimberlite tailings produced by a diamond mine every year could offset up to 10 times the emissions of a typical mine. The speed with which De Beers Group is progressing the research is made possible by collaboration with international academics and scientists.	13	In an effort to reduce its environmental impact, **Rosy Blue NV** has implemented a range of measures to engage its workforce and drive action on climate change. These measures include regular audits that allow the company to monitor progress on environmental performance, and staff training on energy efficiency, consumption, waste disposal and transport. Since 2012, these initiatives have helped to deliver a 28 per cent reduction in the company's overall carbon footprint which was down to 7,270 tCO_2e in 2016.	12, 13	In 2004, **Tiffany & Co.** became one of the first jewellery companies to stop using coral in its products. Since then, the company has used its voice to raise consumer awareness of the importance of protecting the world's coral reefs and urges others in the industry to do the same. The Tiffany & Co. Foundation also supports education and research on reef management and healthy oceans, awarding nearly US$20 million in grants to organisations engaged in these activities since its first year of giving in 2000. As of the end of 2016, The Tiffany & Co. Foundation has supported the development of marine protected areas covering approximately six million square kilometres of the ocean.	14

A CONTINUING JOURNEY

De Beers Group aims to increase its contribution to the SDGs by embedding them across its operations and value chain.

The first step will be to encourage all value chain partners to map, identify and actively manage their impact on the SDGs, and to determine future SDGs priorities.

Within its own operations, De Beers Group is building on this preliminary mapping via its annual materiality exercise to further map potentially negative impacts on the SDGs, so it can ensure they are mitigated.

The company also aims to raise the level of dialogue on the SDGs by bringing different sectors together to discuss common issues, and by encouraging collaboration through events and publications.

Every individual and organisation operating across the De Beers Group value chain, and the sector as a whole, has a role to play.

The SDGs provide a compelling vision of what it means to be a sustainable business, uniting all stakeholders around a common purpose: to increase and accelerate the positive contribution diamonds can make to sustainable development.

De Beers Group will share details of collaborations, progress and partnerships in future *Diamond Dialogues* and online at:

www.debeersgroup.com/SDGs

De Beers Group has developed this publication in partnership with

Business Fights Poverty

5

De Beers Group has forged a three-year partnership with **UN Women** through their HeforShe Thematic Champion initiative. As part of this initiative, the company is committed to accelerating the advancement of women.

This means aiming to achieve parity by 2020 in the appointment of women to senior leadership positions in its organisation.

It will also invest US$3 million to support female micro-entrepreneurs and STEM students in its diamond-producing countries and will promote gender equality through its marketing campaigns.

8

De Beers Group is investing US$3 million in a three-year collaboration with **Stanford Graduate School of Business** to empower young, aspiring entrepreneurs and established business owners in Botswana, Namibia and South Africa.

The partnership will include a year-long leadership programme and a one-week entrepreneurship boot camp to help accelerate economic diversification and stimulate youth employment opportunities.

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