

Communities

Communities

De Beers prides itself on working with the surrounding communities and working toward the common goal of a sustainable future for the North, and maintaining their rich culture and heritage.



De Beers Canada representatives celebrate the signing of an Impact Benefit Agreement for the Victor Mine with Fort Albany and Kashechewan with Fort Albany Chief Andrew Solomon and Fort Albany Deputy Chief Agatha Nakogee.

Stakeholder identification and engagement

Stakeholders or “Communities of Interest” are those communities or organizations that have a business or public interest in our activities, or may be affected in some way by what we do.

Formal stakeholder identification and mapping exercises are undertaken for each project and for each mine. They are also required for the External Relations component under the Towards Sustainable Mining initiative. These exercises are reviewed regularly to ensure that the identified stakeholder lists are accurate and complete. The external stakeholders include the communities close to the two mines, and those communities on whose traditional lands

exploration activities are undertaken. Federal, provincial and territorial governments are also stakeholders, as are interested non-government organizations, the wider business community, media and the general public.

Internal stakeholders include all employees, contract and business partners on site, shareholders and the De Beers Family of Companies.

A list of the main communities considered to be stakeholders is included in Table 4-2.

Table 4-1 Main community risks

Risk	Mitigation
Inadequate resources to ensure Free Prior Informed Consultation before conducting exploration. Failure to obtain social licence to operate in key areas	Develop strategy for engagement with higher level political bodies. Develop strategy to address Traditional Territory boundaries / overlap.
Aggrieved elements or entire communities disrupt logistics route.	Consider new winter road. Implement IBAs more effectively. Improve relationship management and information gathering.
Inability to obtain access to land due to lack of support from local Aboriginal communities	Stakeholder engagement plan to be implemented in full.
Implementation of Snap Lake or Victor agreements.	All 7 IBAs are finalised and ratified. Risk is the inability to deliver commitments exacerbated by poor participation by communities and/or by poor economy.
Delays in the development of the Gahcho Kué project due to prolonged negotiations with Aboriginal communities.	Start IBA negotiations as soon as practical. Ensure Environmental Assessment related consultation is as thorough and extensive as practical.

Stakeholder engagement begins early, preferably before activities commence on the ground, and continues throughout the life of a project, even after closure. Frequency of engagement depends on the nature and duration of planned activities, and the preference of the stakeholders or community.

De Beers Canada has a community policy (available on request from info@debeerscanada.com) that requires free, prior, and informed consent before the start of any significant mining operations. Consultation continues until planned activities have been completed, and De Beers Canada reports back to the stakeholders.

We have a consultation protocol and an informal/draft community management system to ensure a consistent approach to all communities of interest. A policy for working with Aboriginal communities governs our engagement with indigenous communities [Available in several languages at www.debeerscanada.com].

At the operations level, stakeholder consultation focuses for the most part on four areas:

- (i) benefits in the form of education, training, and business opportunities as well as any applicable financial component;
- (ii) impacts and monitoring of these related to the environment;
- (iii) impacts and monitoring associated with socio-economic impacts, and
- (iv) implementation of the various impact benefit agreements.

A fifth step – issues and grievance resolution – is applied when required. At the same time we recognize that each community is unique and may

have individual priorities. Our engagement therefore is sufficiently flexible to accommodate this.

A Corporate Social Investment Policy guides investment in other areas [Available at www.debeerscanada.com].

Information obtained from stakeholder engagement is used to ensure that plans and mitigation programs are adjusted to accommodate concerns raised through an adaptive management process.

Dialogue with affected communities helps to ensure that any mitigation measures for project-related impacts are understood, and that where possible, these are aligned with the community's priorities.

Both the Snap Lake Mine and the Victor Mine are remote fly-in sites with limited winter road access. The closest community to each of these mines is Lutsel K'e which is about 130 kms distant (Snap Lake), and Attawapiskat which is about 90 kms away (Victor) respectively. Each mine is situated within traditional lands that are used by four separate groups of Aboriginal peoples, and seven impact benefit agreements have been concluded with these eight groups. No resettlement of any group has been required for either mine.

There are formal Impact Benefit Agreements (IBA) with four groups near the Snap Lake Mine (Tlicho Government, Yellowknives Dene First Nation, North Slave Métis Alliance and the Lutsel K'e and Kache Dene First Nation).

There are now three IBAs in place with four First Nations for the Victor Mine (Attawapiskat First Nation, Moose Cree First Nation and an agreement with both Fort Albany First Nation and Kashechewan First Nation). The joint IBA between Fort Albany First Nation, Kashechewan First Nation and the company was ratified and signed during 2009. There is a Working Relationship Agreement with a fifth First Nation for the Victor Mine.

The total financial benefits shared under all the agreements to date in 2009 was \$4,757,000

Contributions to the local economy within the affected communities are also achieved through business opportunities for the supply of goods, materials and services, and through the supply of labour.

An important long-term goal is building relationships with the communities that we work with. To tackle issues and move forward, we have to develop trust in one another, and work in a respectful manner that acknowledges the strengths and differences that come from different cultures and diversities. While we are unable to resolve many issues individually, in partnership with others, we can make a difference.

The main community risks are summarised in Table 4-1.

Table 4-2 List of main stakeholders (excluding business partners)

Stakeholder	Stakeholder Category	Area of interest	Type of management
Federal government			
Department of Fisheries and Oceans	Government – federal	C, M, E,	
Indian and Northern Affairs Canada	Government – federal	C, M, E	C, L, T
Natural Resources Canada	Government – federal	C, M, E	C, T
Environment Canada	Government – federal	C, M, E	
Government of the NWT			
Ministry of Industry, Tourism, and Investment	Government – territorial	E, M	
Ministry of Environment and Natural Resources	Government – territorial	E, M	
Ministry of Education, Culture and Employment	Government – territorial	E, M	
Government of Ontario			
Ministry of Aboriginal Affairs	Government – provincial	E, M	F
Ministry of Natural Resources	Government – provincial	E, M	L
Ministry of Northern Development, Mines and Forestry	Government – provincial	E, M	L, F, T
Ministry of Finance	Government – provincial	M	C
Mining Division			
Snap Lake Mine			
Lutsel K'e and Kache Dene First Nation	Aboriginal	E, M	C, L, M, T
North Slave Métis Alliance	Aboriginal	E, M	C, L, M
Tlicho Government	Aboriginal	E, M	C, P, T, L
Yellowknives Dene First Nation	Aboriginal	E, M	C, T, L
City of Yellowknife	Local government	E, M,	C
Victor Mine			
Attawapiskat First Nation	Aboriginal	E, M,	P, L, F, T, M, C
Fort Albany First Nation	Aboriginal	E, M	P, M
Kashechewan First Nation	Aboriginal	E, M	P, M
Moose Cree First Nation	Aboriginal	E, M	P, M
Taykwa Tagamou Nation	Aboriginal	M	L
Mushkegowuk Council	Aboriginal	E, M	M
Town of Moosonee	Local government	E, M	L
City of Timmins	Local government	E, M	L
Town of Cochrane	Local government	M	
Exploration Division			
Kitchenuhmaykoosib Inninuwug	Aboriginal	E	C, L, T
Bearskin Lake First Nation	Aboriginal	E	C, L, T
Hamlet of Ulukhaktok	Aboriginal	E	C, M, T
City of Sudbury	Local government	E, M	C

Note:

Area of Interest: C = Corporate; M = Mining; E = Exploration

Type of engagement: C = Correspondence; F = Face-to-face meeting; L = Meeting with leadership; M = committee; P = Public meeting; S = Meeting with specific community segment; T = Telephone

Agreements signed

One new Impact Benefit Agreement (IBA) was concluded during 2009. This had previously been 'Agreed in Principle' with the Fort Albany First Nation and the Kashechewan First Nation in January, 2008. This new IBA was ratified and signed in July 2009.

The joint venture agreement between Mountain Province Diamonds Inc and De Beers Canada was amended and restated in July 2009. The participating interests remain the same and each participant will market their own proportionate share of diamond production in accordance with their participating interests; each participant will contribute their proportionate share of the future project development costs; and Mountain Province will repay De Beers Canada part of the historic sunk costs. For further details please see www.mountainprovince.com.

Agreement implementation

Implementation of the four IBAs for Snap Lake continued throughout the period, and implementation of the three IBAs for the Victor Mine also advanced during the year. Currently there are signed and ratified agreements with the Tli Cho government, the North Slave Métis Alliance, the Yellowknives Dene First Nation and the Lutsel K'e and Kache Dene First Nation for Snap Lake. Agreements are signed and ratified with the Attawapiskat First Nation, the Moose Cree First Nation, and the Fort Albany First Nation and Kashechewan First Nation for Victor. In addition, there is a Working Relationship with the Taykwa Tagamou Nation for Victor. This relates to a new hydro line that crosses this nation's traditional lands.

Community, Economic, Environmental, health and Safety, and Social performance

Both the Snap Lake and Victor Mines have procurement policies with preference for local suppliers.

In the exploration area, opportunities are much smaller. Nevertheless, De Beers Canada endeavours wherever practical and cost effective to involve local communities in the supply of goods and services, especially where this can be done in a fashion that helps build local capacity.

Methods are continuously being examined with the communities to increase local opportunities. One such method currently considered is to break down large contracts into smaller individual segments without causing a significant increase in costs to the company.

Project and mine management is regularly encouraged to find innovative ways to increase the opportunities for local participation in the supply of goods and services. Staff members work with external institutions to help deliver workshops on creating and enhancing entrepreneurial start ups, and on future opportunities.

Communities Continued

Table 4-2 (continued) List of main stakeholders (excluding business partners)

Non-government organizations			
Mining Association of Canada	Industry organization	C, M, E	M, T, C
NWT/Nunavut Chamber of Mines	Industry organization	C, M, E	C, M, T
Ontario Mining Association	Industry organization	C, M, E	M
Prospectors and Developers Association of Canada	Industry organization	C, M, E	M, P, S
Assembly of First Nations	Aboriginal	C	C
Canadian Business for Social Responsibility	Industry organization	C	C, T, P, F
Canadian Aboriginal Minerals Association	Aboriginal	C, M, E	C, P
Conference Board of Canada (Council on Corporate Aboriginal Affairs)	Industry organization	C	C, M, S
Canadian Institute of Mining and Metallurgy (CIM)	Industry organization	C, M, E	F, L, C, M, P
World Wild Life Fund	Non-governmental organization	C, M, E	F
Canadian Boreal Initiative	Non-governmental organization	C, M, E	F
Status of Women Council of the NWT			
Mine Training Society			F, M, T
Skills Canada	Industry organization	M	C, F, L, M, P

Note:
 Area of Interest: C = Corporate; M = Mining; E = Exploration
 Type of engagement: C = Correspondence; F = Face-to-face meeting; L = Meeting with leadership; M = committee; P = Public meeting; S = Meeting with specific community segment; T = Telephone

The procurement expenditure by De Beers Canada and its contractors with local communities is monitored on a monthly basis and compared to the procurement plan. Where there are negative deviations from the plan, corrective actions are initiated to keep or to return to the plan. However, during operations, opportunities for new contracts are very limited.

Internal auditing of progress is undertaken at the end of each month and at the end of each quarter by the mine business development and aboriginal affairs staff, and by the mine executive committee. Their findings are reported to the De Beers Canada Corporate Executive Committee.

Procurement against target for NWT expenditure as required in the Socio-economic Agreement are reported annually to the Government of the Northwest Territories in De Beers Canada Snap Lake Mine Socio-economic report.

Issues raised, grievances and disputes
 Tables 4-3 and 4-4 summarize the community issues for Snap Lake and Victor mines, respectively. The significant issues were raised by communities or interested parties affected by one of the mines or by exploration activities. Most disputes are resolved before they reach a formal grievance procedure. In some instances,

the procedure has advanced to a stage of a meeting between the First Nation Chief and the company CEO to discuss the issue.

By the year end, all the issues that related solely to De Beers Canada had been closed except for two – which related to the analysis of trends and were closed in January 2010. For those issues that jointly related to De Beers Canada and the First Nation, the company portion of the issue had been closed. Progress to resolve issues was hampered by repeated postponement of public community meetings at the request of the First Nation leadership.

Some information was disseminated through presentations on one of the community's television channels and in a series of bilingual newsletters (English-Cree).

In the light of these issues, the community engagement and communications plans were reviewed and strengthened by the adoption of new measures.

Exploration

There is one unresolved issue from 2006 involving Muskrat Dam First Nation. This relates to exploration activities at Agusk Lake, where the First Nation asserts interference with its traditional spring hunt. The First Nation has refused to meet with De Beers Canada to discuss this, and has also refused to indicate where its traditional lands are located. Efforts continue to try and resolve this.

Feedback from communities and stakeholders

There were no formal feedback mechanisms in place during 2009 to solicit feedback for either Aboriginal or non-Aboriginal interested parties. Both sites were in a continuing state of change related to the changing economy. With the resumption of production in September, a more stable environment is in place. Community dialogue is planned to measure progress and to help improve communications and community relations in general. A formal feedback mechanism is planned for early in 2010.

At Snap Lake, a combination of site visits, community visits, and meetings with the leadership and IBA Implementation Committee are used to keep dialogue open with the communities. In 2009 delegates from the Yellowknives Dene First Nation, Tlicho Government and Lutsel K'e visited the Snap Lake Mine site.

Two independent reviews of the Yellowknives Dene First Nation IBA were held in 2009. One was related to health and wellness initiatives, and the other was a review of the IBA's implementation. Snap Lake also hosted the community program directors and employment officers from all four Tlicho communities in November to review 2009 IBA implementation and plan for 2010 IBA implementation. Public meetings in November and December for all four Tlicho communities, with intent to do the same with the Akaitcho community, although the opportunity was not granted.

At Victor, similar issues occurred. Dialogue included concerns by a segment of the community and environmental non-governmental organizations about a potential release of mercury through the dewatering of the muskeg, and the subsequent uptake of this mercury by fish, thus endangering the food chain. A five-year research program has been started to confirm whether or not this is a significant issue. The matter was considered during the federal environmental assessment and was found during that assessment not to be a significant issue. In the interests of public health,

Snap Lake Mine

The Snap Lake mine did not encounter any significant disputes relating to land use or customary rights by local indigenous peoples in 2009.

Table 4-3 Community issues and themes – Snap Lake Mine

Issue/Theme	Response	Results/Status
Information flow from Snap Lake Environmental Monitoring Agency (SLEMA) to Communities needs to improve, in particular for Elders who often don't speak English.	De Beers Canada encouraged SLEMA, to increase the flow of information to Aboriginal Communities regarding the work SLEMA is doing. De Beers Canada has advised SLEMA to include interpreters/translators in the SLEMA programs at Snap Lake and encourages SLEMA to use them at SLEMA Board Meetings.	While De Beers Canada funds SLEMA as part of the Environmental Agreement, the communities appoint their representatives; the agency is an independent monitoring body and therefore its programs and policies are independent from De Beers Canada.
Communities concerned that De Beers is not employing enough Aboriginal People from their communities.	These are largely issues related to literacy levels being too low, inability to pass trade entrance exams and many of the available Aboriginal residents who are unemployed are those who have very limited education and skills.	The company is working through Impact Benefit Agreement (IBA) Committees and community employment officers to ensure opportunities for apprenticeships. Training opportunities with the Mine Training Society are promoted in the communities and employment officers are made aware so they can help match residents to the opportunities. In 2010, De Beers Canada is implementing a recruitment program that brings the HR team to the communities again to meet with people, to review their resumes and to provide advice regarding their match of skills to jobs available and what training they need to consider to qualify for these positions.
GNWT is concerned that De Beers is not achieving our Socio-economic Agreement Commitments for employment of NWT Residents.		The company is also working with the other two diamond producers and the GNWT through a Memorandum of Understanding to develop a northern workforce. In 2009, De Beers Canada worked with the Government of Northwest Territories (GNWT) Bureau of Statistics and the other two operating diamond mines to develop a survey of all diamond industry employees in the NWT to help GNWT and the mines identify barriers to attracting and retaining NWT Residents. A training workgroup and travel workgroup are also examining opportunities to increase training programs and to find efficiencies for travel to the mine site.
Communities are concerned that mechanisms are not in place to protect the environment at the end of the mine's life.	De Beers Canada needs to provide the community members with a better understanding on how closure and reclamation work is carried through.	Information provided in community meetings includes more detailed explanations regarding closure and the company is increasing the number of photographs in presentations. The Snap Lake Mine is updating its closure and reclamation plan in 2010 and is involving communities in this process. De Beers Canada always includes interpreters in public meetings and involves community liaisons who speak Chipewyan and Tlicho at these and in site visits to ensure elders questions can be answered by the company representatives who speak the language of the Elders.

Communities Continued

Victor Mine

At Victor, there were several disputes. These are summarised in Table 4-4.

Table 4-4 Community issues and themes – Victor Mine

Issue/Theme	Response	Results/Status
Assertions of discrimination by Attawapiskat First Nation members.	The company has investigated all 6 incidents brought to its attention by those affected using qualified investigators.	Six cases investigated; three individuals being terminated for cause.
Lack of company response to sewage back-up that caused eight community houses to be evacuated in Attawapiskat.	Although infrastructure in the communities is not the company's responsibility, as a good neighbour, we set up temporary emergency accommodation for those displaced until their homes were rehabilitated. The accommodation is now being used for those individuals without their own homes as a way to reduce overcrowding with the other houses in the community. De Beers Canada advocated with INAC to assist the community in getting resolution on this issue.	The majority of the displaced people are now back in their homes.
Dissatisfaction of some Attawapiskat First Nation members with IBA benefits. Requests for significantly increased financial benefits.	De Beers Canada provided information on the IBA content and encouraged the First Nation leadership to work with the company to educate the community members about the direct and indirect benefits. The mine has a short life, and construction capital is not recovered until late in year 7. The community negotiated for a deal with annual cash payments, and the quantum of these will increase once capital has been recovered in line with how well the mine does financially.	Many community members still have many questions after more than five years of explanations. Further education and information is still required. Further information on the financial status of the mine may be required to close out this issue.
Dissatisfaction of some Attawapiskat First Nation members with lack of new elementary school in the community after delays of over eight years.	Although the company is not responsible for infrastructure, and the mine does not have the resources to finance and build a school, the company worked with the community leadership to encourage the federal government to make provision of a new school a high priority. Company has offered to assist with project management for construction of any new school as this a corporate strength.	Federal government announced in December 2009 that the community is now on the priority list.
Lack of housing in Attawapiskat.	Capital funds for housing are part of the funding provided by government to First Nations. The company does not have the mandate, nor the financial resources to assume the responsibilities of government. The company is working with the community by assisting with an update of its comprehensive community plan for housing. The company has offered to assist with project management for any major housing construction project.	The issue was not resolved, and the company is awaiting the outcome of an update to the comprehensive community plan. A long term housing strategy is being formulated by the community.
Dissatisfaction of some community members with the Attawapiskat First Nation's leadership.	This is a matter internal to the community and the company will not become involved. A facilitator was supplied to work with the community to draft a custom governance code including an electoral code. If this is adopted by the community membership, this should resolve many issues in this area.	A "custom governance code" is currently being discussed within the community and will go to a ratification vote in mid-2010.
Issues with infrastructure for potable water and sewage in Attawapiskat.	The company has offered to look at existing operating and maintenance plans to see if there are improvements that can be incorporated. De Beers Canada has also offered to develop maintenance schedules, budget guidance plans, and lists of consumables and spares that should be kept in the community. The company offered to help train operators at its own facilities at the mine.	The proposal is currently being considered by the community's leadership and technical staff.

Compensation payments to families from Attawapiskat impacted by Victor mine.	The company has paid, and continues to pay, compensation to the First Nation as outlined in the IBA. It was agreed in the IBA that the First Nation would be responsible for distributing this amongst affected parties as these are communal rights and the First Nation knows who these individuals are. None of this compensation is currently flowing to the affected parties. The company is working with the First Nation and its legal counsel to resolve this and has provided legal assistance to the primary affected parties.	Discussions between the First Nation and the affected family are well advanced, and it is anticipated that the matter should be resolved before mid-2010.
Concern by some members of the Attawapiskat First Nation over possible mercury pollution of potable water supply.	There is a pre-existing, naturally occurring, high mercury content in the local river water. This was considered during the environmental assessment and considered not to be significant. Nevertheless, a monitoring program has been put in place, together with a multi-year research program to understand the issue better.	Results to date support the predictions made in the environmental assessment. Research and monitoring are continuing.
Requirement by Moose Cree First Nation for timber cut during the construction of the new electricity transmission line from Otter Rapids to Moosonee and Moose Factory	The permit and approvals issued for this work required the company to stack the cut timber next to the right of way for the transmission line for later recovery by interested parties. Over and above permit requirements, the company provided limited funding in 2008 and \$140,000 in 2009 to assist with recovery of timber. A further \$140,000 is being provided in 2010.	The company has gone beyond its requirements in its permits and approvals. It does not have the resources to do more than it is currently doing.
Moose Cree First Nation refuses to allow use of herbicides within its traditional lands.	It is requirement of the conditions for handover of the new transmission line to the transmission company that the right of way be sprayed with herbicide before any handover. There are covenants by the First Nation in its IBA to provide the company with continuing and uninterrupted access to facilities including the transmission line for construction and operation.	Discussions are continuing with power transmission authority for an alternative way forward in view of the intransigence of the First Nation.
A series of 28 issues in 162 sub-categories raised by some community members from Attawapiskat following a blockade of the seasonal winter road.	These issues represent a mixture of issues between the community members and their own leadership, the community members and its leadership and the company, and the community and Indian and Northern Affairs Canada (INAC). It was necessary to disentangle and separate the issues into their main groupings in order to resolve them.	All the issues with the company are resolved except for two (see Issues raised, grievances and disputes on page 44). Many of the issues with INAC are in the process of being resolved. Some of the issues within the community are resolved while others are in the process of being resolved.

wellbeing and safety, it is sensible to undertake the current program which commenced in March 2008. This is being funded by De Beers Canada (\$1.4 million) and by a Natural Sciences and Engineering Research Council of Canada (NSERC) grant (\$968,000) over the five year duration.

Results to date support the Environmental Assessment. However, it is still too early in the program to know whether or not the assertions are correct (see environmental section for more details). The background for this study is that there is a naturally-occurring pre-existing high mercury content in the river water. The results to date appear to indicate that the change in concentration of mercury after adding mine waters is so small that it is less than the accuracy of the instruments taking the measurements.

Under the IBA with Attawapiskat, two community meetings are held jointly with the members of the senior implementation committee from both the First Nation and the company to provide feedback. One community meeting, required under the IBA, was held in the spring. The second meeting was repeatedly postponed by the First Nation and was eventually held in December. This adversely affected the company's ability to provide information to the community members in a timely manner and alternative methods were used to deliver information through a newsletter and a local television community channel.