

# Stakeholder engagement

Formal stakeholder identification and mapping exercises are undertaken for each project and for each mine to identify our Communities of Interest (COI). It is 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. Stakeholders or COI, are those communities or organizations that have a business or public interest in our activities, or may be affected in some way by our activities.

The external stakeholders include but are not limited to the communities close to and around the two mines, and those communities on whose traditional lands exploration activities are undertaken; the federal, provincial and territorial governments of the jurisdictions where the company is active are also stakeholders, as are interested non-government organizations, the business community, media and the general public.

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

Using the Guidelines for External Relations, for Towards Sustainable Mining, we are also reviewing our stakeholder list with current COI to ensure we identify other relevant stakeholders we may not be aware of at this time. A list of the main communities considered to be stakeholders is included in Table 6-3.

For additional information on COI and stakeholders, please see the community section.



*Sponsored in part by De Beers Canada, Aboriginal youth take part in Dene Hand Games during a tournament in Behchoko, Northwest Territories.*

# Investment in people and infrastructure

## Management Approach – Investment in people and infrastructure

Following dialogue with our communities of interest (COI), our focus in 2010 was on education and youth with an emphasis on literacy, and on general community development. Lesser amounts were spent in other areas. This reflects not only what we heard from our communities of interest, but also the availability of resources to meet the requests we received. We have deliberately avoided providing infrastructure, particularly where this is the responsibility of government, and we have focused on those areas where community investment would have the greatest impact on a substantial number of community members rather than on a few individuals. We continue to focus on programs that reflect “a hand up” rather than “a hand out” with the rationale that this should help contribute to sustainable communities through building skills, self-confidence and pride. Communities are unique, and because of this, our approach has to be flexible in order to accommodate this.

## Corporate Social Investment

Corporate social investment by De Beers Canada has been and will continue to focus on our COI. Each operation is responsible for identifying their local COI, which includes but is not limited to local communities, our business partners and industry partners.

The main priority for De Beers Canada will continue to be our local Aboriginal partners with whom we have Impact Benefit Agreements in place. Through joint discussion, it was determined the focus in this early stage of development and operations will include:

- (i) health,
- (ii) education and youth,
- (iii) environment,
- (iv) general community development,
- (v) arts, culture and heritage,
- (vi) housing,
- (vii) policy and advocacy,
- (viii) small business development, and
- (ix) sports.

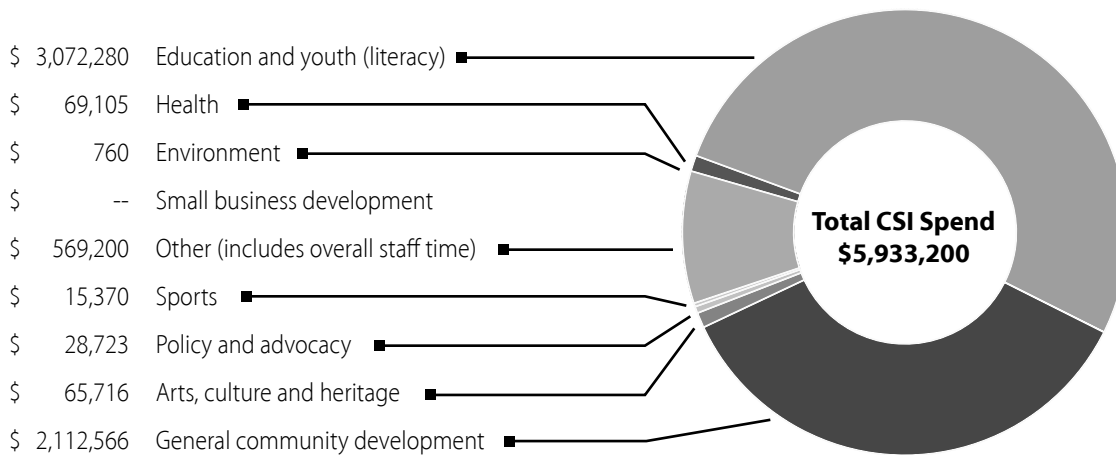
Disbursements in 2010 totalled \$5.9 million including cash, in-kind and staff time. Each community has individual needs and as such, each decision regarding corporate social investment is made accordingly.

**Table 3-1:** 2010 goals and objectives - Corporate Social Investment

Goal	Degree achieved	Successes	Shortcomings	Additional remarks
Align corporate strengths with community needs and priorities for social investment.	Objective largely achieved.	Focus was on education, Youth, and general community development.	Many community priorities and needs are beyond our abilities because we do not have the resources (people, skills, funds) to address them.	Payments under IBAs almost doubled corporate social expenditure.



*Maintenance work at the exploration camp site*

**Figure 3.1:** Corporate social responsibility spend in 2010

In addition to the above, \$5,231,000 was paid to the eight communities in terms of the different impact benefit agreements.

In the on-going discussion with the communities in which we operate, De Beers Canada has targeted a number of specific initiatives to address building capacity through business opportunities for the supply of goods and services, employment and training (including education). These initiatives have been chosen because these are the areas that these communities of interest have indicated are priorities for them. In addition to these priority areas, limited support is given from time to time in other areas that are of lesser priority but which also contribute to sustainable communities and community well-being.

### Sustained contribution through diversification

One of the strengths of the De Beers Canada labour force is the diversity of its workforce. The variety of nations represented provides many different views and approaches to problem solving that are stimulating for all involved. This enables the company to integrate local traditional ecological knowledge (TEK) into our planning and project design. Incorporation of both traditional and "conventional western science" ensures that we arrive at an optimal design for our mines and our exploration projects.

Stakeholders, or COI, are identified as outlined below in the community section.

Traditional knowledge in the areas where we work is a tremendous asset and important tool in the success of our environmental management. Incorporating the knowledge and experience of our Aboriginal partners into the planning and execution of our environmental initiatives increases the effectiveness of the initiatives and ensures our community partners are involved throughout the process. We have learned a great deal from our aboriginal partners and have a tremendous respect for their commitment to work collaboratively to ensure our mines provide economic and social benefits in an environmentally sustainable way.

For more information, please see the employee section.

### Exploration

There is still 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. There has recently been a change in leadership in the community, and efforts will continue to try and resolve this matter.

### Feedback from communities and external stakeholders

A formal corporate-wide feedback mechanism was put in place in December 2010 in accordance with External Outreach requirements under the Towards Sustainable Mining initiative of the Mining Association of Canada. It solicits feedback from the general public and identified COI, including Aboriginal communities located close to the company's mine sites. The various IBAs with our Aboriginal partners contain provisions for a Senior Implementation Committee, which acts as a formal feedback mechanism for those communities. In addition, public community meetings and Question & Answer sessions are used for formal feedback. Both mine sites were in a continuing state of change related to the changing economy. Plans for a 2010 implementation of a formalized community engagement system for COI and the community at large were nearing completion at the end of the year with approval and implementation expected in Q1 2011.

The Snap Lake Mine implemented a formal community engagement program in 2010 in advance of submitting its application for a new land use permit with the Mackenzie Valley Land and Water Board (MVLWB) in the autumn. This engagement program included meetings with leadership, presentations, publication and distribution of materials relating to the company's use of the land, information sessions and site visits. Four delegations from Aboriginal communities visited the mine during the summer. A summary of this engagement program was supplied to the MVLWB, which included a summary of the concerns and questions raised by communities and the company's response to these. This is available on the MVLWB Public Registry. While most communities had questions and suggestions, no major concerns were raised regarding De Beers' management of its land use, two Aboriginal communities raised concerns that other groups have IBAs and they do not.

In 2010, De Beers provided annual reports to each of the communities with which it has IBAs for the Snap Lake Mine. The company has offered to review these reports with the communities directly, however communities have not taken the company up on this offer. In some communities, capacity has continued to be an issue with respect to community participation in the implementation of those agreement aspects that require community and company to work together.

At Victor, similar issues occurred. Dialogue also included concerns by a segment of the community and environmental non-governmental organizations about a potential issue related to release of pre-existing mercury in the local muskeg. When water is removed from muskeg either through natural causes such as dry weather or drought, or through a dewatering program often used in mining, mercury that has accumulated in the muskeg may be released. A subsequent uptake of this mercury by fish could endangering the local food chain. The matter was considered during the federal Environmental Assessment for the Victor Mine and was found not to be a significant issue. In the interests of public health, wellbeing and safety, a five-year research program began in March 2008 to confirm whether or not this is a significant issue. This program 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 (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 (June 2010) 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. Large, and thus older, fish contain high naturally occurring mercury concentrations and it is recommended that these large fish not be eaten. Smaller, and thus younger, fish do not contain high levels of mercury.

Under the IBA with Attawapiskat, two annual community meetings are held jointly with the members of the Senior Implementation Committee from both the First Nation and the company to provide feedback to the community and to listen to what the community has to say. One community meeting was held in the spring. The second meeting was held mid-year. A variety of other meetings were held with the community to address different issues. Difficulties persisted through most of the second half of the year in holding meetings with the community membership in Attawapiskat. Attempts to reconvene were unsuccessful due to repeated postponement of meetings by the community while it dealt with a variety of other higher priority issues. This adversely affected the company's ability to provide information

to the community members in a timely manner. However, a "trades show" was held in the community in mid-November to highlight what skills are used on the mine by the various departments, and what each department actually does. This show was well received by the community. Alternative methods for keeping the community informed included delivering information through a newsletter, a local television community channel and over the regional radio station.



*Key stakeholders take a tour of the process plant at Victor Mine.*