

# Employees



*A supervisor checks safety cards to ensure employees are working safely.*

## Management Approach - Employees

Employees are a critical factor in the success of any company. This subject covers a very broad area including employment, health and safety, human rights, training, compensation, freedom of association, talent management, social issues, feedback, and grievances. All of these are managed through a comprehensive set of policies and procedures for the company, augmented by site-specific policies and procedures for the two mines to reflect their particular needs and different regulations. Health, safety and environmental matters, together with legal compliance, are our highest priorities in managing employees.

## Introduction

De Beers Canada is extremely proud of its employees and the success they bring to our operations and our community and business partners. The Aboriginal component of our labour force is drawn, for the most part, from the communities closest to our two mines. This forms a significant part of our contribution to the sustainability of these communities through employment, skills development and work experience programs.

De Beers Canada has a combined approach to consideration of environment, communities, occupational health and safety, which are dealt with collectively. In the interests of transparency, the individual

**Table 5-1:** 2010 Human Resource Goals and Objectives

Goal	Degree achieved	Successes	Shortcomings	Additional remarks
Working together ensuring production targets are met through an effective harmonious business climate (examining our labour efficiencies on a continuous basis).	Great strides made working with the mine sites and ensuring we are maximizing the talent we have.	Critical positions filled through established regular recruitment methods or through creative means for maximizing talent already on staff.	Two critical technical positions are being recruited for and are being covered on an interim basis.	Devising recruiting strategies in order to address the challenge of attracting qualified candidates to remote site locations.
Ensure all positions are filled with capable and qualified people, and conduct required Gap Analysis.	98% of positions filled through efficient attraction, transfer, retention and development of employees.	Gap Analysis complete: identified and reviewed development opportunities.	Due to pressures on the front-line, not all development plans have been completed for management teams.	Scheduled for completion in 2011.
A sound Human Resources Infrastructure with fair and consistently applied policies and procedures, salary, benefits and pension administration.	Support mechanisms, policies and procedures are functional for operational effectiveness.	Defined Benefit Plan frozen and members enrolled in Defined Contribution Plan. Benefit renewal achieved significantly under target.		Regular market comparisons being made to ensure competitiveness of benefits programs.
Minimize the frequency and number of third party challenges and legal cases.	Majority of matters have been handled without legal intervention and with favourable outcomes.	Matters resolved expediently and at minimum cost.	Need to further reduce the number of third party challenges and legal cases.	Training and communication should reduce number of cases.

components are safety, health and wellbeing, HIV/AIDS, human rights and harnessing and developing the talent of our employees. Environmental matters are dealt with in the environmental section below. Note that all references to Aboriginal employees in this section refer to those who have self-identified as being of Aboriginal ancestry. These figures are likely under-reported as some individuals choose not to self-identify themselves. All employees are included in an annual performance appraisal system. Training is available to all employees annually to help each individual to grow and advance through self-improvement.

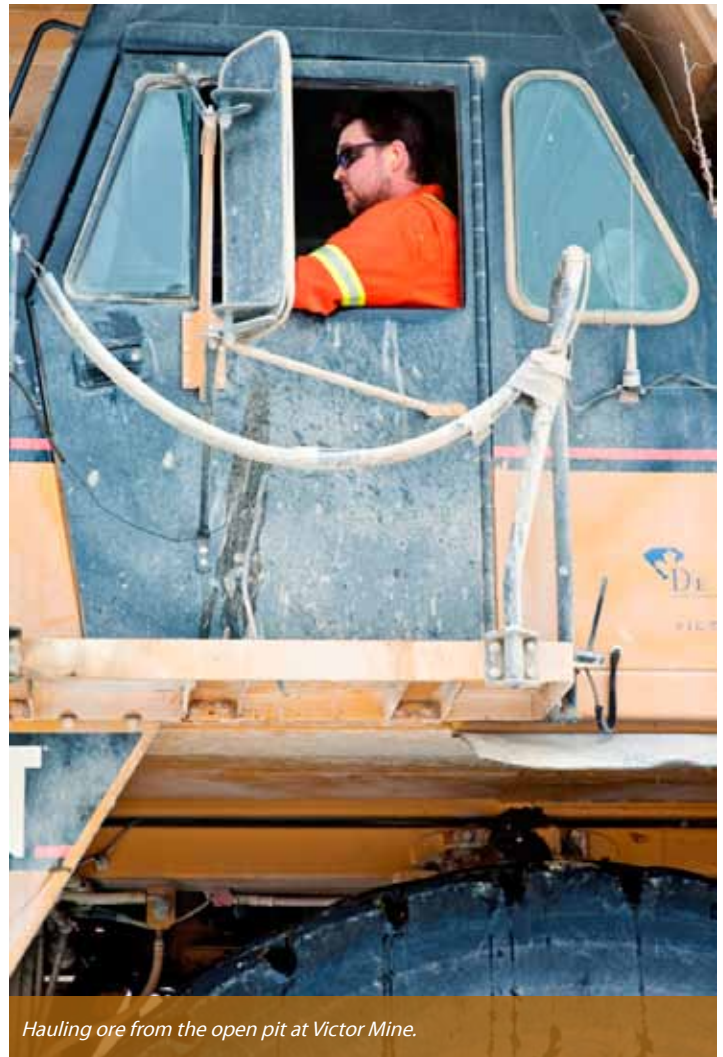
Feedback from employees and suggestions for improvements are obtained through a Joint Consultative Committee at each mine. The input to these committees by employees is forwarded to senior management for action where appropriate. During 2010, mechanisms were examined to capture input from employees at other venues, and a policy and procedure for an 'External Outreach and Feedback Form' was drafted and submitted to the Executive Committee for approval. This would apply to all employees and feedback and suggestions could be made through the internal corporate Intranet and would facilitate input from the venues where there is no formal Joint Consultative Committee such as the offices in Timmins, Toronto and Yellowknife. This will be in place early in 2011.

There were no work stoppages during 2010 at any mine, exploration project or operation.

Please note that specifics for grievances and disputes are dealt with under Communities of Interest.

### Strategy

Our strategy is to train workers for skilled and semi-skilled positions and increase the capacity of northern workers for our operations within Northwest Territories for our Snap Lake Mine and the neighbouring communities with which we work in Ontario for the Victor Mine. Employees from outside of these catchment areas are essential for the capacity building effort as they bring an average of 15 – 20 years of experience to their positions. They are keen to share their knowledge and act as mentors. In order to ensure maximum exposure of available positions to local communities, all vacancies are posted in local newspapers, communities and online. At Snap Lake, the shortlist of candidates and initial interviews are conducted from the northern applicants prior to any southern candidates being considered. At the Victor Mine, applications from the coastal First Nations communities receive first consideration. Then applications from other First Nations applicants, then residents of Timmins and Northern Ontario and finally those applicants from Southern Ontario and outside of Ontario.



*Hauling ore from the open pit at Victor Mine.*

### Snap Lake Mine

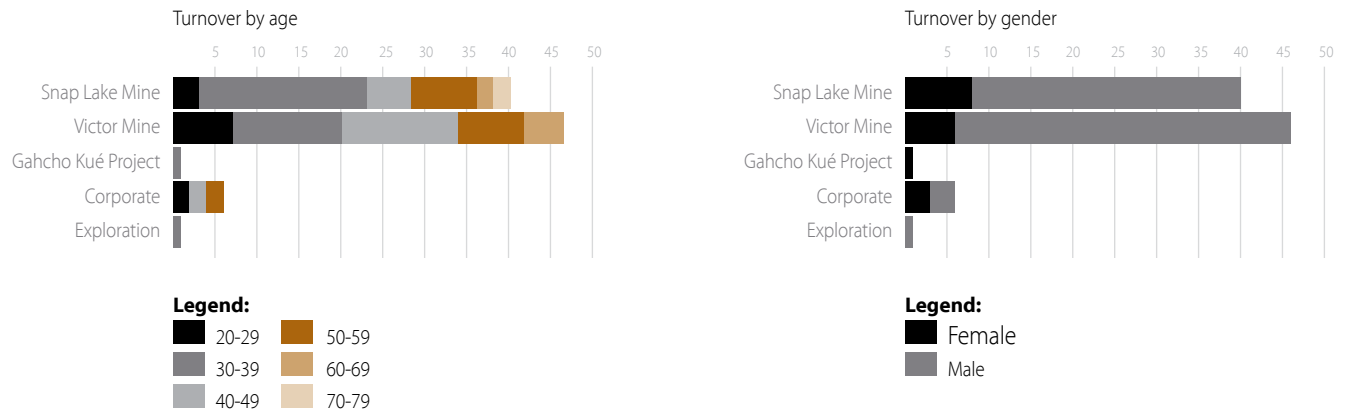
Following the increase of activities after the economic slowdown in 2009, the numbers of contractors and temporary workers on site increased. At the end of 2010, there were 455 permanent employees at Snap Lake Mine. Snap Lake has eight senior managers, all of whom reside in Yellowknife, and four of these are from the north. Figure 5-2 shows the statistics at the end of the year and figure shows the employment trends for the period 2008 to 2010.

Snap Lake is the third diamond mine in the NWT, and many of those in the local labour pool already had employment before De Beers Canada commenced hiring. Progress continued to be made in employing Aboriginal employees from nearby communities, despite the limited pool of labour and competition for a skilled workforce from the other two diamond mines in the region. Steps will continue to be taken to increase the numbers of Aboriginal people employed together with the number of Aboriginal employees in skilled, supervisory and management positions.

### Victor Mine

At Victor, 503 persons, including 52 part-time and contract people, were employed at the end of the year. The details are shown in Figure 5-2. At the Victor Mine, of the eight Senior Managers at the mine site, six reside in Timmins or the immediate area.

**Figure 5-1:** Employment turnover



The breakdown of labour at the end of 2010 for the Victor Mine is shown in Table 5-2. Figure 5-1 shows the turnover in 2010 by both age and gender.

A more detailed breakdown of the Aboriginal component is available in the socio-economic reports for Snap Lake. The report for 2010 will be available in mid-2011 as the analysis of statistics takes some time and a review of all contractor statistics needs to be incorporated as well as formulas for rotational work to report on both numbers of people and person-hours, prior to the figures being finalized and released.

Absenteeism during 2010 amounted to a total of 7,803 days, all of which were non-work related (non-work related includes sick days, short-term disability, and long term disability). Details are shown in Figure 5-5.

Good progress was made in employing Aboriginal employees from nearby communities. Career and job fairs were held in many communities, and recruitment was focused within communities of interest. In most instances, there are hiring preferences resulting from the impact benefit agreements, which provide for hiring priorities for particular communities. Steps will continue to increase the numbers, and to increase the number of Aboriginal workers in skilled, supervisory and management positions.

Figures for Gahcho Kué are also included in Figure 5-2.

**Figure 5-2:** Employment statistics as at 31 December 2010



There was no significant restructuring at De Beers Canada in 2010. Changes in complement reflected variations in personnel as circumstances dictated changing requirements at the mines.

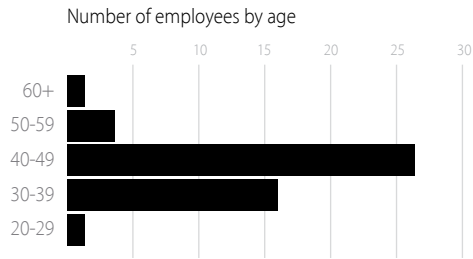
At Snap Lake, recruitment was undertaken as part of the resumed ramp-up to full production after the slowdown in 2009 and 175 positions were filled. At Victor, there was limited restructuring when the workforce was rationalised in the third quarter and seven vacant positions were eliminated. There was no restructuring within at the corporate or exploration divisions. A breakdown of the turnover figures shows that of the 202 people that left, 49 were female and 153 were male.

Although De Beers Canada has freedom of association, no collective bargaining agreements were in place during the reporting period.

**Diversity and Discrimination**

Equal opportunity is assured through a company policy on the intolerance of any form of discrimination. During the Best Practice Principles assessments, a random sample of employees was questioned about discrimination, including equal opportunities. Each mine has negotiated impact benefit and/or socio-economic monitoring agreements that outline the requirement for, and monitoring of, preferred hiring criteria for Aboriginal people from local communities in which De Beers Canada operates.

All members of the Board of Directors are male; however the senior management and corporate governance bodies include 53 employees of which 13 are female and three are of Aboriginal ancestry on the senior management team. The breakdown by age within this group is shown in Figure 5-3. A management and supervisors program is in place to help develop management capacity within the workforce and currently there are two trainees enrolled in this program at Victor.

**Figure 5-3:** Employment statistics as at 31 December 2010

The ratio of male to female employees by skill band is shown in Table 5-2.

At Snap Lake, two cases of alleged discrimination were before the Human Rights Commission. The first case was related to alleged discrimination based on a disability and race complaint. This was denied by the Commission and dismissed. The second complaint is regarding discrimination against a northern aboriginal employee during the drug and alcohol-testing program. The complainant is an employee of a contractor, and this case is currently before the Commission. De Beers Canada is one of three defendants in this matter.

In total, De Beers Canada received three informal complaints under the Harassment and Discrimination policy, all were resolved through the Informal Complaint Procedure. No action was required.

An additional two complaints were filed under the formal complaint process. One of the complaints was resolved prior to an investigation having to be completed and the second complaint was dismissed by the Human Rights Commission.

### Human Rights

De Beers Canada is focussed on maximizing the rich culture of a diverse workforce, and providing a work environment where each employee is treated fairly, and with respect; where each employee has the opportunity to contribute to the success of the business and to realize their full potential as individuals. Human rights of the individual employee and communities are protected through our Principles, application of the Best Practice Principles, our Protective Services, our Human Rights Policy and our comprehensive company policies. Our Human Rights policy covers the right to dignity, respect and protection, working conditions and practices, absence of any form of harassment, absence of corporal punishment, freedom of religion, freedom of political choice, freedom of association and collective bargaining, forced labour (also known as compulsory labour), child labour, non-discrimination, training and development.

Both the De Beers Family of Companies and De Beers Canada have Human Rights policies that prohibit all forms of discrimination. Application of these policies is tracked through the Best Practice Principles program. The De Beers Canada Human Rights policy is based on clear principles that confirm an individual's right to dignity, respect and protection; for working conditions and practices that do not infringe on inherent dignity; freedom from any form of harassment whether manifested in behaviour, language, or gesture; freedom from abuse whether corporal punishment, mental or physical; and the right

**Table 5-2:** Ratio of Basic Salary by Gender and Patterson Skill Band

	Male : Female		Male : Female
F	N/A	CU	1.093:1
EU	1.073:1	CL	1.093:1
EL	1.085:1	BU	1.093:1
DU	1.095:1	BL	1.093:1
DL	1.095:1		

to belong to any cultural, religious or linguistic community and not be denied the right to practice their religion or their culture.

We welcome the new draft "Guiding principles for the implementation of the United Nations 'Protect, Respect and Remedy' Framework" tabled by the Special Representative of the Secretary General late in 2010, and we are studying this carefully to see how we can best align our practices with these so that we can proactively implement these recommendations.

During the year, there were three informal complaints at Victor that were resolved through the Internal Complaint Procedure. There were two formal complaints, The first was filed at the end of 2009 and was reported last year, but was investigated at the beginning of 2010 and the individual was counselled appropriately. In the second case, the complainant was unavailable for the investigation and the respondent's employment was terminated prior to the completion of the investigation for reasons unrelated to the harassment investigation.

In addition, individuals have freedom of association for the protection of their interests and to bargain collectively if they so wish, but are not compelled to do so.

Forced labour is forbidden; overtime is voluntary and restricted to the national and regional permitted levels and at least the statutory remuneration levels; individuals have freedom of movement and shall not be unreasonably or unnecessarily restricted. Employing child labour is not considered a high risk for De Beers Canada. There are Provincial laws and regulations governing minimum age restrictions for working in both office settings as well as on the mine sites. In addition, De Beers Canada follows a strict Human Rights Policy that outlines parameters regarding child labour. Photo identification along with birth registration information is required as part of the hiring process to ensure employees are of the correct age to work at either the office or mine site.

No discrimination on the basis of race, colour, religion, political opinion, gender orientation, national extraction or social origin is tolerated. There is equal pay for work of equal value. The only exceptions to this are where we have hiring and training priorities in the NWT as part of our Social Economic Agreement with the Government of the Northwest Territories, and also Impact Benefit Agreements for Victor Mine.

All Protective Services employees are trained in the De Beers Human Resources (HR) and Security Human Rights Policy (DBGS-GRPS-001).

An apprentice cook with Bouwa Whee Catering working in the kitchen in the new accommodations facility at Snap Lake Mine.



The policy and documents referred to in this policy are made available to our employees for self study. These documents include the following:

- The UN Universal Declaration of Human Rights
- De Beers Purpose, Vision and Values
- Diamond Trading Company Diamond Best Practice Principles
- The De Beers Code of Business Conduct and Ethics
- The UN Global Compact
- The Voluntary Principles on Security and Human Rights
- The UN Code of Conduct for Law Enforcement Officials
- The UN Basic Principles on the use of Force and Firearms by Law Enforcement Officials

In addition to this all Protective Services employees undergo training irrespective of previous training or experience. This training is scheduled as soon as possible after the employee joins De Beers Canada and relates to federal, provincial and territorial statutes governing the security industry.

The following is a breakdown of the average number of hours by category that each employee has received concerning aspects of human rights.

**Table 5-3:** Human Rights training per employee by Patterson Skill Band

Average hours		Average hours	
F	3	CU	8
EU	3	CL	8
EL	3	BU	N/A
DU	8	BL	N/A
DL	8		

There were no significant investment agreements that included human rights clauses. No significant suppliers or contractors have undergone screening on human rights nor have any actions been taken. All contracts indicate that contractors have to abide by De Beers Canada policies and practices, which include our Harassment and Discrimination policy and program.

All new employees, contractors and visitors at both mine sites are required to complete a site orientation prior to commencing any

activities at site. The site orientation includes information and instruction on De Beers Canada's Harassment and Discrimination policy, procedure and program. In addition, refresher training is provided annually along with an eight hour cross cultural awareness training.

**Compensation**

De Beers Canada offers a comprehensive benefit package that far exceeds legally mandated requirements and is competitive within the market place. Table 5-4 shows the ratio of standard entry level wages compared to those offered at our corporate, exploration, Snap Lake and Victor locations.

**Table 5-4:** Entry level wages by location and Patterson Skill Band

Business unit	Entry level wage	Minimum wage	Ratio
<b>Corporate</b>			
B3	18.01	10.25	1.75:1
B4	20.98	10.25	2.05:1
C1	22.81	10.25	2.23:1
C2	25.31	10.25	2.47:1
<b>Exploration</b>			
B3	18.01	10.25	1.75:1
B4	20.98	10.25	2.05:1
C1	22.81	10.25	2.23:1
C2	25.31	10.25	2.47:1
<b>Snap Lake Mine</b>			
B3	18.01	9.00	2.00:1
B4	20.98	9.00	2.33:1
C1	22.81	9.00	2.53:1
C2	25.31	9.00	2.81:1
<b>Victor Mine</b>			
B3	18.01	10.25	1.75:1
B4	22.98	10.25	2.05:1
C2	22.81	10.25	2.23:1
C1	25.31	10.25	2.47:1
<b>Gahcho Kué Project</b>			
B3	18.01	9.00	2.00:1
B4	22.98	9.00	2.33:1
C2	22.81	9.00	2.53:1
C1	25.31	9.00	2.81:1

Highlights of the programme include Life Insurance equal to 250% of annual salary to a maximum of \$1,000,000 and equal coverage with Accidental Death and Dismemberment. To guard against financial hardship should an employee become ill and be unable to work as a result of a non-occupational injury or illness, the company provides 8 occasional sick days and Short Term Disability up to 180 calendar days on a declining scale of payment, i.e. Day 1-30 100% of base salary, Days 31 – 92, 75% of base salary and Days 93 – 180, 70% of base salary. Long Term Disability coverage beyond the initial 180 calendar days of Short Term Disability is paid at a benefit of 66.7% of the employee's monthly earnings to a maximum of \$10,000 per month. Extended health care coverage includes a prescription drug card, semi-private hospital coverage, vision care coverage of \$200 every 24 months and 100% of basic dental coverage. All premiums required for this coverage are paid by the Company. The company also sponsored a Non-Contributory Defined Contribution Pension Plan and a Defined Benefit Pension Plan (for employees with a start date earlier than January 1, 2004). No benefits are offered to part-time employees.

In 2010, the company paid \$3,878,575 in benefit premiums and contributed a total of \$4,326,743 to the pension plans.

A full benefit package review was completed in 2006, and is continually reviewed for improvements compared to market comparisons.

Benefits offered:

- Hospital care
- Home nursing care
- In-Canada prescription drugs
- Smoking cessation products
- Fertility drugs
- Hearing aids
- Custom-made orthotics and stock item orthopaedic shoes
- External breast prosthesis
- Myoelectric arms
- Chiropractors
- Podiatrists
- Osteopaths
- Speech therapists
- Eye examinations
- Mechanical or hydraulic patient lifters
- Outdoor wheelchair ramps
- Blood-glucose monitoring machines
- Transcutaneous nerve stimulators
- Long term disability
- Short term disability
- Life insurance
- Surgical brassieres
- Extremity pumps for lymphedema
- Physiotherapists
- Naturopaths
- Psychologists/Social Workers
- Massage therapists
- Glasses, contact lenses and laser surgery



*Eight young people from the James Bay Coast shadowed De Beers Canada Victor Mine employees as part of the OJT Northern College program.*

All employees are covered by accidental death and dismemberment insurance and business travel accident insurance.

### Freedom of Association

A Joint Consultative Committee comprised of representation from management and workers meets regularly at the Snap Lake Mine site to discuss issues and resolve concerns that are identified by both management and the workforce. There is also a separate Joint Consultative Committee at the Victor Mine site. The Victor committee is supported on site by an Aboriginal Employees Advisory Committee that is also comprised of representation from management and First Nation workers at the mine.

De Beers Canada has a non-unionized workforce and therefore, no employees were covered by collective bargaining agreements. Employee representatives cover health and safety through the Joint Occupational Safety, Health and Environment Committee. The JOSHEC covers all employees.

Although no minimum notice periods regarding operational changes are required by law, unless unusual circumstances occur, the company provides a minimum of three to four weeks notice to employees of organizational or rotation changes. Because we have non-unionized workplaces, there are no risks to freedom of association and collective bargaining rights at any of our operations or joint ventures,

### Employee Training

Training is important for the safety and success of our operations, and for the personal growth of our employees. It is an opportunity to provide each employee with new or improved skills and knowledge to position them better for the future, not only working for De Beers, but also in their own lives once a mine has closed. The following table outlines the time spent on training employees in 2010 which is dependent upon their banding position. With slightly easier economic conditions in 2010, we were able to expand training beyond provision of only essential core training required for day-to-day operations.

The key to De Beers Canada training program is to engage in active collaboration with all departments and with individual employees. This is to ensure that all training is targeted to support essential operational requirements and in growth of the individual employee. All Managers and Supervisors are involved in identifying, defining and refining departmental training needs within the training matrix to prioritize outcomes. This review also serves to ensure Ministry compliance. Successful delivery of training programs provides employees with skills that are useful in the workplace, and can also be transferred to the communities or to other jobs after the

**Table 5-5:** Training per employee by Patterson Skill Band

Average hours		Average hours	
F	0	CU	36
EU	0	CL	61
EL	10	BU	61
DU	41	BL	46
DL	36		

mines close. The development of skills is an important component of the benefits provided by the company. During the annual performance review, employees have the opportunity to discuss individual training requests and requirements with their supervisor. Once these requirements have been agreed they are included in the development program for the individual.

De Beers Canada offers several types of training opportunities on site as well as encouraging and supporting continuing education for employees. A number of the on-site training courses are mandatory, e.g. safety and orientation and others are job or departmentally specific. Professional growth and development is supported through course reimbursement and a "time for time" program which matches an employee's willingness to study. For instance, if an employee commits two hours of their own time to get their General Equivalency Diploma (GED), they would be given two hours off work to continue that study. There are also workplace instructors at both mine sites to provide additional support and training.

Some of the programs offered at both Snap Lake and Victor Mines are shown in Table 5-6.

## exempli gratia

### Elders pass along traditional ecological knowledge

The Snap Lake Mine practices many different environmental monitoring activities as mapped out in its Environmental Agreement. One such activity is to host members from the Aboriginal communities to participate in catching, cooking and eating fish caught from Snap Lake to monitor the impact of the mine on aquatic life. The group, which includes local community Elders and De Beers employees, travel to an island near the Snap Lake Mine site for this annual event.

Elders from four Impact Benefit Agreement groups - Tlcho Government; North Slave Métis Alliance; Yellowknives Dene First Nation and Lutsel K'e Dene First Nation - visited Snap Lake Mine in September to take part this year.

After they were caught, the trout were cut open and their organs examined. The fish were filleted for frying or boiling over a fire. The fish tasting was a success, and resulted in the passing along of traditional knowledge.

**Table 5-6:** Employee training opportunities

<b>Mandatory (e-learning or classroom)</b>
General Site Orientation
WHMIS
Safety, Health & Environmental Operating Procedures
Waste/Wildlife Management
Accident/Incident Awareness
Fire Extinguisher*
5-Point Safety System
Spills Awareness
SUPA (See, Understand, Plan, Act)
<b>Mandatory Classroom</b>
SHE Awareness
SHEOPS Safety Health & Environmental Operating Procedures
Drug & Alcohol Awareness
Cross Cultural Awareness
IRS Internal Responsibility System
Workplace Harassment and Discrimination
<b>Job Specific Training</b>
Accident Incident Reporting
Arc flash high voltage Safety IH07 - 8801
Blasting certification*
Surface Drivers Permit
Lock Out/Tag Out
Confined Space Entrant and Attendant
Crisis Management
Diamond Value Management
Equipment (specific to site and equipment to be used, e.g. Cement mixer, dozer, Fuel Truck, Grader, Haul Truck, Loader, School Bus, Tandem Truck, Water and Sewer Truck, Fork Lift etc)
ERT – Specific to site and needs (e.g. Basic Mine Resue Training, Emergency Vehicle Operation, Fire Extinguisher Training, Live Fire Training, Practice)
Fall Protection
Fire Watch*
Hot Works
Ives Training (Aerial Boomlift, Bobcat Skid Steer, Counterbalance Forklift, Rough Terrain Forklift, Scissors Lift)
JOSHE Committee Training
Overhead Crane
Radiation Safety Awareness
Radiation Training for Fixed Nuclear Gauges
Radiation Safety Officer
Safe Work Plan
SAP 101
Surface Common Core**
Surface Driver's Licence*
Transportation of Dangerous Goods
Train-the-Trainer
Working with Nuclear Gauges
<b>Supervisory</b>
Confined Space Entry Supervisor
First Aid
Supervisor Certification (WSSC)
IRS for Supervisors
Supervisory Tools
Accident/Incident Investigation Training
Safe Work Place
Drug & Alcohol Awareness – Supervisors

**General Interest**

Microsoft Office  
 GED Preparation  
 Apprenticeship tutoring  
 Stretch Your Pay Cheque

**Local Community Schools**

Stay-in-School (High School)  
 Career counselling (High School)  
 Stretch your Pay Cheque\*

\* Offered at Snap Lake Mine only

\*\* Offered at Victor Mine only

In addition, training is carried out in some of the communities to help prepare people for future employment. Current training is offered for First Aid, Train-the-Trainer, Stay-in-School and WHMIS. There are plans to expand this list in the future.

There are procedures in place to guide the recruitment of new employees, allow the reporting of any cases of unfair discrimination without fear of redress and to allow employees to be coached, mentored, trained and appropriately equipped to be skilled, productive and efficient in their current positions.

Monitoring mechanisms are in place and any incidents of harassment or discrimination are investigated and results reported.

**Feedback mechanism**

A Whistle Blowing policy exists and is posted on the intranet. It was also distributed to all staff to review the policy and become familiar with the procedure. Posters highlighting the aspects of the Whistle Blowing policy are posted throughout the offices and mine sites. A bi-weekly overtime report is reviewed and the divisions are required to provide rationale for overtime hours worked ensuring no forced overtime was worked. In addition, feedback and suggestions from employees at the two mines are captured through the joint consultative committee at each site. Input to these committees is forwarded to senior management for consideration and action where appropriate.

De Beers Canada has a formal complaint procedure as part of its workplace Harassment and Discrimination Policy and Procedure. In addition, there is a separate Issue Resolution Procedure that includes a review and appeal to Senior Management.

The grievance processes outlined above are combined with a whistle blowing policy and procedure that includes the no recrimination against anyone bringing a matter to the attention of the company.

In summary, De Beers Canada endeavours to maximize the participation of Aboriginal people at its mines and during exploration. Cross cultural awareness training is provided to employees to the main concerns and issues of Aboriginal people. De Beers Canada is an equal opportunity employer, and our strength is through cultural diversity. Engagement with Aboriginal peoples is guided by two policies, "Working with Aboriginal Peoples", and the De Beers Canada "Community Policy". Both of these are available from De Beers Canada offices, and both are also available on our website.

### Harnessing and developing talent

Employees are encouraged to embrace lifelong learning so that they can improve and advance themselves. Training programs are run at the mines; employees are encouraged to participate in courses and funds are budgeted for each employee for training every year. There is relevant subject training inclusive of apprenticeship programs at the two mines.

### Social Issues

Dialogue is undertaken with affected communities to ensure that any mitigating measures for project related impacts are understood, and that where possible, are aligned with the community's priorities.

There is a zero-tolerance for bribery and corruption. De Beers Canada has a Code of Business Conduct and Ethics, and Workplace Harassment and Discrimination policy, supported by an Anti-Money Laundering Policy. A new policy is being drafted for the entire De Beers Family of Companies to address corruption, bribery, anti-money laundering and similar issues in order for the company to be compliant with new legislation being enacted in the United Kingdom. This new policy will be launched in the first part of 2011. There is also a zero tolerance for alcohol and substance abuse at both mines. These policies are rigorously enforced, and are further supported by a Whistle Blowing Policy. Compliance with these is mandatory and each employee and contractor is required to read and sign these policies acknowledging that they understand the guidelines in the operation of their daily job.

De Beers Canada follows the De Beers Group practice that guides contributions to political parties, and has a code of business conduct and ethics that supports this concept.

De Beers Canada was not involved in any court decisions regarding cases pertaining to anti-trust and monopoly regulations during the reporting period.

### Concerns, grievances and feedback from employees

There are a number of mechanisms for employees to raise concerns, issues or grievances, or to provide feedback. On the mines, there are Joint Occupational Safety, Health and Environment Committees (JOSHEC). Both mines also have joint employee committees. During the year, a web based system was implemented for employees using the intranet where individuals could provide feedback, raise concerns of issues, or air a grievance anonymously, or provide their name if they so wish. Individuals are also able to raise concerns at any time with their supervisor or manager, or through the Human Resources department. There is a separate confidential whistle blowing system to alert management about actual or suspected improprieties.



*An employee with Ticho Landtran hooks up a hose to unload fuel at Snap Lake Mine. Containers are placed beneath each hose connect to ensure no fuel is spilled on the ground.*

Trucks remove ore from the open pit at Victor Mine.



### Employee Health and Safety

Our Occupational Health and Safety Policy was merged with our Environmental Policy and our Sustainable Development Policy at the beginning of 2010 to form a new broader-based Sustainable Development Policy. This has allowed us to align these policies, reduce duplication and strengthen the overall policy itself. The new Sustainable Development Policy is available on our website. We will align our Sustainable Development strategy and philosophy over the next couple of years with the remainder of the De Beers Family of Companies. We no longer have a stand-alone Occupational Health and Safety Policy.

Occupational accidents and diseases are recorded in accordance with governing Canadian legislation of respective Workplace Safety and Insurance Boards and/or Workers' Compensation Boards, as appropriate in the geographic region of our operations. The respective Boards set the basis upon which the Mining Industry's occupational accidents, injuries and diseases are recorded and reported.

A combined joint occupational safety, health and environment committee (JOSHEC) operated throughout the reporting period at the Toronto office. All other office and mine site locations have their own joint occupational safety, health and environment committees. All committees have both management and worker representation. These committees effectively cover the entire workforce.

There were no fatalities during the period.

There are no formal agreements with trade unions, therefore there are no health and safety topics covered within such agreements.

All De Beers Canada operations have health and safety management systems in place based on the requirements of the OHSAS 18001 standard for occupational health and safety.

### Safety

There is a single overarching objective of 'Zero Harm' at De Beers Canada. The company has a Sustainable Development Policy that includes an Occupational Health and Safety Policy which applies to all parts of De Beers Canada. The exploration and mine sites are covered by separate safety management systems that is consistent with OHSAS 18001 standard, and the intention is to certify these early in 2011 to this standard. The goal of achieving certification in 2010 was not achieved because all the preparatory work could not be completed in time. Work continued during 2010 to ready employees, sites and these systems for certification early in 2011. Exploration undertook internal safety management system audits at Sudbury and Toronto.

In each workplace and exploration camp, there is a Joint Occupational Health Safety and Environmental Committee (JOSHEC) with representation from management and employees. On the mines and in the offices, the employees' representatives are elected and the management members are appointed. In the exploration camps, where the numbers of employees are usually below the threshold for a formal joint occupational safety and health committee, employees are encouraged to participate either by volunteering or more usually by selection by co-workers.

Daily safety talks and checks are undertaken at each mine, in each mine office and exploration camps as the risks are high. In the Toronto, Timmins and Yellowknife offices where the risks are lower, weekly safety meetings are held.

Combined health and safety statistics are summarized in Table 5-7. Unfortunately, Exploration suffered one Lost Time Injury (LTI) following failure of a component on a drill rig during operations. Snap Lake incurred eight LTIs and Victor incurred four LTIs during the year.

Each operation has specific emergency response plans, based on the risk assessment for each mine. Generic response plans are used by the exploration teams because of the number of areas that are prospected. Where activities are within the area of interest of a community, the emergency response plans are discussed and integrated with those for the community in question. Emergency response plans call for a minimum of two drills per year, involving all persons present at any particular facility.

**Table 5-7:** Health and safety statistics for 2010

Metric	Milestone	Snap Lake Mine	Victor Mine	Gahcho Kué Project	Exploration	DBCI 2010	DBCI 2009
Fatalities	0	0	0	0	0	0	0
LTI	0	8	4	0	1	13	2
LTIFR	0	1.1	0.64	0	1.8	0.88	0.18
LTISR	N/A	25.5	15.3	0	20.3	18	18
Safe hours (millions)	N/A	0.096	0.72	0.45	0.017	1.27	N/A
TIFR	2.0	3.7	4.3	7.1	5.5	3.9	2.2
Near hit ratio	>5	3.0	18.5	0	16.6	N/A	N/A

**Legend**

LTIFR: Lost Time Injury Frequency Rate

LTISR: Lost Time Injury Severity Rate

Safe Hours: Hours worked without an LTI

Near hit ratio: (Near hit reports to all incidents)

TIFR: Total Injury Frequency Rate (all injuries except first aids)

Milestone: 2008 target improvement milestone

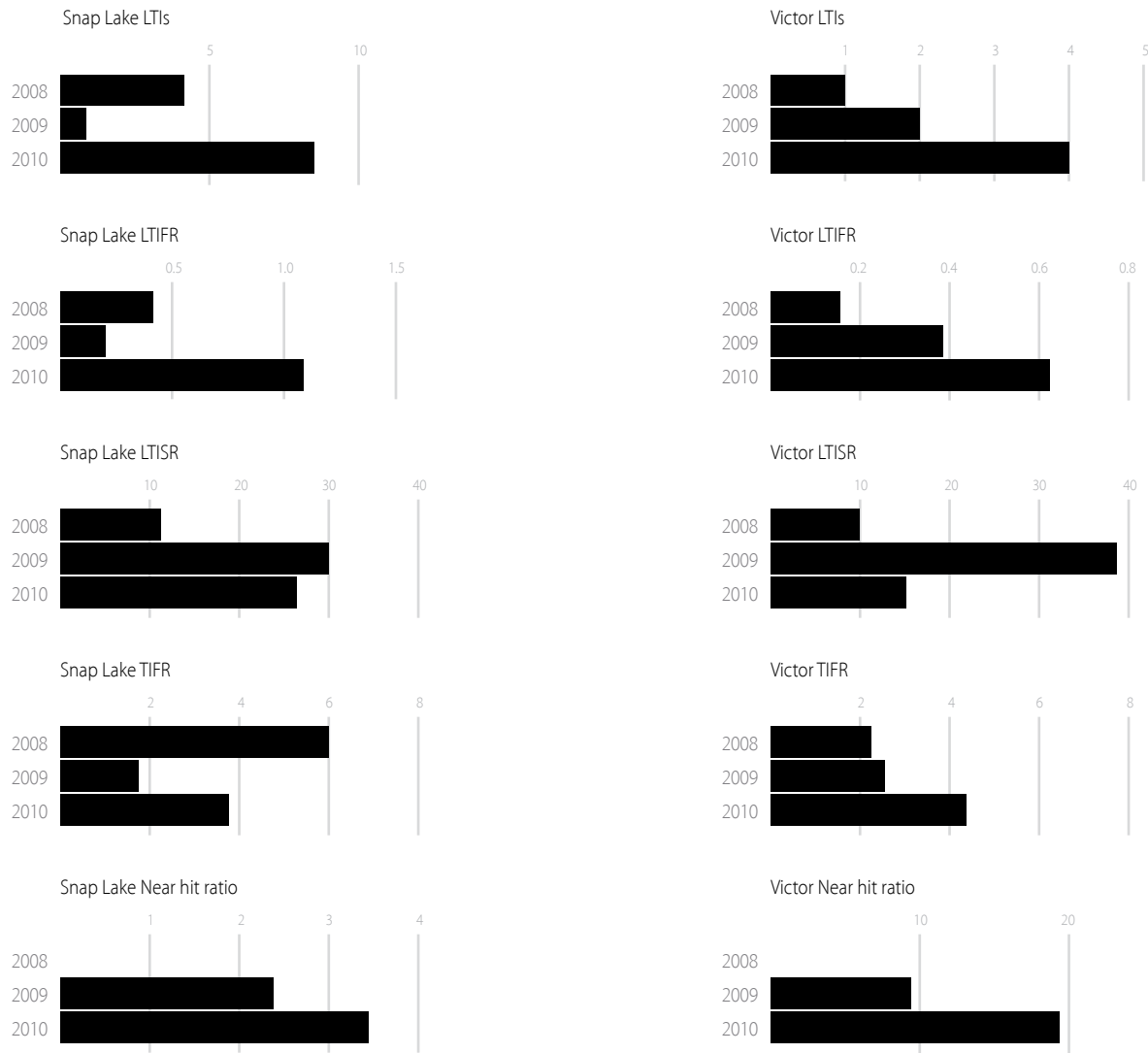
N/A: Not Applicable

DBCI: De Beers Canada Inc.

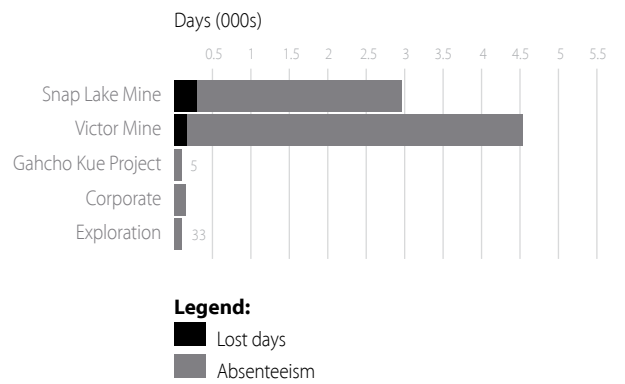
*A snow plow from Tlicho LandTran clears snow off the ice as part of maintenance the winter spur road to Snap Lake Mine.*



**Figure 5-4:** Safety Statistics for Snap Lake and Victor Mines, 2008 -2010



**Figure 5-5:** Absenteeism by business unit





*Environmental Coordinator Deborah Flemming examines a water sample in the environmental lab at Snap Lake Mine.*

### **Health and wellbeing**

Health and wellbeing of all employees and contractors is encouraged and promoted within the company. Programs and periodic presentations were made during the year on diabetes, HIV/AIDS and various other topics including healthy eating, diets, exercise.

No instances of occupational diseases were noted during 2010.

Education and training on accident prevention, health and safety is provided to employees using a training matrix within the health and safety management system. This identifies the requirements for the different positions. This is reinforced by daily toolbox talks in the workplace on the mines, and by at least weekly sessions in the offices. Counselling services, at the company's expense, are available to employees and their dependents through a contract service.

At Snap Lake and Victor, much of the year was spent reviewing and updating the integrated safety health and environment management system to comply with the Fatal Risk Control Guidelines for the Family of Companies, for ISO14001 and OHSAS18001. Auditor training was completed in preparation for the certification for OHSAS18001 which is now scheduled for mid-2011.

### **HIV/AIDS**

Unlike many of the countries where the De Beers Family of Companies operates, the prevalence of HIV/AIDS in Canada is much lower. The focus for De Beers Canada is thus on HIV/AIDS prevention and awareness. The Global HIV/AIDS Policy for the De Beers Family of Companies applies in Canada and an approach in Canada is aligned with the risk.