

(Final)

Speech by Bruce Cleaver – Chief Executive Officer of the De Beers Group

15 June 2017 – Walvisbay – Namibia

Right Honourable Saara Kuugongelwa Amadhila – Prime Minister of the Republic of Namibia

Your Excellency Dr Sam Nujoma – Founding President of the Republic of Namibia

Honourable Obeth Kandjoze – Minister of Mines and Energy

Honourable Ministers

Honourable Governor of the Erongo Region

Your Excellencies Ambassadors and High Commissioners

Your Worship the Major of Walvisbay

Honourable Councillors

Colleagues from Kleven (Norway)

Distinguished invited guests

I wish to start my address by paying a special tribute to the late Honourable Andimba Toivo ya Toivo.

He is remembered worldwide as a towering figure in Namibia's struggle for independence. After independence, he continued to serve the people of Namibia in various capacities. We, in De Beers remember him fondly as the "First Minister of Mines and Energy". As a minister he was strict, firm and resolute, But always fair and a polite gentleman. It was of course under his leadership at the Ministry of Mines and Energy that the foundation of our partnership was laid. Our thoughts are with his wife Vicky, their daughters and all the people of Namibia.

I am delighted to be here in Walvisbay today, at this historic event for one of Namibia's Premier Companies – Debmarine Namibia. And dare I say; this is a momentous occasion for Namibia in general, as it reaffirms its status as the world-leading country in offshore exploration, sampling and mining. We in De Beers could not be more proud of this fine achievement and join Namibia in celebrating this wonderful milestone.

Today marks the official inauguration of the mv SSN – the only dedicated exploration and sampling vessel in the Debmarine Namibia fleet.

It is exactly two weeks since Namibia launched its 5th National Development Plan – NDP-5, which is Namibia's vehicle to deliver the objectives and aspirations of Namibia's long-term vision – **Vision 2030**. Delivering the SSN is for Debmarine Namibia – the equivalent of planning for a longer-term vision – like Vision 2030.

For many of us – there is no doubt - that the long-term aspirations of Namibia are bold and ambitious. As someone who has many – many years of association with Namibia; and for who

Namibia holds a very special place in my heart, I know full well the magnitude of challenges that Namibia faces. Namibia has to make giant leaps forward, to bridge the gaps of inequality, women empowerment, opportunities for the youth and innovation to address challenges such as drought and other socio-economic impediments to development.

Today, we are gathered to bear witness to what can be achieved when bold and ambitious plans are successfully executed. We gather to bear witness to the tangible evidence of what is aspired for in Namibia's Long-term plans and vision. NDP 5 is premised on four strategic pillars:

- Economic progression
- Social transformation
- Environmental sustainability
- Good governance.

Let me unpack for a moment – and illustrate each of the pillars to demonstrate how the SSN is a tangible example of how to make NDP's a reality:

The total investment in the SSN is about N\$2.3 Billion, making it one of Namibia's biggest mining capital projects ever. Some of the local banks involved in the financing describe it as "one of the largest transactions in Namibian corporate history." The CEO – Otto Shikongo - spoke about the skills and employment opportunities of the SSN.

Our Debmarine Namibia partnership is the leading corporate tax contributor to the Namibia Treasury. Only SACU revenue surpasses our Partnership's contribution to the Namibia Treasury. In 2016, our Debmarine Namibia partnership contributed well over N\$3.7 Billion in taxes, royalty and dividend payments to the Namibia Treasury. The SSN, represents a strategic investment to ensure that Debmarine Namibia can sustainably contribute to ensuring that our Partnership continues to be a very important contributor to the Namibia Treasury. We are pleased that we certainly meet the **economic progression** pillar of NDP 5.

Debmarine Namibia's CEO spoke about the company's investment in skills development. The SSN and the magnificent on-board facilities, as well as the world leading technology, is evidence of how a Namibian Company is moving forward to be world-class. I have no doubt, that Debmarine Namibia is setting new frontiers in the area of quality of employment and technological advances to leap Namibia forward to be a world leading off-shore mining country. There is no better way to make the leap in **social-transformation**, than to aim to be world class. I believe Debmarine Namibia is a shining example of how to contribute towards *social progression* [pillar 2]. The impressive training provided and quality of jobs that the CEO spoke about is a vivid illustration of Debmarine Namibia's contribution to Namibia's social progression.

On **Environmental Sustainability** [pillar 3]. The SSN is most definitely the Pride in the Debmarine Namibia fleet. She holds, what is commonly referred to in global best – practice, a Green Passport. In other words, all its components are ecologically safely disposable. It is 25% more fuel efficient – and thus releases far less greenhouse emissions - than the previous sampling vessels. Debmarine Namibia continues to invest in marine environmental management by collaborating with UNAM and other leading global universities, to ensure that we fully

understand the impact of marine diamond mining on the sea-bed. I am very proud that Debmarine Namibia has environmental sustainability as a key strategic focus area – thereby meeting the 3rd pillar of Namibia’s NDP5 - **Environmental Sustainability**.

The fourth and final pillar of NDP 5, is very important and a key success factor for development. **Good Governance**. Your Excellencies, ladies and gentlemen. As CEO of the De Beers Group – there are two aspects on which I make *no compromise*. The first one is on the safety of all our employees. There can be no compromise on our rule of operation – no diamond is worth risking the safety of an employee. Equally important though, is my conviction that you cannot have a successful business without adherence to good governance. The SSN was delivered safely, within budget and three months ahead of schedule. Good governance is a critical success factor in business, just as much as it is in government. I have absolutely no doubt, that Debmarine Namibia meets the threshold of world class in terms of **Corporate Governance** – thereby meeting the 4th pillar of NDP-5.

Today the Government of Namibia and De Beers are in their twenty-third year of a very successful commercial partnership. No other commercial enterprise has enjoyed the levels of success and contribution to the Namibia Treasury than what our partnership has delivered over the years. This partnership is underscored by mutual respect, good governance – and most importantly, ensuring that every carat delivers value for the people of Namibia. Namibia’s diamond mining environment continues to evolve rapidly from being land-based focused to a marine focus – with all the associated risks and massive capital requirements. We in De Beers know full well that sustaining levels of production requires ongoing – R&D, and very deep pockets. The SSN is testimony of De Beers’ commitment to ensure sustainable growth and investment in the future of Namibia.

Ladies and gentlemen, we celebrate the success of the SSN project as an outstanding project in the De Beers Group. But, nothing gives us more joy than the knowledge that the SSN is indeed a great success story for the people of Namibia. The SSN is testimony to what needs to be done for Namibia to meet its Long-term development objectives.

Finally – ladies and gentlemen – we know that none of this would be achievable without the employees. To Otto Shikongo and all the men and women at Debmarine Namibia. Thank you. Thank you for every minute you spend to ensure safe and profitable operations. Thank you for your contributions to ensure that the De Beers Group remains the leading diamond company in the world. Thank you for what you do for Namibia.

To our De Beers team based in Cape Town – under the leadership of Domingos Valbom, your contribution to the progression of Debmarine Namibia has been absolutely colossal over the years. De Beers’ global standing as the world’s leading diamond company - across the pipeline - is in no small part, thanks to the world leading research and development capability we have in our Cape Town facilities. Some of our best science and engineering skills have over the years developed ground-breaking research, which has enabled Debmarine Namibia to attain its status as the world’s leading offshore prospecting and mining company. Thank you for your outstanding collaboration with Debmarine Namibia.

The team from Kleven – Norway present here today. Thank you for being our partners to realize this bold and ambitious dream of building a world-class exploration and sampling vessel. We have been most impressed with the execution of this magnificent project.

In conclusion, allow me to pay a very special tribute to His Excellency Dr Sam Nujoma – the Founding President of the Republic of Namibia. Your Excellency – you have laid a solid foundation in establishing a conducive environment for investing in Namibia. It is indeed fitting that the first exploration and sampling vessel in the Debmarine Namibia fleet is named in your honour – the SSN! We hope and trust that she will have a long and successful operating voyage – and make a positive contribution to Namibia and its people, just as you have done over many decades.

Ladies and gentlemen – thank you very much. */end*