



# SUSTAINABILITY NEWSLETTER 2019

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**Unlocking Sustainable Diamond**  
**Value For Zimbabwe**





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## Vision

To be a World Class  
Diamond Producer

## Mission

To identify and realise  
Zimbabwe's diamond potential  
for the benefit of the nation.

## Values

Zero Harm  
Integrity  
Transparency  
Teamwork  
Results Oriented  
Innovation  
Care

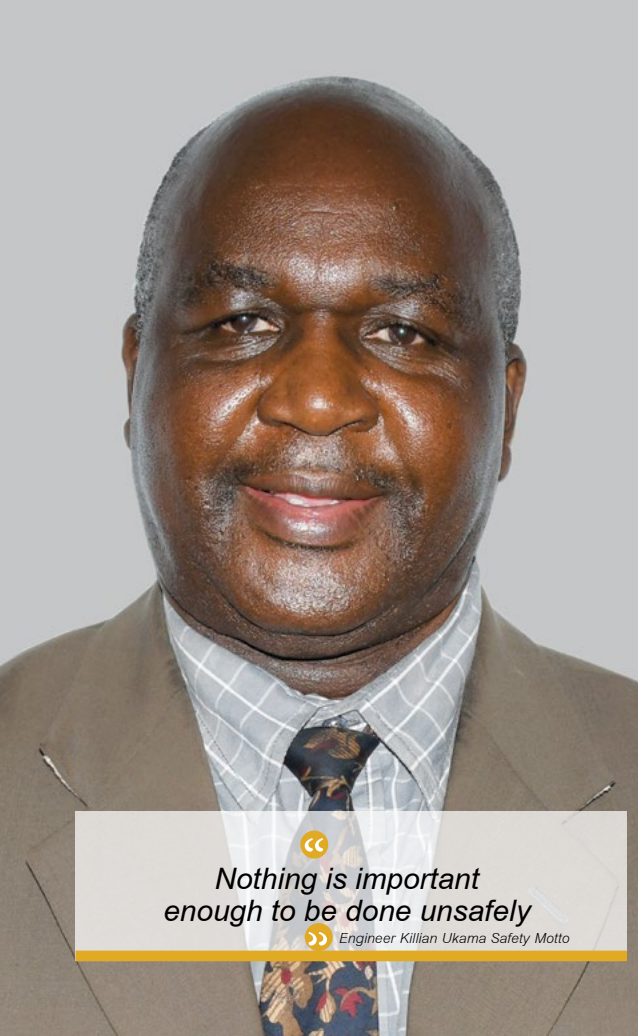
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Unlocking Sustainable Diamond

Value For Zimbabwe

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“  
*Nothing is important  
enough to be done unsafely*

» Engineer Killian Ukama Safety Motto

## MESSAGE FROM

# • OUR CHAIRMAN

The Zimbabwe Consolidated Diamond Company (Pvt) Ltd understands the transformative potential of its operations to local communities and the responsibility that comes with mining the precious gems, hence social investment has always been a top priority for us. It is our philosophy that the benefits should be shared with the community in a way that transforms livelihoods in a positive and lasting manner. To this end, we have engaged in various CSR projects in the areas of health, education, infrastructure, empowerment initiatives, land rehabilitation, sport and recreation as well as capacitating communities through share ownership trusts.

We have also partnered with other like-minded organisations in the Livestock Revitalisation Programme aimed at improving cattle stock through artificial insemination, underscoring the traditional approach to the importance of cattle as a store of value and source of wealth for rural communities.

We are cognisant of the importance of sustainability not only in terms of our mining operations, but also with respect to livelihoods in local communities where we operate, and from where we derive our social licence.

As a company, we are also projecting growth on the back of increased investment and production against a backdrop of rising output in the last few years. This trend should continue, spurred on also by our desire to complement government's Vision 2030 of attaining a middle income status.

Engineer Killian Ukama  
ZCDC Board Chairman



## MESSAGE FROM

# • OUR CEO (A)

Corporate Social Responsibility and environmental protection takes a pivotal role in our business model, and as such ZCDC is implementing a host of strategies aimed at improving the welfare of the community and protecting the environment within which it operates.

To date, ZCDC has embarked on various community development projects informed by the Community Stakeholder Committee established to interface with the community and other stakeholders. The Committee is comprised of local community representatives, ZCDC staff, civil society bodies and other relevant government entities.

As part of our sustainable mining initiative, ZCDC in collaboration with the Environmental Management Agency (EMA) and the Forestry Commission, has commenced a tree planting campaign as part of its efforts to reclaim mined-out land. To date, over 2,000 trees have been planted on reclaimed land. The target for the tree planting project is to have indigenous trees planted on all reclaimed land.

In addition to employment opportunities for the local community, ZCDC is also offering training as well as financial and technical assistance in sustainable enterprise development projects. At least 111 villagers comprising mostly women were trained in clothing manufacturing. The company purchased equipment for the villagers who are now sowing the company's Personal Protective Equipment and also supplying the local market.

Corporate Social Responsibility and environmental protection form an integral part of ZCDC's strategic thrusts. We hold in high regard, the balance between, community, environment, shareholder and corporate stakeholder interests in the execution of our mandate.

**Mr Roberto De Pretto**  
ZCDC Acting Chief Executive Officer



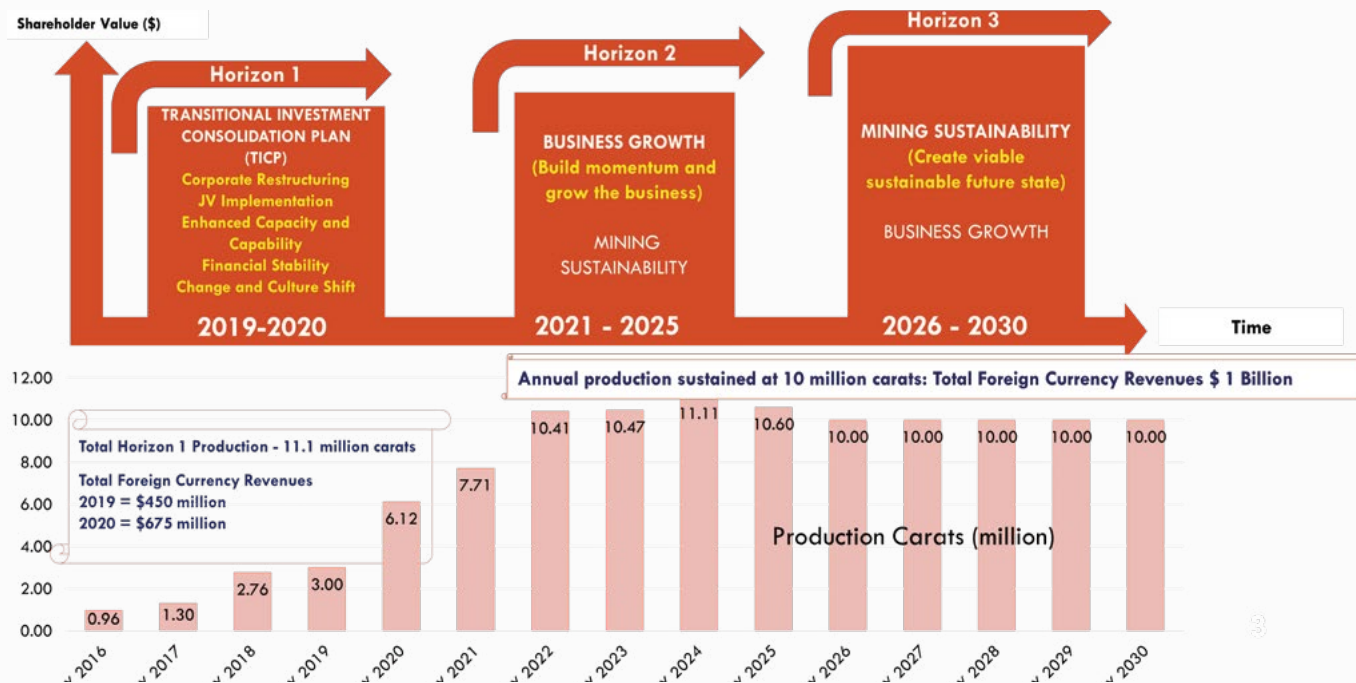
# OUR BOARD OF DIRECTORS



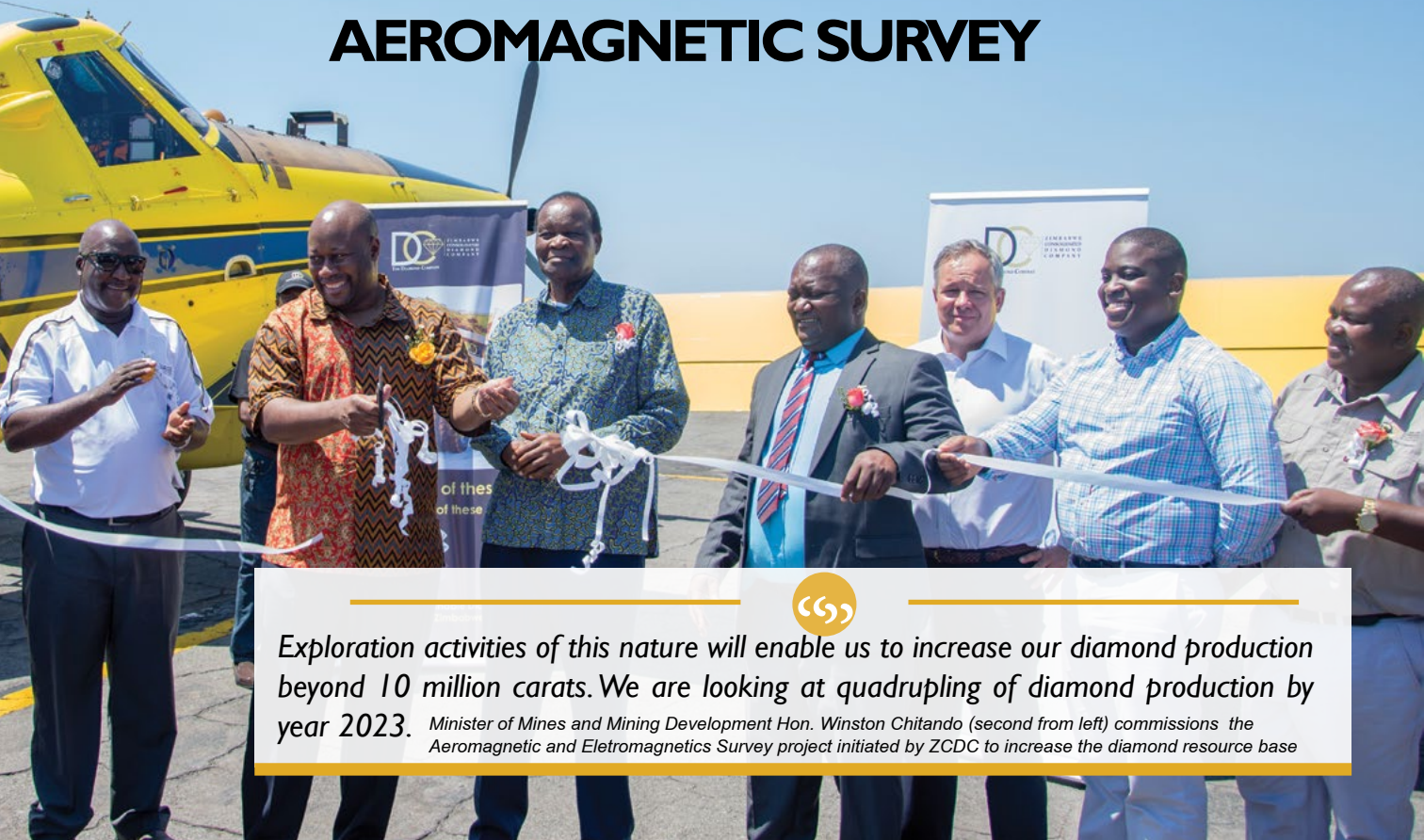
FROM LEFT . . . Colonel E Chiadzwa, Mrs E Muchemwa, Mrs E Nerwande-Chibanda, Mr A Mukwekwezeke,  
Rtd Lt Colonel N Mtombeni, Ambassador Z Nsimbi and Board Chairman Engineer Killian Ukama on a tour of Portal E in Chimanimani

## REORIENTATION OF THE ZCDC

# BUSINESS MODEL (DMBM)



# ZCDC EMBARKS ON AEROMAGNETIC SURVEY

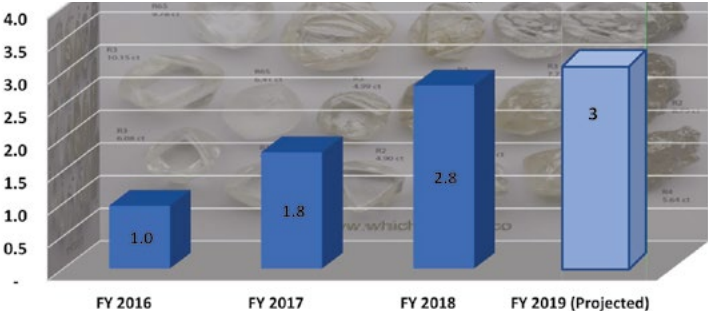


Exploration activities of this nature will enable us to increase our diamond production beyond 10 million carats. We are looking at quadrupling of diamond production by year 2023. *Minister of Mines and Mining Development Hon. Winston Chitando (second from left) commissions the Aeromagnetic and Eletromagnetics Survey project initiated by ZCDC to increase the diamond resource base*



# PERFORMANCE OVERVIEW

## Annual Carat Production



## Production

Through investment in production capacity, the company has managed to grow its output from 1 million carats in 2016 to 1.8 million carats in 2017 and 2.8 million carats in 2019. The company is targeting to produce 3 million carats in 2019 as it consolidates its investment in exploration, mining and processing capacity.

## Balance Sheet Growth (\$Millions: 2016 to 2019)



## Shareholder Value

Owing to enhanced investment in operations and accumulated diamond stock, the company's balance sheet grew from \$36 million in 2016 to \$218 million and \$269 million in 2017 and 2018 respectively. The targeted balance sheet for 2019 is \$374 million.

# OUR SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

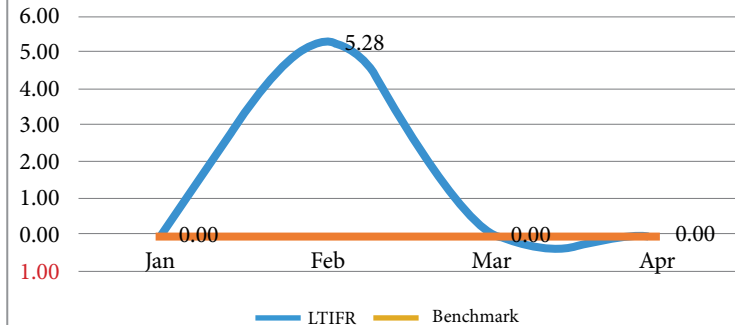
## HEALTH AND SAFETY PERFORMANCE

ZCDC strives to provide safe workplaces and ensure improved employee wellness. Our target is Zero harm.

### 2019 HEALTH AND SAFETY HIGHLIGHTS

- 146 004 fatality free shifts were recorded from January 2019 to date.
- 329 370 man-hours have been worked since the last Lost Time Incident.
- Zero occupational related illnesses from January 2019 to date.

### 2019 Lost Time Injury Frequency Rate



Our Lost Time Injury Frequency Rate was affected by 2 LTIs recorded in February 2019. Improved contractor management system has also resulted in the decrease in our injury frequency rate.





## INTEGRATED MANAGEMENT SYSTEMS IMPLEMENTATION [IMS]

Our strategic intent is to realize sustainable diamond value through effective, environmentally sound and occupationally safe operations. In this regard, ZCDC developed and implemented an Integrated Management System [ ISO 14001:2015 \_ Environmental Management System, ISO 9001:2015 \_ Quality Management System, ISO 45001:2018 \_ Occupational Safety and Health Management System].

## 2019 ISO INTEGRATED MANAGEMENT SYSTEM (IMS) HIGHLIGHTS

- IMS SAZ Second Stage Audit was completed in April 2019 and accreditation is earmarked for the month of June 2019.

## ENVIRONMENTAL SUSTAINABILITY

We care for the environment, for the community and for the people

### Energy and Water

ZCDC aims to reduce its carbon footprint by switching from fossil powered plants to clean technologies like solar energy. Water is managed on a zero discharge principle and is recycled back into the system to prevent environmental contamination as well as conserve fresh water resources.

## 2019 ENVIRONMENTAL MANAGEMENT HIGHLIGHTS

- Rehabilitation of disturbed lands is our environmental mandate to contribute to the global carbon sequestration efforts to prevent climate change and mitigate degradation from both current mining operations and inherited degraded concessions.
- A total of 23.5 ha have been reprofiled to date and 2430 indigenous trees were also planted that included ( baobab, red ivory (nyii) ,mahogany (mukamba) and mutohwe, at a success growth of 76%. Our target for 2019 is to rehabilitate 100 ha of mined out areas.
- Construction and commissioning of waste disposal facilities including oil farm and landfill for effective waste management was also done in Q2, 2019.

# SECURITY INDABA

By Shamiso Mtisi

KP Civil Society Coordinator

Deputy Director: Zimbabwe Environmental Law Association (ZELA)

- Firstly, I would like to thank ZCDC for organising this tripartite meeting, it is the third time ZCDC has organised a similar event. It shows consistency and commitment for transparency and accountability. Perception matters in this day of social media.
- The meeting is a clear reflection of the tripartite nature of the Kimberley Process since it brings together Government, the diamond industry, civil society groups and communities affected by mining. More importantly the meeting include security forces-both private and public. This is commendable and should be continued.
- As the KP Civil Society Coalition as well as ZELA at the national level, engagement is key as a strategy for us. We are ready at any time to engage with Government and Industry about improving diamond governance, revenue management and human rights.
- The KP Civil Society Coalition plays a watch dog



Mr Shamiso Mtisi

and oversight role in the diamond industry to make sure that diamonds are not used to fuel conflicts. We conduct research and advocacy activities related to mining and trade of diamonds around the world. Our work is not only in Zimbabwe but in all diamond producing, transit and trading countries.

- I am happy that ZCDC as reported by the Acting CEO implemented some elements of what was agreed last year during the Diamond Security Conference and some of our recommendations including; giving the Security forces (ZRP) a slot to speak, flighting tender for investigation of human rights abuses, commitment to train security personnel on human rights and dismissal of employees involved in fuelling diamond leakages and some CSR activities. There is a positive mark for these initiatives.

## The Kimberley Process and its link to Diamond Security Meetings

- The link between this Diamond Security meeting and the Kimberley Process is that the KP Core document recognises that trade in conflict diamonds can be directly linked to the fuelling of armed conflict, the activities of rebel movements and notes the devastating impact of diamond fuelled conflicts on peace, safety and security of people in affected countries and the systematic and gross human rights violations that have been perpetrated in such conflicts.





Group photo of some of the stakeholders at ZCDC's 3rd All Stakeholder Diamond Security Indaba. Seated from left: ZCDC Acting Chief Operating Officer Mr L. Chiota, ZCDC Company Secretary Mrs S. Ndebele, ZCDC Board Chairman Engineer K. Ukama, Manicaland Minister of State for Provincial Affairs Hon. Senator Dr E. Gwaradzimba, Chief Marange, Deputy Minister of Mines and Mining Development Hon. P. Kambamura, Chief Zimunya and his wife and Chief Ngorima's wife.  
Middle row: Standing to the right of Police Assistant Commissioner Ngavi (in police uniform) is ZCDC's Acting Chief Executive Officer Mr R. De Pretto.

# WE CARE FOR THE COMMUNITY

## OUR COMMUNITY PROJECTS TO DATE

Below is a list of projects the company has completed as well as those in progress (WIP)

1. Gandauta Secondary School  
**science and computer laboratory**
2. Drilling, rehabilitation and installation of  
**boreholes**
3. Banda Primary School  
**Anglican Church rehabilitation**
4. Banda Primary School  
**classroom blocks x2**
5. Sakubva  
**produce market (WIP)**
6. Established  
**Manica Diamonds Football Club which romped into the Premier Soccer League**
7. Mukwada  
**clinic rehabilitation**
8. Rehabilitation of  
**diptanks (WIP)**
9. Building  
**Chiefs' courts (WIP)**
10. Maintaining Mutare Boys' High School  
**sports facilities (WIP)**
11. Community enterprise development  
**sewing project**
12. **School fees assistance**
13. Wheel chairs and  
**medical assistance**
14. Donated  
**5 Million dollars towards Marange Zimunya Community Share Ownership Trust**

# CYCLONE IDAI

From 15-17 March 2019, Zimbabwe experienced one of the worst torrential rainfalls caused by Cyclone Idai which hit the eastern part of the country. Resultantly, there was loss of life, thousands displaced, millions of dollars worth of property and infrastructure destroyed while development gains in the province were reversed.

Cyclone Idai caused high winds and heavy precipitation in Chimanimani, Chipinge, Buhera, Nyanga, Makoni, Mutare Rural, Bikita, Masvingo and Gutu District causing floods which also claimed livestock and crops.

Health care facilities were also damaged while the electricity supply system affected. Most people were left with no food blankets and shelter.

His Excellency, the President of the Republic of Zimbabwe Cde. Emmerson Mnangagwa declared Cyclone Idai a National Disaster and two days of mourning. It is against this backdrop that a call for assistance was made. Individuals, business people, churches, corporates, non-governmental organisations, the international community and other countries responded to this clarion call.

## ZCDC'S CONTRIBUTION

- Food, grocery, blankets and drugs donation
- Mobilised a helicopter from MARS to assist with rescue operations, airlifting of doctors and medical supplies
- Embarked on an educational awareness campaign on print and electronic media
- Provided earthmoving equipment to help with road rehabilitation





## DISTRIBUTION OF EMPLOYEES

ZCDC has two operational sites, Chiadzwa and Chimanimani. Our Head Office is in Harare. The total number of our employees is 1 795.



**85**

Employees at  
Head Office



**164**

Employees at  
Portal E  
(Chimanimani)



**1227**

Employees at  
Chiadzwa  
Concessions

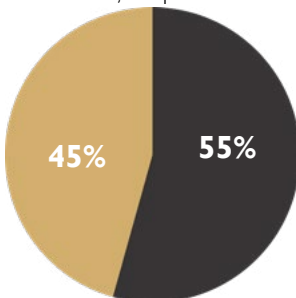


**319**

Employees on  
short-term  
contracts

## 16 LOCALS WITHIN MANICALAND PROVINCE

Community needs will never be over-emphasised. Priority is given to locals when it comes to employing and the majority of our employees come from Manicaland, the province in which we carry out our operations.



NON MANICALAND      MANICALAND



**699**

Locals on  
fixed-term  
contracts



**286**

Locals on  
short-term  
contracts



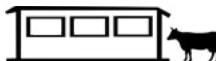




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# INFRASTRUCTURE

Infrastructure development is a key driver for progress and a critical enabler for productivity and sustainable economic growth. ZCDC thrives to ensure that infrastructure contributes significantly to human development and poverty reduction in the community which it operates.



Rehabilitating of  
community dip-tanks



Construction and  
maintaining of bridges



Maintaining  
local roads

# EDUCATION

It is also our humble realization that in these growing communities, there are people who, if afforded opportunity, can change the world to be a better place for everyone. So, the thrust of our CSR projects is to empower the communities and building capacities for future generations. Communities must continue doing well beyond the life of diamond mining in Manicaland Province.



Constructed a science and computer laboratory at Gandauta Secondary School and equipped it with state-of-the-art equipment



Provide scholarships and bursaries to community pupils and students



Rehabilitation of two classroom blocks at Banda Primary School which were affected by a hailstorm

Maintain sports facilities at Mutare Boys High School in Manicaland Province



# WELL DONE RUTENDO

## ...You have done us proud

The Zimbabwe Consolidated Diamond Company (Pvt) Limited would like to congratulate our 22-year-old young lady, Rutendo Mangatu on receiving her degree in Computers and Management Information Systems at Solusi University, Bulawayo.

We are delighted and thrilled to hear that she graduated on March 31 2019 and extend our hearty congratulations. She has made us proud and we encourage her to keep shining as the company continues to unlock sustainable education value for Zimbabwe. She has reached this significant stage in her life through hard work and perseverance.

## Background

Rutendo was raised by her paternal grandmother in Mangatu village under Chief Marange and although she passed her Advanced Level with excellent grades, hopes of furthering her education were shattered by lack of finances to pay for her tuition. Her grandmother was aged and economically inactive. But with the help of family friends, she managed to enrol at Solusi University and undertook menial jobs to make ends meet.

Her hopes were further dashed when the University decided to stop students from attending lessons who were on a work programme due to financial challenges. In the midst of pondering her next move, The Diamond Company, as part of its Corporate Social Responsibility Programme, came to her rescue with tuition fees, food and accommodation as well as offering her a job during vacations. Rutendo became ZCDC's baby. She now boasts of a degree of her choice and is upbeat about starting her own computer networking company with IT support. Rutendo is now an employee at ZCDC.

Once again, we say, Well Done Rutendo.



# HEALTH

In line with the Government's thrust to avail quality health for all, the Zimbabwe Consolidated Diamond Company has taken it upon itself to improve the health delivery system in and around the Chiadzwa diamond fields.



Rehabilitated Mukwada Clinic which serves the Chiadzwa community



Donated wheelchairs and medicines to Zimbabwe's prisons and correctional institutions

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*Mukwada Clinic given a facelift*





# SANITATION

Without proper sanitation, people are vulnerable to preventable diseases and their nutrition and health are compromised. The community in which we carry out our operations is drought stricken and access to water supply for the community and their livestock is of paramount importance. ZCDC ensures that clean water is available for everyone at all times.



ZCDC is sanitising Mutare produce market, to ensure that products are sold in a clean environment



Boreholes have been drilled and rehabilitated in the community, at schools and clinics



*ZCDC's artistic vision of a completed sanitised Mutare produce market*



# ENVIRONMENT

The Zimbabwe Consolidated Diamond Company (Pvt) Ltd (ZCDC) is committed to sustainable mining. The company inherited the diamond concessions from previous miners that were heavily degraded with evidence of deep uncovered and unprotected excavations, trenches, gullies and contaminated land.

To demonstrate environmental stewardship and legal compliance, ZCDC has initiated a comprehensive rehabilitation programme of previously mined out areas. The project was commissioned by His Excellency, The President of the Republic of Zimbabwe Cde. Emmerson Mnangagwa (Pictured in scarf).

And to ensure adequate plant support, the mined-out areas are firstly sterilized to certify there are no diamonds. A certificate will then be issued by the Geology department to certify the land for rehabilitation. The sterilized areas are then re-profiled by backfilling pits using rubbles, oversize rocks, tailings and finally stockpiled topsoil. Land reprofiled is then prepared for revegetation and planting of different tree species.

The common indigenous species planted include baobab, red ivory (munyii,) musau, mopane, mukamba, mushumha. The trees are resistant to dry and hot weather conditions making them ideal for the environment.



# EMPOWERMENT

The Zimbabwe Consolidated Diamond Company (Pvt) Ltd has trained 111 men and women in the art of sewing as part of the diamond mining giant's corporate social responsibility initiatives.

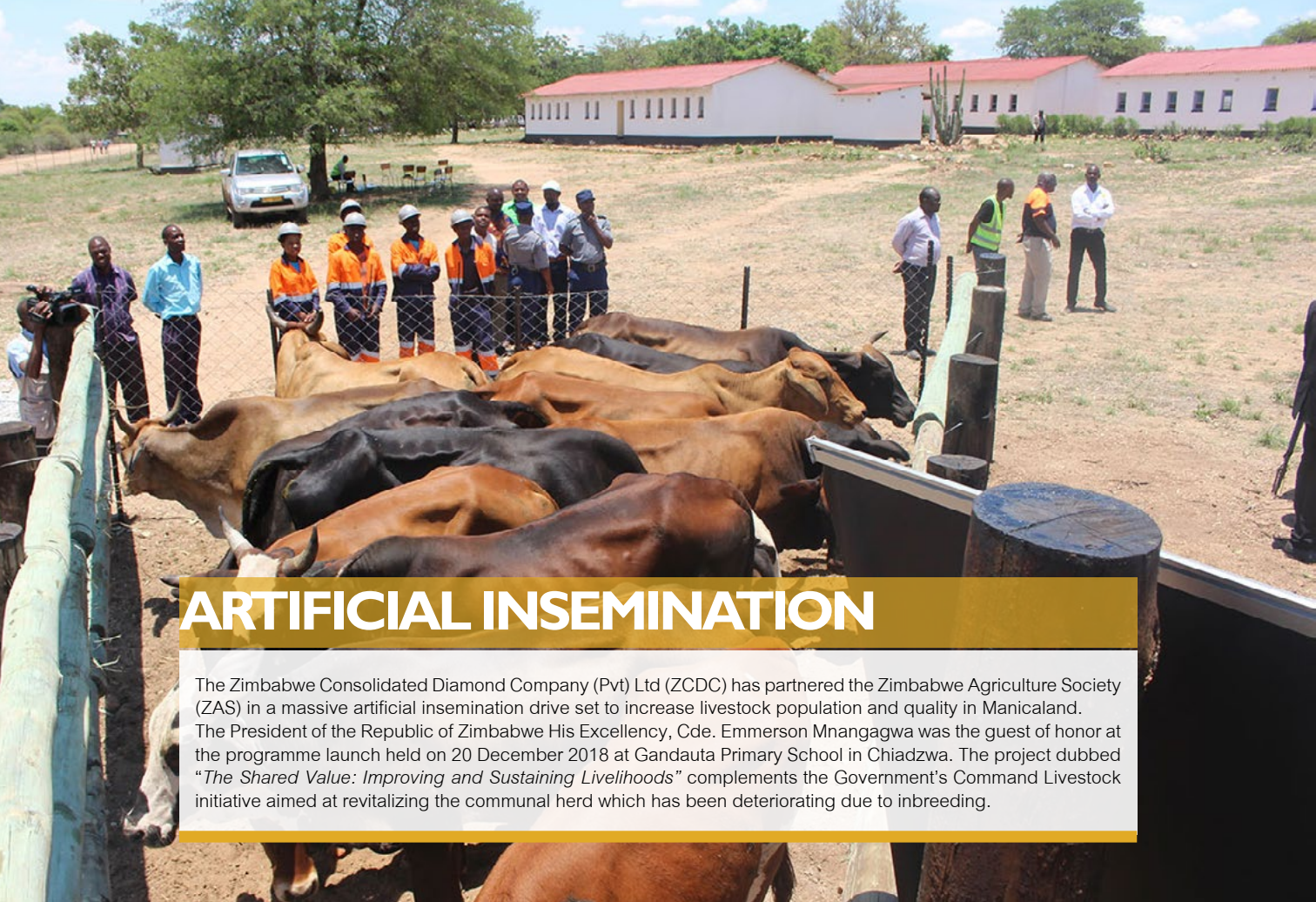
The project is aimed at enhancing enterprise development in the immediate community and foster local empowerment among a host of other ventures.

A factory has already been set up within the Chiadzwa concessions for the trained staff and they have started producing Personal Protective Equipment for the diamond mining company among a plethora of other products they are producing. The staff, trained by experts from Mutare Polytechnic, graduated on 19 December 2018 and have since been presented with certificates.

The project was initiated following a needs assessment exercise conducted by the company as part of its strategies under the Diamond Mining Business Model (DMBM).







# ARTIFICIAL INSEMINATION

The Zimbabwe Consolidated Diamond Company (Pvt) Ltd (ZCDC) has partnered the Zimbabwe Agriculture Society (ZAS) in a massive artificial insemination drive set to increase livestock population and quality in Manicaland.

The President of the Republic of Zimbabwe His Excellency, Cde. Emmerson Mnangagwa was the guest of honor at the programme launch held on 20 December 2018 at Gandauta Primary School in Chiadzwa. The project dubbed "*The Shared Value: Improving and Sustaining Livelihoods*" complements the Government's Command Livestock initiative aimed at revitalizing the communal herd which has been deteriorating due to inbreeding.



# MANICA DIAMONDS FC

Manica Diamonds FC is a football club formed by the Zimbabwe Consolidated Diamond Company (ZCDC) (Pvt) Ltd in 2017 as part of its corporate social responsibility programme.

Popularly known as the “Gem Boys”, the club is solely sponsored by ZCDC and is based in Mutare, Manicaland province. The Gem boys are currently competing in their debut season in the Premier Soccer League (PSL), Zimbabwe’s top flight football league. They are the only team from Manicaland in the PSL and have quickly drawn support from the community and beyond who have been quick to embrace the team as their own.

Manica Diamonds spot ZCDC colours (gold and black) for all their PSL matches and this has increased the brand visibility. The team’s season opener vs 2015 PSL champions on 31 March 2019 was broadcast live to millions of viewers on national television to give the ZCDC brand unprecedented access to the country’s biggest sporting constituency. The subsequent media attention from their participation in the PSL has allowed the football fraternity, political players and ordinary citizens to have a greater understanding and appreciation of ZCDC’s cooperate social responsibility programmes.

Currently, more than 50% of the club’s employees, from the club executives, administrators, technical team and players are from Manicaland. This has been a deliberate and strategic policy by the club in line with ZCDC’s vision of empowering communities in the province in which they operate.

On the field, Manica Diamonds have done relatively well. Despite being the youngest club in the PSL, there is growing confidence within the Manicaland community that with the continued support of ZCDC, the team will be around for years to come and are set to scale great heights on the domestic football scene.



Jeffrey Takunda of Manica Diamonds FC, (in gold and black) dribbles past a TelOne FC player during a Premier Soccer League match.

# OPERATIONAL EXCELLENCE AWARDS





# Digging Deeper

## to Unlock Our Diamond Resource Potential

The Zimbabwe Consolidated Diamond Company (Pvt) Ltd operations involve prospecting, exploration, mining, processing and recovery, cleaning, sorting and valuation of diamonds.



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