



PetraDiamonds

Foundations for the future

Petra Diamonds Limited
Sustainability Report 2019



Sustainability is at the heart of Petra.

Our purpose is to unearth the world's most beautiful product as responsibly and efficiently as possible, thereby generating long-term value for each of our stakeholders.

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About Petra and Our Commitment to Sustainability

Petra Diamonds is a leading independent diamond mining group and a consistent supplier of gem-quality rough diamonds to the international market.

Petra is quoted with a premium listing on the Main Market of the London Stock Exchange under the ticker 'PDL', with US\$650 million loan notes due in 2022 listed on the Global Exchange Market of the Irish Stock Exchange. It is a constituent of the FTSE4Good Index.

High ethical standards are integral to our business and key to ensuring the provenance of our product. Our values (shown below) and culture underpin everything we do:



Let's do no harm



Let's make a difference



Let's do it right



Let's take control



Let's do it better

About this report

This report, covering FY 2019 (1 July 2018 to 30 June 2019), provides a review of our approach and commitment to sustainability and should be read in conjunction with our [2019 Annual Report](#). It aims to give a transparent overview of the most material sustainability issues and how we addressed them in FY 2019. Our Sustainability Report has been partially assured, with the key performance indicators relating to safety and the environment having been subject to assurance by Shangoni Management Services, an environmental, health and safety consulting company. The staff turnover rate (page 60), females in the workforce (page 60), amounts invested in staff training and development (page 59) and social investment spend (page 59), key performance indicators for FY 2019, have been subject to specific agreed upon procedures performed by BDO LLP, the Company's external auditors, under the International Standard on Related Services 4400 as issued by the International Auditing and Assurance Standards Board. Such procedures by BDO LLP did not constitute an audit or review opinion under International Standards on Auditing ("ISAs") (UK) or the International Standard on Review Engagements ("ISREs").

Our sustainability policies and reporting processes are aligned with various international standards and voluntary initiatives. There are also external organisations and benchmarking agencies to which we provide disclosure, which assess and recognise our performance.



Carbon Disclosure Project ("CDP")

Petra has participated in voluntary reporting to the CDP since 2013, with year-on-year improvement of scores.



Diamond Producers Association member commitments

We are committed to high standards of integrity and responsibility in all aspects of our business and all activities of the diamond value chain from mine to consumer.



Extractive Industries Transparency Initiative

We support EITI principles and believe that publishing details of Petra's tax payments can increase confidence and help improve community support for our activities.



FTSE4Good

FTSE4Good

Petra has been a constituent of the FTSE4Good Index since 2016.



Global Reporting Initiative ("GRI") Standards

This report has been prepared in accordance with the GRI Standards: Core option and has been partially assured.



Kimberley Process

Petra conducts all its operations according to its values and will only operate in countries which are members of the Kimberley Process.



ILO Declaration on Fundamental Principles and Rights at Work

Petra has aligned its principles with the International Labour Organization Declaration on Fundamental Principles and Rights at Work.



UN Global Compact

Our sustainability strategy and policies are aligned with the ten principles.



UN Universal Declaration of Human Rights

The Company complies with and supports the UN Universal Declaration of Human Rights as well as all legislation pertaining to human rights in the countries where it operates.



MSCI

Petra engages with MSCI and contributes to reporting.

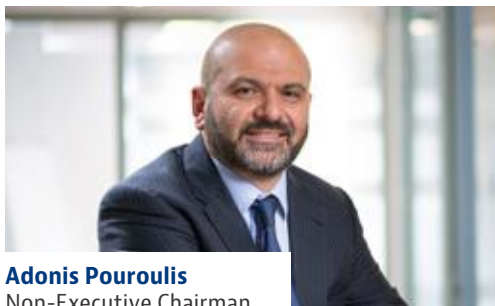


Sustainalytics

Petra engages with Sustainalytics and contributes to reporting.



Letter from the Chairman



Adonis Pouroulis
Non-Executive Chairman



Looking forward, nothing less than a net positive impact is enough if we are to truly generate long-term value for each of our stakeholders and, whilst this is clearly a challenge, I believe that we have the right people and philosophy in place to work towards this goal.

I would like to start this letter by reinforcing the purpose which defines our Company – to unearth the world's most beautiful product as responsibly and efficiently as possible, thereby generating long-term value for each of our stakeholders. This sits at the heart of our business model and is underpinned by the values we seek to follow and the culture to which we wish to adhere.

Responsible business

I am responsible for leading the Board and ensuring good governance within the Company, which extends to setting clear expectations with regard to our culture, values and behaviour and leading from the front to set an example. Ethical behaviour is integral to Petra's operations and we have systems in place

to obtain assurances from our suppliers that they are committed to principled business practices. We have made significant steps in FY 2019 to further improve our governance and sustainability frameworks. This has involved the delineation of responsibilities between separate Health, Safety and Environment ("HSE") and Social, Ethics and Diversity ("SED") Committees. An ethics roadshow was also conducted at each of Petra's operations.

● Responsible Business: pages 11 to 20

Stakeholder engagement

We are continually looking at ways of optimising our stakeholder engagement processes. Community interaction plays an important role at Petra and we have reviewed our approaches during the Year and have strategies in place to improve their efficacy. We currently have numerous employee communication structures but are looking at how we can strengthen Board/workforce engagement and are aiming to develop a more formal process to facilitate direct interaction.

● Positive Impacts: pages 49 to 57

Sustainability context

We understand the sustainability challenges and system pressures the world is facing and recognise the responsibility of business to address these by implementing clear targets and objectives. As a result, we have commenced a review of our sustainability strategy and framework and are looking to ensure that our most material sustainability issues are integrated into Petra's overall strategy and business model. This framework, which will align with the relevant UN 2030 Sustainable Development Goals ("SDGs"), will be approved by the Board in FY 2020.

Outlook

Looking forward, nothing less than a net positive impact is enough if we are to truly generate long-term value for each of our stakeholders and, whilst this is clearly a challenge, I believe that we have the right

Prioritising employee engagement for Project 2022

VALUES IN ACTION



LET'S TAKE CONTROL



LET'S DO IT BETTER

Project 2022, which was launched in July 2019, aims to identify and drive efficiencies and improvements across all aspects of the business targeting delivery of US\$150-200 million free cashflow over a three-year period.

One of the key elements of delivering success in change management is effective internal communication. We believe that the opinions of our employees should be taken into account at the very start of this project in order to shape the process. The overall success of Project 2022 will be largely dependent on our employees' readiness to embrace the initiative and contribute to its goals.

We have therefore prioritised employee engagement as part of the design and planning process and have actively been seeking input and feedback from our internal teams. To date, this has predominantly been carried out via internal communications channels through which employees have been asked to submit suggestions and ideas. Any questions or concerns raised by

our workforce have been answered and the Q&A documents are available for everyone to view. Some of the key topics raised include:

- ▶ the driving forces behind the Project;
- ▶ what are the anticipated benefits;
- ▶ how will employees be impacted;
- ▶ how can staff contribute to change; and
- ▶ how will employee ideas be integrated into plans.

Employees have been asked to discuss their own initiatives and proposals with project representatives, who have been allocated at each of Petra's operations. These suggestions will provide vital insight for project managers and will form an integral part of our overall plans.

Regular Group- and mine-level briefs are also being issued and discussed with employees by their line managers, to ensure a high level of co-operation across the entire business and that all parties are working in alignment. The CEO and Project Executive conduct Group-level sessions to reinforce leading from the top in all aspects of Project 2022.

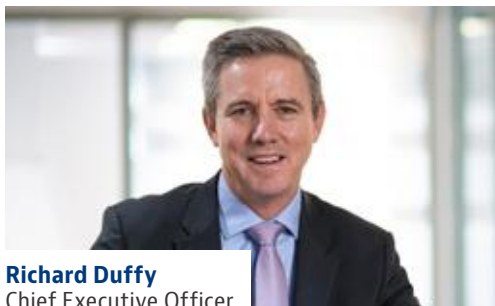
Employee involvement and co-operation, starting in the early planning phases and continuing throughout the Project, will be fundamental to its efficacy and success, enabling the Group to achieve its goals in a collaborative and open manner.

people and philosophy in place to work towards this goal. I will soon be stepping down as Chairman; however, I am encouraged by the work Petra has carried out to date, in terms of reducing our physical impacts and optimising the value we create, and believe that our sustainability performance has set a strong foundation from which to achieve our overall purpose.

Adonis Pouroulis
Non-Executive Chairman
14 October 2019



Letter from the CEO



Richard Duffy
Chief Executive Officer



Our principal value is safety and FY 2019 saw further improvement in the Group's performance, recording an LTIFR of 0.21.

Minimising our environmental impact is an important undertaking for the Group and we are taking steps to lower our carbon footprint.

The DPA recently commissioned a study which outlined US\$16 billion in net positive benefits created by its member companies.

I am impressed by the strong environmental, social and governance ("ESG") practices that I have observed since joining Petra in April and am pleased to be contributing to this report, which provides a clear overview of the responsibility we feel as a Company, the challenges we face and also our performance in this area. In addition to my position on the Board, I sit on the SED Committee and also represent Petra on the Diamond Producers Association ("DPA") board. The DPA recently commissioned a study to examine the collective socio-economic and environmental impact of its members. Noteworthy findings are displayed on page 17 but I think it is important to highlight the contribution of US\$16 billion in net positive benefits outlined by the DPA study. The DPA seeks to positively influence sustainable consumer demand for diamonds and it is our responsibility as an industry to effectively demonstrate the extensive benefits that diamond mining brings to our stakeholders, including communities around our mines.

Prioritising safety

Our principal value is safety and FY 2019 saw further improvement in the Group's performance, recording an LTIFR of 0.21, representing a 9% decrease on the previous year. All our operations reached the notable milestone of one million fatality-free shifts during the Year, which is testament to our unwavering commitment to safety. We continue to strive towards our goal of zero harm.

Safety and Occupational Health: pages 21 to 28

Developing our people and communities

Our people's commitment, skills and experience are integral to the Company's success and we again devoted significant time and resources to their training and development in FY 2019. Cognisant of our operating environment, we place great importance on elevating the knowledge base not only of our workforce but also our communities. We are dedicated to improving the education pipeline via bursary and scholarship schemes as well as school and young graduate support, both to the benefit of the local community but also to provide a potential pool of labour for Petra's next generation. Whilst we saw improved diversity, specifically in terms of gender, at higher levels of our business in FY 2019 we are still mindful of the need to further address this on a Group-wide basis and have programmes in place to facilitate this.

People: pages 29 to 37

Environmental impact

Minimising our environmental impact and addressing climate change are important undertakings for the business and we have some appropriate targets and strategies in place. These include energy-saving and recycling programmes, responsible waste management and water use reduction strategies, ecological management structures and rehabilitation plans. We are taking steps to lower our carbon footprint as well as exploring ways to adapt to climatic alterations in future. In FY 2019, I am pleased to note that we achieved our fifth consecutive annual reduction in total carbon footprint and improved our score for carbon disclosure to CDP – an important step in our drive for better performance and reporting capabilities. Given the water-stressed regions

in which we work, we are conscious of the risk this poses to our operations and of our responsibility to minimise use. We successfully implemented an integrated water management strategy in FY 2019 and take pride in the level of water recycling achieved to date.

Environment: pages 38 to 48

Outlook

As we look to the future, the safety of our workforce will continue to be our priority. With the shift to steady-state production and the implementation of Project 2022, which is discussed further in the Annual Report, our focus will now be on identifying opportunities to achieve efficiencies and facilitate improvements. Driving optimisation in everything we do is an important aspect of our role as a responsible diamond producer. This is particularly relevant in the sustainability context and presents exciting prospects in terms of Petra's capacity to deliver long-term value.

It goes without saying that we would not achieve anything without our employees and our thanks therefore goes to them, as well as to our broader partners and stakeholders.

Richard Duffy
Chief Executive Officer
14 October 2019

Sustainability Snapshot

Safety and Occupational Health

LTIFR reduced by **9%**



100% of employees offered voluntary testing for HIV/AIDS



Responsible Business

FTSE4Good
Petra confirmed again as constituent



US\$16bn net benefits created by DPA members in 2016¹



1. The Socioeconomic and Environmental Impact of Large-Scale Diamond Mining, a report by Trucost for the Diamond Producers Association – May 2019.

People

ca. **68,000** people are dependent on our operations



33% of Leadership Development Programme are women



Environment

72% of water used on mine is recycled



8% decrease in carbon emitted per carat



Positive Impacts

Supplier Compliance Committee established



Donating tailings mineral resources for artisanal small-scale mining



Our Operations and Social Environment

We employ 6,788¹ people in five countries

1

Finsch

EMPLOYEES	CONTRACTORS
1,118	1,004

Local operating environment The primary economic contributor to the region

Opportunities Raise maths and science education standards, support local economic development

Challenges Fairly isolated location, high youth unemployment, poverty

2

Cullinan

EMPLOYEES	CONTRACTORS
1,320	807

Local operating environment Well connected in terms of urban amenities and infrastructure

Opportunities Diamond heritage tourism, raise maths and science education standards

Challenges High youth unemployment, limited procurement opportunities for small businesses

3

Koffiefontein

EMPLOYEES	CONTRACTORS
645	112

Local operating environment The primary economic contributor to the region

Opportunities Raise maths and science education standards, support local economic development

Challenges Remote location, water scarcity, illegal mining, community unrest

4

Williamson

EMPLOYEES	CONTRACTORS
560	1,021

Local operating environment The primary economic contributor to the district

Opportunities Well-educated and skilled local workforce, protected forest reserve totalling ca. 906 ha of the mining licence area

Challenges Women in the workforce, security of power and water supplies, illegal mining, malaria

Petra has diamond marketing operations in Kimberley and Johannesburg, South Africa, and Antwerp, Belgium, as well as corporate offices in London and Johannesburg.

1. Employees and contractors.

Our social operating environment



SOUTH AFRICA

Ethnic groups African: 89%; European: 8%; Indian/Asian: 3%

Life expectancy Male: 63 years; Female: 66 years

Urbanisation 66% of total population

Literacy rate 94%

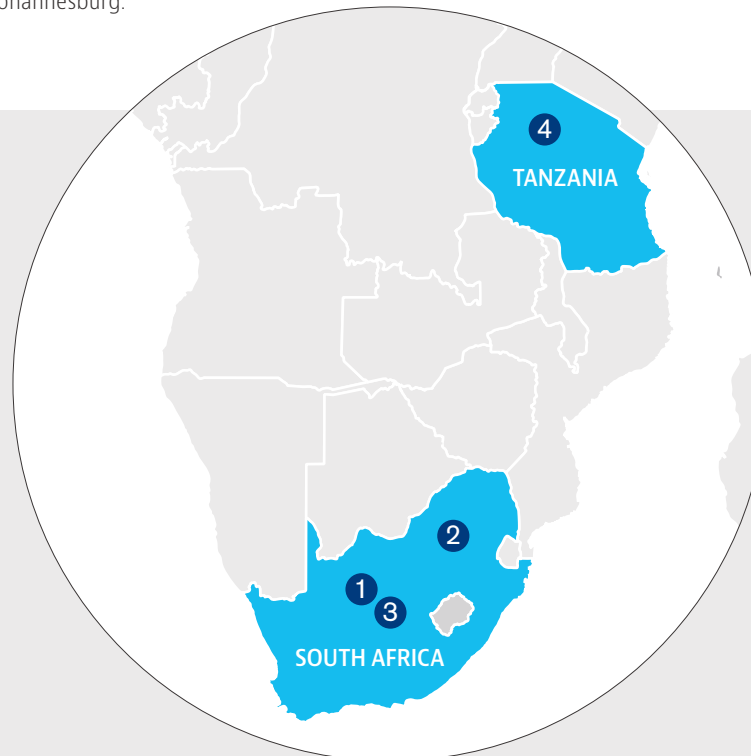
Unemployment rate 27.5%

HIV/AIDS adult prevalence rate 20%

2018 value of diamond production US\$1.2bn

2018 GDP US\$366.3bn

GDP growth rate in 2018 0.6%



TANZANIA

Ethnic groups African: 99% (of which 95% consists of 130+ tribes); Other: 1% (Asian, European and Arabian)

Life expectancy Male: 61 years; Female: 65 years

Urbanisation 34% of total population

Literacy rate 78%

Unemployment rate 10%

HIV/AIDS adult prevalence rate 4.6%

2018 value of diamond production US\$81.7m

2018 GDP US\$57.4bn

GDP growth rate in 2018 5.2%

Sources: The World Bank, The World Factbook – CIA, Kimberley Process Statistics.

Our Operations and Social Environment continued

Driving sustainable development in our local communities

Our contribution in FY 2019

 South Africa  Tanzania



Capital invested (Capex)

 US\$78.3 million

 US\$8.6 million



Employee wages

 US\$105.4 million

 US\$37.8 million



Social investment

 US\$0.7 million

 US\$0.3 million



Taxes and royalties¹

 US\$42.2 million

 US\$7.1 million



Supplier expenditure

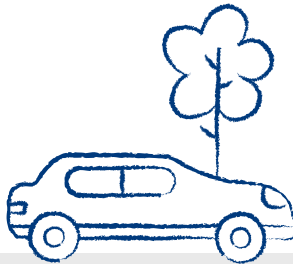
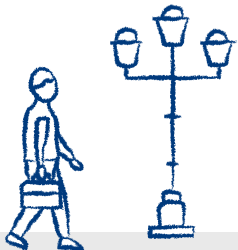
 US\$199.4 million

 US\$62.9 million

=

ca. US\$540 million

TOTAL ECONOMIC CONTRIBUTION



1. In addition to taxes and royalties paid in South Africa and Tanzania, the Company paid US\$0.4 million in the United Kingdom.



Stakeholder Engagement

We aim to communicate effectively with all our stakeholders, thereby building strong relationships which assist us in maintaining trust in our business, upholding our social licence to operate and creating shared value.

Employees, contractors and trade unions



WHY THEY ARE IMPORTANT

- ▶ Our people are at the centre of our business and are integral to our success.
- ▶ Without a skilled, productive, healthy and safe workforce, Petra would be unable to implement its strategy.

HOW WE ENGAGE

- ▶ Workplace meetings and internal committees
- ▶ Employee briefs, publications, notice boards and electronic channels
- ▶ Whistleblowing hotline
- ▶ Engagement with mine forums and trade union representation
- ▶ Employee engagement with the Board, including annual site visits to the operations by the CEO and Director sessions with employees

HOW WE DELIVER VALUE

- ▶ Salaries, wages and other benefits
US\$143.2 million
- ▶ Employee training and development
US\$6.6 million
- ▶ Graduates of Leadership Development Programme¹
138

Customers



WHY THEY ARE IMPORTANT

- ▶ Our customers purchase rough diamonds mined at our operations and are therefore the primary source of revenue for the Group.
- ▶ Long-standing relationships with customers ensure an ethical supply chain for our product.

HOW WE ENGAGE

- ▶ Continuous communication with our client base
- ▶ Open door policy and high level of business transparency
- ▶ Full certification of our products
- ▶ Site visits to operations
- ▶ Industry advocacy via the DPA

HOW WE DELIVER VALUE

- ▶ Conflict-free production
100%
- ▶ Diamonds sold
3.7 Mcts
- ▶ DPA investment in consumer marketing in 2019
US\$70 million

Shareholders and bondholders



WHY THEY ARE IMPORTANT

- ▶ Petra has raised financing over a number of years to enable its development, thanks to support from the equity and fixed income markets.
- ▶ Clear, transparent and balanced communications are important to enable a good understanding of our strategy, business model and performance.

HOW WE ENGAGE

- ▶ Regular briefings via public announcements, webcasts, presentations and social media
- ▶ Regular direct engagement via meetings, conferences and site visits
- ▶ Annual and sustainability reporting
- ▶ Dedicated investor relations department

HOW WE DELIVER VALUE

- ▶ Total production from FY 2006–FY 2019
29.4 Mcts
- ▶ Total revenue from FY 2006–FY 2019
\$4 billion
- ▶ Operating cashflow (before Capex) FY 2006–FY 2019
\$1.2 billion

1. Since inception in 2008.

Stakeholder Engagement continued

Local communities



WHY THEY ARE IMPORTANT

- ▶ The support of our local communities is an important component of our licence to operate.
- ▶ A positive role in the community will ensure a sustainable future for Petra and contribute to a favourable Company culture.

HOW WE ENGAGE

- ▶ Public participation processes and meetings
- ▶ Community newsletters and local media partnerships on socio-economic projects
- ▶ Establishing positive relationships through ongoing engagement with community structures

HOW WE DELIVER VALUE

- ▶ Social and community training spend
US\$1.8 million
- ▶ Local South African community procurement spend
US\$16.0 million
- ▶ Internal and external stakeholder engagements
93

Host Governments, regulators and NGOs



WHY THEY ARE IMPORTANT

- ▶ Support from Governments and regulators is required for our social licence to operate.
- ▶ Petra ensures it complies in all material respects with relevant legislation in each of the countries in which it operates. Where new legislation is enacted or regulations are passed, Petra engages with Government when required.

HOW WE ENGAGE

- ▶ Continuous consultation
- ▶ Scheduled meetings
- ▶ Membership of Minerals Council South Africa
- ▶ Regulatory site visits and audits
- ▶ Active involvement as member of Government-initiated forums and other consultative structures

HOW WE DELIVER VALUE

- ▶ Taxes and royalties
US\$49.9 million
- ▶ DPA members net benefit creation¹
US\$16 billion
- ▶ Estimated number of dependants on our direct employees²
ca. 40,000

Suppliers



WHY THEY ARE IMPORTANT

- ▶ Suppliers provide the goods and services necessary to keep our operations and expansion programmes running.
- ▶ Dealing with suppliers who share our values is important to Petra in order to ensure the ethical provenance of our diamonds.

HOW WE ENGAGE

- ▶ Supplier induction process
- ▶ Supplier days and events
- ▶ Local Enterprise Development centres
- ▶ Continuous liaison
- ▶ Open door policy
- ▶ Engagement on Company policy and required standards of practice

HOW WE DELIVER VALUE

- ▶ South Africa procurement expenditure
US\$199.4 million
- ▶ Suppliers registered on eProcure Portal
ca. 2,000
- ▶ Tanzania procurement expenditure
US\$62.9 million

1. In 2016. Source: The Socioeconomic and Environmental Impact of Large-Scale Diamond Mining, A report by Trucost for the Diamond Producers Association – May 2019.

2. Using the accepted x10 multiplier effect for South Africa and Tanzania.

Our Material Topics

In an effort to support the SDGs, we have linked each of our material topics with the relevant goals to demonstrate the part we are playing in the agenda to transform our world.

	Employees, contractors, trade unions	Customers	Shareholders, bondholders	Local communities	Host Governments, regulators, NGOs	Suppliers	Topic boundary	In support of SDGs	Read more
Corporate governance							Applies to Petra's business as a whole.		13
Generating economic benefit							Applies to the Company and to our countries of operation.		51
Consumer demand							Applies to the Company and to consumers globally.		17
Safety and occupational health							Applies to the Company and to our local communities.		21
Employee retention and development							Applies to the Company and to our local communities.		31
Diversity							Applies to Petra's business as a whole.		34
Labour relations							Applies to Petra's business as a whole.		36
Environmental management							Applies to the Company and its local communities.		40
Climate change and energy usage							Applies to the Company and its local communities.		44
Water management							Applies to the Company and its local communities.		48
Community development and engagement							Applies to the Company and its local communities.		53
Legal compliance							Applies to the Petra business as a whole.		19



Responsible Business

Effective corporate governance and legal compliance are the backbone of Petra and enable each part of the business to operate efficiently, successfully and sustainably. Petra seeks to influence sustainable consumer demand as the future of our business is dependent on the aspiration of consumers to buy and own diamonds.



- 13 Corporate Governance
- 17 Consumer Demand
- 19 Legal Compliance



Responsible Business



KPIs

100%
OF PETRA PRODUCTION
IS CERTIFIED CONFLICT FREE

US\$85.9 billion¹
GLOBAL DIAMOND JEWELLERY MARKET IN 2018

US\$16 billion²
NET POSITIVE SOCIO-ECONOMIC AND
ENVIRONMENTAL BENEFITS OF DPA MEMBERS

FTSE4Good
PETRA CONFIRMED AGAIN AS A CONSTITUENT

0
FINES PAID FOR REGULATORY NON-COMPLIANCE

1. According to industry reports.

2. Total Clarity; The Reality of Modern Diamond Mining, Trucost Report.



Strong governance, a commitment to responsible practices and ethical behaviour sit at the heart of our business.

We have made some significant changes to the Board and Committee structures in FY 2019, which we believe to be an important and progressive step in terms of ensuring the correct level of oversight and focus on sustainability matters.

Adonis Pouroulis
Non-Executive Chairman

Stakeholders

Employees, contractors, trade unions, customers, shareholders, bondholders, local communities, host Governments, regulators, NGOs, suppliers.

Company policies and guidelines

Code of Ethical Conduct, Human Rights Policy, Anti-Bribery Policy, Whistleblower Policy, PAIA Manual, Modern Slavery and Human Trafficking Statement.

Standards we follow

- ▶ UK Corporate Governance Code
- ▶ UK Bribery Act
- ▶ ISO 31000 "Risk Management" standard
- ▶ The Kimberley Process Certification Scheme
- ▶ Voluntary principles on human rights
- ▶ International Labour Organization Declaration on Fundamental Principles and Rights at Work

Key achievements and performance against FY 2019 objectives

- ▶ Continued implementation of governance standards – the Code of Ethical Conduct was updated and a successful ethics roadshow was held across all operations to re-emphasise ethical awareness and behaviour throughout the Company. Continued use and increased marketing of whistleblowing process/anonymous tip-off hotline.
- ▶ Continued emphasis on ensuring suitable and effective HSSE policies and systems are in place across the Group – establishment of the SED Committee and the delineation of responsibilities between the HSE and SED Committees.
- ▶ All Petra production remains certified in accordance with Kimberley Process as being conflict free.

- ▶ Petra worked closely with the DPA and contributed to the Total Clarity report – a DPA initiative to examine and quantify the collective socio-economic and environmental impact of diamond mining.

Key challenges

- ▶ Challenging external operating environment, where corruption is endemic.
- ▶ Increasing commentary on the topic of synthetic diamonds.
- ▶ Some continued regulatory uncertainty surrounding the new South African Mining Charter, with a judicial review underway.
- ▶ Ensuring security at Koffiefontein in relation to community unrest.

Objectives for FY 2020

- ▶ Maintain standards of ethical awareness and behaviour, particularly given that consumer confidence is crucial in the diamond industry.
- ▶ Petra's overall sustainability strategy and framework to be approved by the SED Committee.
- ▶ Continued work with the DPA to assist in its goal of maintaining and enhancing consumer demand for and confidence in diamonds.
- ▶ Review of the Group's Human Rights Policy.
- ▶ Continued reporting to key benchmarking agencies and international standards to further improve Petra's transparency.
- ▶ Forensic audits and vetting of individuals and suppliers to address anti-bribery.

2019 Corporate Governance Statement



Corporate Governance

Our ambition

We aim to conduct our operations as responsibly and efficiently as possible, thereby generating long-term value for each of our stakeholders. We are committed to upholding not only the levels of corporate governance we have maintained to date, but also to further developing and implementing governance best practice right down through the organisation.

We also aim to obtain further assurances from our suppliers that they are similarly engaged in ethical business practices, particularly in relation to having internal measures in place to avoid bribery, modern slavery, tax evasion, money laundering and human rights abuses.

Our approach

Governance and risk management

Governance and risk management are the overall responsibility of the Board at Petra, with its Committees and the internal audit department also playing an important role in the identification, management and mitigation of environmental, social and governance material issues and risks.

As part of establishing the sustainability risk context, there are two distinct areas of accountability which now fall under the guidance of two separate Board Committees. Governance, ethics, community relations and diversity are the remit of Petra's SED Committee and the HSE Committee is responsible for health, safety and environment. Further information on the activity of these Committees can be found in our 2019 Annual Report.

Petra's relatively flat management structure is important in its approach to sustainability management, with open, timely and effective

communication and appropriate levels of accountability throughout the Group.

Board training on sustainability management is provided on an ongoing basis, with informal briefings being carried out through the Year, covering governance and ESG matters.

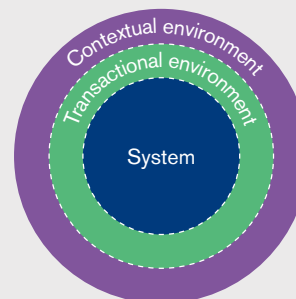
Board Committee changes

Due to his departure from the Company in March 2019, Johan Dippenaar ceased to chair the HSE Committee and new Board-level appointments were made during FY 2019. Both iNED Bernard Pryor and CEO Richard Duffy joined during FY 2019, with the former being appointed as Chairman in May.

The SED Committee was established in Q2 FY 2019, with the aim of having a separate and specific focus on social, ethics and diversity matters. There is a reporting line from the various committees at mine level to the SED Steering Committee and then to the SED Committee (via the Executive Committee) and ultimately to the Petra Board. iNED Octavia Matloa was appointed as Chair of the SED Committee and further details of its composition and role can be found in the FY 2019 Annual Report.

• www.petradiamonds.com/about-us/corporate-governance/internal-control-and-risk-management

Understanding our stakeholder environments



- The Company (system) has full control. The domain of Company policy, procedure and management control
- The Company has some control and 'transacts' with this environment, e.g. communities. Positive transacting may result in positive relationships
- The Company has no control, but is influenced by this environment and needs to pre-empt, act and react appropriately

VALUES IN ACTION



LET'S MAKE A DIFFERENCE



LET'S DO IT RIGHT

Given the ever increasing complexities in the internal and external social environments and the impact these are having on the Company, also referred to as 'the system', Petra has reviewed the way it interacts with such social environmental complexities. The rationale was not to attempt to control the uncontrollable, but rather to work with and attempt to increase visibility and understanding of social intricacies, improve forecasting and look to mitigate these complexities. We also aim to find innovative ways of working with social complexities to create a sustainable solution for both the Company and its external environment. The concept of the 'Social Span' approach (as defined below) was adopted as a framework within which to develop sustainable solutions.

One of the purposes and functions of Petra's newly established SED Committee is to ensure

both horizontal and vertical integration along the 'Social Span', focusing on social, ethics and diversity matters. This is achieved by considering the impacts on the system and social environment, both horizontal (between environments) and vertical (organisational or social hierarchy), thereby enabling Petra to develop innovative and sustainable solutions to some of the most pressing issues.

In FY 2020 Petra will use this methodology to develop a Group sustainability strategy or framework which will guide our approach and set specific KPIs to measure success.

What is Social Span?

The horizontal width of the social environment stretches from the Company (system) itself outwards towards the transactional environment and into the contextual environment – the societal axis (see diagram above). The horizontal width is combined with the vertical depth typically associated with the hierarchies of the Company (system), organisation, community or regulatory institution – hierarchical axis. The extent and interaction between the three social environments along both the horizontal and vertical axis jointly constitute the Social Span.



Corporate Governance continued

Significant activity by the SED Steering Committee

The SED Steering Committee has carried out substantial work in Q2 FY 2019, even though the SED Committee was only established in May. These include:

- ▶ benchmarking best practices of similar committees against industry peers and institutions such as the South African Ethics Institute;
- ▶ drafting the Company's Sustainability Framework based on the UN SDGs;
- ▶ investigating legal compliance systems to provide surety of compliance to SED-related legislation;
- ▶ defining the internal and external reporting parameters of SED-related indicators; and
- ▶ seeking Board approval of the various reporting agencies, associations/ memberships and reports associated with SED issues.

Report of the SED Committee in Petra's 2019 Annual Report

Our approach continued Sustainability management

Sustainability management is an integral part of all Petra operations and its management systems are constantly assessed, measured and, when necessary, updated to ensure their effectiveness.

We have sustainability objectives in place across our operations, with specific indicators to monitor and assess performance against targets on a mine-by-mine basis, as well as at Group level. There is a robust system of reporting on these indicators, with information flowing up from the mine-level committees to the respective Group Steering Committees and then to the Board, via the Board-level Committees.

The indicators are monitored on a daily basis at mine level and then monthly and quarterly reports are prepared by the mine management and Group Discipline Managers for the Steering Committees as well as the SED and HSE Committees. The HSE and SED Committees meet quarterly to discuss performance and strategy, before submitting quarterly HSE and SED reports to the Board.

If any major or significant incident occurs, Petra's established sustainability governance structure and procedures ensure that there is a clear line of communication whereby the matter is reported timeously to the highest governance body (i.e. ultimately, the Board).

Our approach to managing HSE matters is reinforced through the Group HSE Management Framework and mine-level policies and strategies, covering all key sustainability areas, as well as internationally recognised standards such as OHSAS 18001 (health and safety) (currently migrating to the ISO 45001 system) and ISO 14001 (environment). The Company follows a risk-based operational management approach process aligned with the ISO 31000 "Risk Management" standard. This standard

is based on continual hazard identification, risk assessment and instilling awareness into the workplace.

Petra complies in all material aspects with relevant laws and regulations in South Africa and was not subject to any fines during FY 2019. In Tanzania, Petra is in ongoing dialogue with the Government and local practitioners in relation to recent legislative developments relating to, inter alia, local beneficiation and participation. Petra is hopeful that it will arrive at a holistic solution that will benefit Petra, its employees, the Government of Tanzania and surrounding communities at Williamson.

The Group's HSE Management Framework, as shown below, aims to ensure that we meet our sustainability objectives, comply with relevant legislation, effectively monitor and improve our performance and meet (or, where possible, exceed) best practice.



Remuneration

Petra's remuneration packages are weighted towards performance, with pay linked to the Group's strategic goals, and with targets taking into account best practice developments applied in a manner that is appropriate for Petra's industry and specific circumstances.

HSE and SED measures are explicitly included as part of the annual bonus framework, reflecting Petra's commitment to corporate responsibility. Further information on our remuneration policies can be found in our 2019 Annual Report in the Directors' Remuneration Report.

Transparency and disclosure

Petra's reporting is aligned with a number of international standards as noted on page 1. We engage with the following bodies:



Corporate Governance continued

Ensuring ethical behaviour

Petra's commitment to ethical behaviour is clearly set out in the Group's **Code of Ethical Conduct** ("the Code") and we expect all Directors, employees, contractors and suppliers to conduct themselves in accordance with this Code. Our business ethics support the Company's corporate vision, mission and values and encourage and guide us to conduct ourselves professionally.

The annual review of the Code was performed by the Board in November 2018. It was updated to incorporate references to the relevant provisions of the Criminal Finances Act 2017, and our general terms and conditions with suppliers, which now contain strengthened warranties regarding the avoidance of tax evasion, modern slavery, bribery and corruption, money laundering, child labour and advancement of human rights, including health and safety, and protection of the environment in accordance with United Nations Resolutions and corresponding national laws. We retain the right to disassociate ourselves from any entities that are in violation of these important principles.

During FY 2019, a successful ethics roadshow was taken to all operations to re-emphasise ethical awareness and behaviour throughout the Company, including in relation to matters such as bribery, fraud, diamond theft, supplier practices, conflicts of interest and market abuse.

Anti-bribery

Bribery is strictly prohibited by Petra, and includes offering, giving, requesting or receiving a payment/ something of value (even of nominal value) to improperly influence a decision or encourage a party to perform its job improperly. No facilitation payments were made in FY 2019.

Petra has a Group Anti-Bribery Policy which is made public on both the intranet and website and which is implemented through a training and communication plan. All Petra employees, contractors and suppliers are informed as part of the induction procedure about this important corporate policy. During FY 2019, training on anti-bribery was conducted across the operations as part of the ethics roadshow. This was aimed at increasing awareness around bribery and encouraging the reporting of any instances of bribery or corruption. The Policy is reviewed on an annual basis by the Board and no updates were required in FY 2019.

The Audit and Risk Committee receives a quarterly security intelligence report, detailing any investigations of bribery. This report provides details of incidents and actions taken (including fines and penalties). In FY 2019, appropriate action was taken for all investigated incidents. The current system is working well in terms of keeping the Board updated on this important aspect of governance.

Whistleblowing procedure

Petra has a whistleblowing procedure that provides all Petra employees, contractors and suppliers, as well as any member of the public, the opportunity to independently and anonymously report conduct that is in contravention of the Code of Ethical Conduct or the Anti-Bribery Policy. In order to uphold its independence, this whistleblowing service is outsourced to a service provider. It is also provided in all local languages in the countries in which Petra operates as well as a number of international languages. Employees are briefed on whistleblowing, with hotline information being accessible on Petra's website and intranet.

All 'tip-offs' received, i.e. via telephone, fax, email, post or the website, will be directed to the service provider's central facility for further investigation and feedback, where required. The identities of those reporting certain conduct as well as the contents of the tip-offs received are kept strictly confidential and protected according to applicable local and international laws. The service is monitored by the Audit & Risk Committee.

In FY 2019 Petra received 27 reports involving alleged irregularities considered necessary to investigate. Of these reports, 20 were resolved and closed and seven remain under investigation.

Human rights

Petra is fully committed to upholding the human rights of all of its stakeholders, as set out in the Group's Human Rights Policy. The Company therefore complies with and supports the UN Universal Declaration of Human Rights as well as all legislation pertaining to human rights in the countries where it operates. The Company similarly obtains warranties from its suppliers that they are not involved in any human rights abuses.

Human rights are not considered to be a material risk to Petra's business, given that our operations are located in stable, constitutional democracies and given the robust internal systems we have in place.

Human rights issues are covered by internal operational policies and procedures, with the Company's Employment Equity Policy and its Disciplinary Code and procedures expressly forbidding any kind of discrimination. Should a human rights grievance occur, it is either managed through the operational grievance procedures or, where they are seen as substantive in nature, by the collective bargaining processes that are in place with recognised trade unions.

In South Africa, human rights training (and in particular employee rights) is organised by Petra for union representatives through the Commission for Conciliation, Mediation and Arbitration ("CCMA"), which in turn disseminates its knowledge to its members. Petra has aligned its principles with the International Labour Organization Declaration on Fundamental Principles and Rights at Work. This means we have zero tolerance for child labour, forced labour or discrimination, and we respect the right of our workers to form unions. We are pleased to report that there is no risk of child labour or forced labour taking place at any of Petra's operations, due to our rigorous recruitment and pre-employment vetting process. We do not consider there to be a risk of slavery or human trafficking with regard to our operations or supply chain, due to our due diligence processes with regard to our supply chain management.

Our supply chain: pages 51 and 52

Indigenous people

Petra reported no disputes relating to Company owned land use or involving the rights of indigenous people during FY 2019 in South Africa or Tanzania.



Corporate Governance continued

Encouraging ethical practices

VALUES IN ACTION



LET'S DO IT RIGHT

Petra believes that stakeholders who are empowered and accountable for their actions work to the best of their ability. April 2019 was declared as 'Ethics Month' at Petra in order to raise knowledge and awareness throughout the Company and amongst contractors and suppliers with regard to ethically acceptable behaviour.

The ethics communication campaign focused on our Code and highlighted its five principles. Roadshows were held at all operations by SED Steering Committee members and included information sharing sessions between key employees, external stakeholders and the SED Committee. Pamphlets with a shortened version of the Code were distributed to all employees and posters and banners were displayed at all operations. The internal communications team also ran a social media campaign to further publicise the Code and to provide details of Petra's anonymous tip-off hotline.



The blue whistle symbolises the culture of ethical awareness and behaviour at Petra, as well as our focus on whistleblowing in the event of misconduct.

A survey was conducted which provided a clear indication of significantly raised levels of awareness regarding ethics, and also afforded useful pointers to the issues which need to be addressed in order to ensure both compliance and reporting in terms of the overall ethics programme.

The 'Ethics Month' campaign commenced at Finsch, where employees were greeted at the start of their shifts by management, encouraging them to adhere to the 'Let's do it right' value. They also received copies of the Code, which applies not only to all Petra employees but also all 'industry partners', as well as a Petra whistle to draw attention to the safe and anonymous process of whistleblowing within the Company.

Security

As a producer and seller of a relatively small, high-value product, security is a justifiably high priority for Petra, with a focused effort from both human and technological components to achieve our objectives in this area.

Effective security encompasses more than guarding and securing production. The impacts of crime, which includes illegal diamond mining and theft of diamonds and property, extend far beyond the monetary loss associated with these actions, to the impact it has on the respective operations, the lives and job security of employees, and the communities which benefit from the mining of diamonds.

Petra therefore places a high premium on maintaining and continuing to develop an effective and appropriate security capability in order to protect its people, property and product in the interest of good governance and sustaining a profitable business. Our security systems also play an indispensable role in upholding and protecting human rights at Petra. To minimise the risk to our business of diamond theft, we focus on removing human contact with our product wherever possible. This is particularly effective in the automation of the recovery process (for example the utilisation of X-ray techniques rather than traditional grease tables) and serves to remove compromising opportunities for theft. Petra employs a highly professional and well-trained team to safeguard its people and operations.



Security in South Africa

All South African security personnel are suitably qualified and are registered with the Private Security Industry Regulatory Authority ("PSIRA"). Their skills, as required in order to qualify for registration, are continually refreshed and improved with suitable training, which includes human rights training as part of its legal component.

Petra's Security Product Protection ("SPP") department provides a professional, robust and disciplined in-house and outsourced security service. The team has a central facility – the Security Central Control Centre – which uses modern technology for monitoring purposes and serves all of Petra's operations.

Petra undertakes and regularly updates risk assessments relating to security (in the three main security focus areas of intelligence, product protection and guarding) at all our operations. In South Africa our security personnel only operate within our mandate and the borders of Company properties. Although a close working relationship is

maintained with public security forces in South Africa, Petra does not provide them with any assistance or materials.



Security in Tanzania

Williamson has developed a Security and Human Rights Policy in line with the Voluntary Principles on Security and Human Rights, following a risk analysis. Petra's in-house Security Managers and all employees of our private security service provider have been trained on the Voluntary Principles. Williamson's Security and Human Rights Policy has been communicated to stakeholders, including the local police force.

Williamson has undertaken a full risk assessment and frequently conducts security meetings with the regional police chief and regional crime officer. As part of its Community Support Programme, Williamson provides technical assistance to the local police, thereby enhancing community policing.

We have identified trespassing and illegal mining on the Special Mining Lease as a potential risk. Petra manages this through frequent consultation, policing patrols and relationship management.



Consumer Demand

Influencing and inspiring consumer demand

We seek to actively influence sustainable consumer demand via the DPA, an industry organisation formed in May 2015 by Petra and six of the other leading diamond companies to maintain and enhance consumer demand for, and confidence in, diamonds. By promoting the integrity and reputation of diamonds and the diamond industry, the DPA intends to play a central role in ensuring the long-term sustainability of the sector.

Petra is represented by its Chief Executive, Richard Duffy, who sits on the Board of the DPA, and by its Corporate Communications Manager, Cathy Malins, who sits on the DPA's Communications and Marketing Committees.

DPA campaign

As part of its marketing efforts in 2019, the DPA launched the 'For Me, From Me' campaign, which is inspired by the diamond industry's strongest growth engine, women self-purchase, which represents one-third of diamond jewellery pieces acquired in the US, according to De Beers Group data.



A sustainable future for our industry

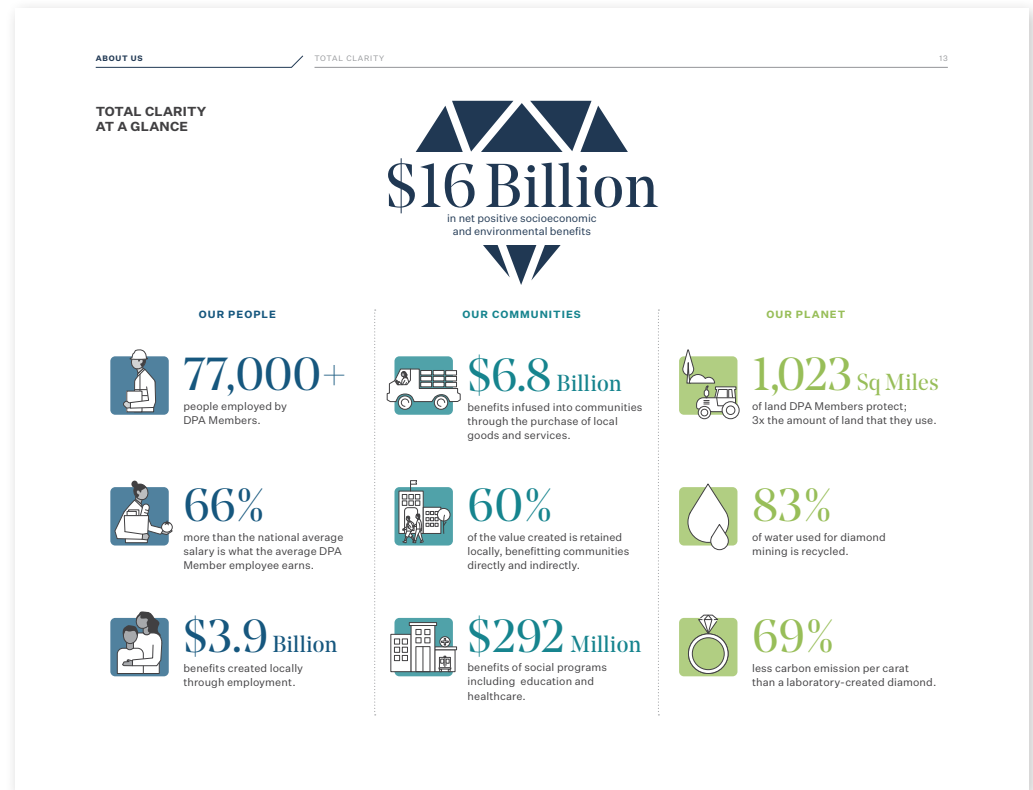
While diamonds occupy a unique cultural position in that they are used to celebrate our most special moments, their continued acceptance is reliant on ensuring they remain desirable to consumers.

As a member of the DPA, we are committed to high standards of integrity and responsibility in all aspects of our business and all activities of the diamond value chain from mine to consumer. DPA member commitments are shown on our website here: www.petradiamonds.com/our-industry/industry-overview/the-diamond-producers-association/.

In spite of the increasing debate on the topic of synthetic diamonds, Petra believes that, with the correct identification and classification, synthetic stones and natural diamonds can coexist, with the former establishing a smaller, secondary market. We have confidence in consumers' affinity for natural diamonds – one of nature's most beautiful and enduring creations, formed over millions of years. Fundamental to their value is their scarcity, character and provenance and we therefore expect them to continue to command a significant premium to the synthetic diamond segment.

Diamonds do good

One of the key activities of the DPA in FY 2019 was the publication of the Trucost 'Total Clarity' report, which examines and quantifies the collective socio-economic and environmental impact of DPA members' diamond mining activities. The noteworthy findings of the report are as shown opposite.



Maintaining pipeline integrity

A fundamental imperative for the industry exists in adequately and correctly disclosing product details. Diamonds should always be distinguished from synthetic diamonds and the DPA has launched the ASSURE programme in order to support the diamond trade, from independent jewellery retailers to large diamond manufacturers, in making informed decisions on how to ensure that undisclosed laboratory-grown diamonds do not enter its natural diamond supply chain.



Consumer Demand continued

A sustainable future for our industry continued

Upholding the value of diamonds



Petra recovered a 20.08 carat Type IIb blue diamond at the Cullinan mine on 23 September 2019, demonstrating that the mine remains a significant source of rare blue diamonds.

We are committed to upholding the high value placed on natural diamonds, which are given to celebrate life's most special moments and are considered as prized possessions. The provenance of Petra's diamonds is unique in that they are sourced from some of the most renowned diamond mines in the world. Having produced many of the world's most spectacular and celebrated diamonds, the names Cullinan, Finsch, Koffiefontein and Williamson all have rich histories associated with them.

Petra has various collaborations in place to highlight the provenance and enhance the understanding of the origins of our diamonds. We have a partnership with fifth generation British jeweller Boodles. This involves jewellery being branded with a letter 'C' to mark the unique heritage of the contained diamonds, signifying they originate from our Cullinan mine. We are also working with Harvard University on a study that aims to trace the origins of Type II diamonds and their kimberlite host rock at Cullinan.

It is our duty to ensure that every aspect of our business is managed and run in keeping with the high value placed upon our product and we expect a similar commitment from all those involved in the Petra business, including employees, contractors, partners and suppliers. We are committed to leading responsible and sustainable operations in order to contribute to the longevity of our industry.

As such, we monitor and manage each step in the diamond production process to the highest ethical standards and in accordance with our values, from exploration and mining, through to processing, sorting and finally marketing and sale. Read more about our commitment to ethical conduct on page 15. We will only operate in countries which are members of the Kimberley Process and each of our diamonds is fully traceable to its point of production, thereby providing assurance that 100% of our production is certified as conflict free. Recognising the importance for consumers of integrity in the diamond pipeline, as previously mentioned, the Company obtains ethical warranties from its suppliers.

Five essential diamond truths

The DPA has published five essential diamond truths which are important to consider in the context of our business:

- 1 Diamonds are older than life on Earth, a true miracle of nature**
One to three billion years old, diamonds originated more than 100 miles below the Earth's surface.
- 2 Diamonds are rare and getting rarer every day**
The annual recovery of 1 carat polished diamonds would fill one exercise ball and 5 carat polished diamonds only one basketball.
- 3 Demand for diamonds has never been stronger**
Global diamond jewellery demand in 2018 was US\$85.9 billion.¹
- 4 'Conflict diamonds' belong to the past**
99.8% of all diamonds are Kimberley Process certified as conflict free.
- 5 The diamond industry makes an important contribution to the world**
The diamond sector supports ten million people globally.



1. According to industry reports.

Legal Compliance

Legal compliance overview

A host of licences, authorisations and permits are required at the Company's operations, particularly from an environmental, health and safety perspective. The need for, and periods of validity of, such permits are monitored on an ongoing basis at the operations and there is continual interaction with the authorities in this regard.



South Africa

The mining industry in South Africa is highly regulated in terms of its social and environmental performance, with companies having to uphold stringent standards, which in some cases go beyond the requirements of many international best practice guidelines, in order to maintain their licence to operate. The primary legislation governing exploration and mining activities in South Africa is the Mineral and Petroleum Resources Development Act 28 of 2002 ("MPRDA") in combination with the National Environmental Management Act 107 of 1998. From an ESG perspective, the holder of a mining right in South Africa must comply with the Mine Health and Safety Act 1996, and must also submit and have approved the following documents:

- ▶ an Environmental Management Programme ("EMP") that outlines the environmental management processes to be followed during operations, as well as the rehabilitation to take place before a closure certificate will be applied for; and
- ▶ a Social and Labour Plan ("SLP") that defines an operation's obligations in terms of social, labour and community issues. The SLP of an operation forms the basis for its activities and performance indicators over a five-year cycle, following which a new SLP needs to be prepared following

consultation with stakeholders and thereafter approved by the Department of Mineral Resources ("DMR").



Tanzania

The principal legislation governing the mining sector is the Mining Act (which was amended in a number of important respects in July 2017), and operations must also comply with the Mining (Safety, Occupational Health and Environment Protection) Regulations 2010, and the Environmental Management Act 2004.

Managing compliance

Ensuring that we maintain legal compliance at all operations is a priority for Petra, given that it is essential to maintaining our licence to operate. The core responsibilities in that regard are set out in the EMP and SLP associated with each mining right, read together with the relevant environmental and health and safety legislation. Legal compliance is the responsibility of the respective General Managers and the compliance teams based at each mine, with input from the relevant specialist department teams, including health and safety, environmental and social.

Legal compliance is a complex area and there is a risk around delays from Governmental departments in processing applications for permissions and authorisations as well as in the inconsistent issuing of the required authorisations due to various interpretational differences between Governmental agencies and within provincial departmental offices. We mitigate this risk by ongoing engagement with the relevant Governmental agencies and monitoring judicial developments.

Building the requisite internal capacity is an important part of maintaining compliance, and our mines are therefore structured and staffed with qualified, competent, knowledgeable and experienced teams which are given ongoing training in this area.

Legal compliance at all our operations is audited internally and externally by third party independent legal specialists on a biennial basis to ensure changes or updates to legislation are continually implemented and integrated into health, hygiene, safety and environmental processes. Where relevant, the results of external audits are communicated to the Board, while internal audits are communicated on site only, with learning points distributed to all operations.

Legal library

LIVE ONLINE LIBRARY AVAILABLE FOR ALL OPERATIONS

All of our mining operations have access to a live legal library covering the core areas applicable to them, which contains all relevant international and national standards, national legislation and regulations as well as local bye-laws where applicable. The library is provided and kept up to date by a professional, registered legal firm. Notifications of updates and changes are also communicated by email to the relevant managers at each operation.

Health and safety

We have always considered legal compliance as the first step in managing health, hygiene and safety at our operations. In addition to the processes outlined

above, our South African operations are annually audited by regional Departments of Mineral Resources, as well as by the British Standards Institute ("BSI"), in compliance with the stipulations of OHSAS 18001:2007 and migrating to the ISO 45001 standard. Gaps are identified and adjustments made to ensure that changes to standards and legislation are implemented and complied with at all times.

No material findings were made with regard to non-compliance or potential health and safety-related liabilities that resulted from formal instructions, court subpoenas or administrative fines in FY 2019.

Environmental

We are committed to full environmental legal compliance and to meeting best practice in terms of environmental management. In addition to the standard compliance processes already covered, our operations are subject to the following regular internal and external environmental audits:

- ▶ EMP and authorisation audits at our Company's South African operations are carried out by external specialists at a frequency stipulated by the agreements for each operation with the DMR;
- ▶ internal compliance, assurance and performance ("CAP") audits are performed internally as per schedule;
- ▶ external ISO 14001 audits are performed by the certification body on certified operations at least once per year; and
- ▶ annual revision and verification of the financial provision for mine closure as required by the DMR for each operation.



Legal Compliance continued

Managing compliance continued

Environmental continued

Petra's suppliers are also subject to environmental assessments which are covered on page 52.

The Company did not record any fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations during FY 2019. This is the 12th year that no environmental fines were imposed on Petra.

Social

In South Africa, the Company has a SLP for each operation. In addition to the performance indicators and commitments contained in the SLP, operations are also subject to the targets set out in the Mining Charter, as well as other laws and regulations such as the Employment Equity Act, the Broad-Based Black Economic Empowerment Act and various codes.

Annual reporting by each operation to the DMR is a mandatory element of the Mining Rights process and requires a Mining Charter Report and an SLP Report which outline the progress made towards relevant set targets. Legislation also provides for an annual audit by the DMR. During these audits, various external stakeholders that include municipal and labour representatives are present in addition to representatives from the DMR.

At Williamson in Tanzania, although there is no specific social legislation, our approach to corporate social responsibility goes beyond compliance and we are therefore committed to active and transparent stakeholder engagement as well as striving to make a positive impact on our local communities via Williamson's community development programme.

During FY 2019, the Company did not receive any notification of non-compliance with laws and regulations in the social environment.

Material legislative updates

The Company closely monitors developments around the Broad-Based Socio-Economic Empowerment Charter for the Mining Industry published on 27 September 2018 ("the Charter"). It is important to note that the ownership requirements for existing mining rights (such as those held by the Company in respect of Finsch, Cullinan and Koffiefontein) remain the same. The Minerals Council of South Africa has launched a judicial review in respect of certain components of the Charter and the Company, as a member of the Minerals Council, follows the judicial proceedings.

Legal Library – Live online library available for all operations

VALUES IN ACTION



LET'S DO IT RIGHT



LET'S DO IT BETTER

As a result of stringent verification process, Petra ensures that all suppliers, providing services or consumables, meet minimum requirements with regards to Company documentation and tax clearances from the South African Revenue Service, as well as relevant registration with the South African Department of Labour. Documents are now being electronically verified through the relevant authorities.

Petra's South African operations are also introducing RealContract as a best practice contract life cycle management solution. By doing this, we aim to shorten turnaround times for establishing standardised contracts and improve reporting. Contractors' performance can be measured according to obligations and tasks created according to the contractual key performance indicators. By automating the process, less administration is required, which results in fewer human errors and omissions of contract lapses

and lost negotiation opportunities. The solution unifies the contract process with overall spend and contract management. Contracts are collaboratively authored and signed online to ensure that all negotiated savings translate to real savings by actively monitoring and enforcing the contracts.

Petra has a security vetting policy in place, which involves carrying out checks on all suppliers and relevant employees regarding criminal involvement and conflict of interest. There is a plan in place to integrate the eProcure Portal and security vetting databases to address both the verification and vetting of suppliers.

Suppliers are bound by Petra's values (with regard to human rights, health and safety and/or labour practices) and our standard terms and conditions are regularly reviewed to ensure we comply with all current legislation.



Safety and Occupational Health

Ensuring our people return home safely from work on a daily basis is Petra's number one priority and ingrained into everything we do. We also aim to encourage a healthy and happy lifestyle for our employees.





Safety and Occupational Health

Responsibility

Petra Board

HSE Committee

Chairman: Bernard Pryor

Executive Committee

Chairman: Richard Duffy

HSEQ Steering Committee
HSE Peer Review Committees

Group HSEQ Manager, HSEQ Functional Leads and Mine HSE Managers

Collective HSE Committees
Departmental HSE Committee
Sectional HSE Committee

General Manager and employer and employee representatives (including trade union representatives and WIM representatives)

KPIs

0.21

LTIFR

0

FATALITIES

69%

ROLLING IMPROVEMENT IN LTIFR
OVER THE PAST 8 YEARS

100%

OF STAFF TRAINED IN HEALTH AND SAFETY
STANDARDS IN FY 2019

100%

OF EMPLOYEES UNDERWENT
MEDICAL SCREENING IN FY 2019

Stakeholders

Employees, contractors, trade unions, local communities.

Company policies and guidelines

- ▶ Group HSEQ Policy Statement
- ▶ Health and Safety Mandatory Codes of Practice
- ▶ HSE Operational Risk Management Process Policy and Standard
- ▶ Group Health and Safety Pledge

Standards we follow

- ▶ OHSAS 18001:2007 – this provides the basis for our occupational health and safety management system. A migration process is scheduled over the period 2019–2020 for all operations to migrate to the newly promulgated ISO 45001:2018 standard.
- ▶ International Council on Mining & Metals (“ICMM”) – industry best practice, new initiatives and trends.
- ▶ Minerals Council of South Africa – via its membership, Petra gains valuable insight into national industry performance standards, policy committee guidance and trends (including the South African Health and Safety Policy Committee).
- ▶ South Africa – national health and safety performance milestones.

Key achievements and performance against FY 2019 objectives

- ▶ Continued focus on sustaining safe operations in support of our first core value, ‘let’s do no harm’: non-lost-time injuries (“NLTIs”) reduced by 71%, the severity rate improved by 6% and ‘dangerous occurrences’ reduced by 29%.
- ▶ Zero fatalities achieved in FY 2018 and FY 2019.
- ▶ 10% reduction in LTIs: achieved (27% actual reduction).

- ▶ 90% achievement on all safety KPIs: achieved (91% actual achievement).

Key challenges

- ▶ Risk work hours decreased by 6.6 million hours Group wide which affected frequency rates negatively by 0.06.
- ▶ Discrepancies in approach between regional offices of the South African DMR in terms of issuing Section 54 and 55 instructions out of line with Mine Health and Safety Act (“MHSA”) rules, specifically at Cullinan.
- ▶ Continued organisational structural changes resulting in uncertainty amongst employees, influencing attitudes, health and safety consciousness, awareness and focus in the workplace.
- ▶ 69% of all significant unwanted events during the Year were triggered by unsafe acts or mistakes by individuals.

Objectives for FY 2020

- ▶ 100% mandatory safety compliance and adherence to the Health and Safety Pledge.
- ▶ Zero fatalities, 10% reduction in LTIs and 90% achievement on all safety KPIs.
- ▶ ISO 45001:2007 transition and certification.
- ▶ Further improvement of management/worker relationship and overall workplace conditions.
- ▶ Continued safety awareness campaigns and awareness programmes.
- ▶ Adoption of UNAIDS Programme targets for HIV treatment.

1. See definition on page 70.



The health and safety of all employees and other stakeholders is our single most important value and our primary focus is driving improvements in this area which underpins our daily operations. We initiated an intensive safety campaign during the Year, and it was encouraging to see strong safety performance achieved in FY 2019.

Luctor Roode

Chief Operating Officer and Chairman of the HSEQ Steering Committee

Safety

Our ambition

Safety is our number one priority at Petra and we strive for a 'zero harm' working environment. Our fundamental aim is to ensure each of our employees and contractors returns home safely on a daily basis.

Our approach

The safety of all employees and other stakeholders is our single most important value. We are committed to preventing and mitigating any negative safety event or impact and also to identifying and capturing opportunities that deliver positive impacts. Our health and safety strategy relies on improving our ability to proactively identify and prevent harm to our people.

We provide safe working conditions and aim to prevent work-related injuries, through the effective management of strategic risks, safety and other risks and opportunities.

As an employer, we adopt a holistic approach to health and safety management. While legal compliance is the first step in managing health and safety in our operations and working towards our goals, we also continuously communicate and engage with employees on health and safety-related issues in order to obtain their input and co-operation with regard to future planning and developments. Leading from the front and setting the example (by proactively intervening, coaching, guiding and correcting conditions and behaviour) in the workplace is of paramount importance to ultimately achieving the objective of zero harm.

Our goal of achieving and maintaining safe operations and healthy employees is based on the commitment and involvement of all levels of personnel in our operations, including management and employee committees. It also involves our employees taking personal responsibility for their own safety as well as that of their colleagues.

The following key components required to maintain safety in the workplace are carried out by working crews in the workplace on all shifts:

- ▶ maximum visibility;
- ▶ involvement;
- ▶ leading;
- ▶ coaching;
- ▶ enforcement of standards and controls;
- ▶ stop-and-fix interventions; and
- ▶ strict consequence management.

How we identify risk and manage risks

Any significant risks that remain after control at source are mitigated through codes of practice, policy, procedures, working practices and management instructions.

Health and safety material hazards and associated risks are identified when developing work programmes. The outcomes from continuous risk assessment, management walkabouts, internal audits and regulatory inspections are analysed, prioritised and formally actioned by means of remedial action plans with assigned responsibilities and target dates.

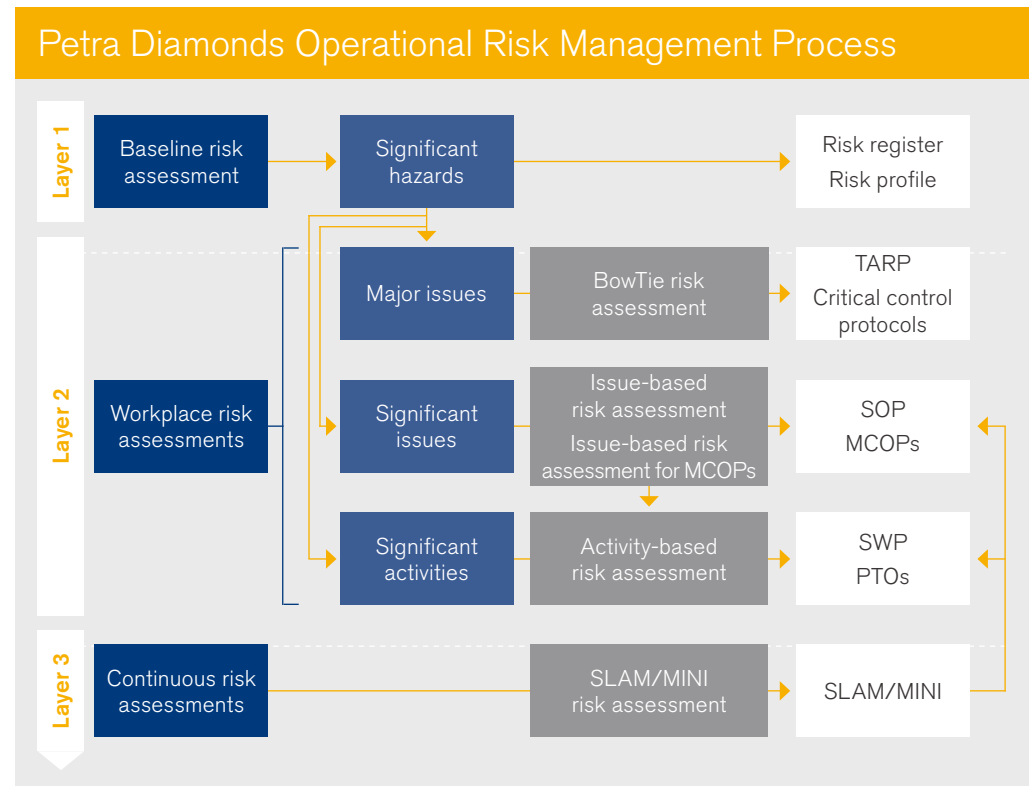
Petra's HSE Operational Risk Management Process, shown opposite, consists of mine-specific operational processes, with a three-tiered analysis system to identify and treat all significant hazards and associated risks.

Every incident or accident resulting in injury, loss of life or damage to equipment or categorised as a dangerous occurrence is investigated in detail utilising the Root Cause Analysis Technique ("RCAT") model to identify causes. Action plans are designed and implemented to mitigate reoccurrences.

Petra's existing risk management system was reviewed in line with ISO 31 000 as part of the new ISO 45 001:2018 requirements during FY 2019.

Periodic reviews of the risk assessments and operational controls are conducted as follows:

- ▶ once an incident or accident occurs;
- ▶ if a process or sub-process in operations change;
- ▶ on instruction from the national mine health and safety legislator or regulatory inspectorates; and/or
- ▶ every three years.



See glossary for definitions.



Safety continued

Our approach continued Incident reporting and response

Incident and accident reporting across our operations is a formalised process, which is controlled by Group policy and procedures and aligned with legislative requirements and Company standards.

All incidents and accidents are reported, by teleconference, email and IsoMetrix, to all Group and operational supervisory and management levels within 24 hours from the time of the event. These are then investigated and analysed based on the RCAT.

Causes, failures and shortcomings are identified and remediated through a formal process of action and responsibility, whereafter learnings are shared with all operations in the Group as a proactive measure to avoid similar occurrences.

Major unwanted events are identified and controlled by trigger action response plans and critical control protocols on a continual basis in the operations specific to each mine.

100%

WORKFORCE REPRESENTATION ON
HSE COMMITTEE

Leading from the top: HSE Committees

The HSE Committees at each operation comprise supervisory, trade union and management members and represent 100% of the workforce. We have 5% workforce representation in formal management-worker HSE Committees, which equates to one

representative for every 21 people (significantly higher than the South African legislator requirement of one representative for every 50 people).

Prior to the finalisation of health and safety collective agreements, management must ensure that all topics have been addressed during consultation sessions with the various trade unions that represent our employees at the specific mine. These collective agreements are aligned with and measured against national legislation stipulations and comprise 100% of health and safety topics that are prescribed by this legislation.

Any concerns emanating from these meetings are elevated to HSE collective meetings, consisting of Senior Management and employee representation, where the issues can be addressed.

The HSE Committees work in collaboration with mine management to effectively eliminate, control, minimise or monitor hazard and risk in the workplace and therefore share oversight and management of the remedial action plans in place further to our continuous risk assessment process.

Minerals Council – South African Health and Safety Policy Committee

Our Group HSEQ Department Leads are members of this Committee and are therefore actively involved in the development of new health and safety standards for the industry.

Embedding safety practices through training and education

All employees and contractors at Petra's operations are provided with formal health and safety training. This focuses on providing them with the required skills to execute work safely, familiarising them with workplace hazards and risks and equipping them with the knowledge to eliminate, control and minimise these hazards and risks.

10,038

NUMBER OF EMPLOYEE, CONTRACTOR
AND STAKEHOLDER TRAINING COURSES
COMPLETED THIS YEAR

The operational training departments also conduct general induction, departmental and sectional orientation training annually, in accordance with national mine health and safety legislation. According to Company policy, all personnel receive general, departmental and sectional orientation training, focused on relevant health and safety standards, prior to entering the operations.

All employees, contractors and stakeholders are briefed and trained on national legislative stipulations pertaining to the employee's responsibility surrounding health and safety as well as the right to withdraw from unsafe working areas or workplaces, without being discriminated against.

Our safety performance

Our health and safety objectives and KPIs are underpinned by the aim to achieve zero fatalities and a reduction of 10% in LTIs on a rolling annual

basis. Petra saw a significant improvement in its safety performance in FY 2019 and improved on 90% of all measured safety KPIs during the Year.

Significant material hazards that resulted in 57% unwanted events during the Year related to mechanical maintenance and material handling. 60% of significant accidents were due to unsafe acts or mistakes. 25% of all recorded significant accidents were non-work related (slips and trips) caused by a lack of focus and concentration and complacency.

0

FATAL ACCIDENTS WERE RECORDED DURING
FY 2019 (FY 2018: 0)

LTIFR is the key measure we use for general safety performance and it was encouraging that this continued its improving trend to 0.21 for FY 2019 (FY 2018: 0.23), despite the significant reduction of risk work hours by 6.6 million during the Year. The number of Section 54 instructions issued by the DMR at South African operations increased to 14 in FY 2019 (FY 2018: nine). This is attributed to the non-standardised, governed approach of the DMR between regional offices, which did not follow the actual rule of the MHSa in terms of issuing Section 54 and 55 instructions, specifically at Cullinan.

36%

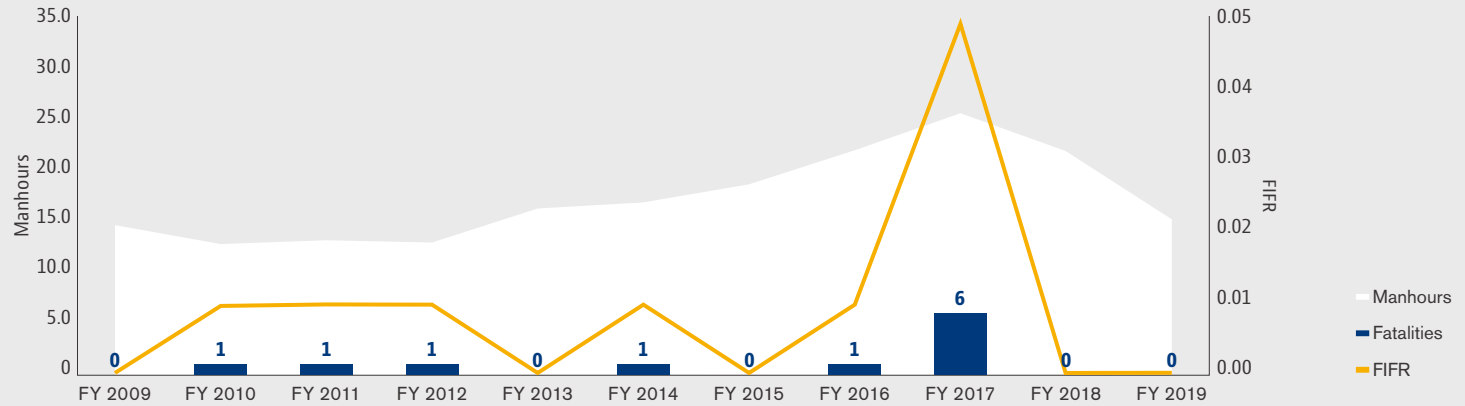
REDUCTION IN LTIS TO 16 IN FY 2019

Safety continued

Our safety performance continued

The 69% rolling improvement in our LTIFR over the past eight years is a clear indication of the effectiveness of the implemented management system and associated tools. Safety performance improvements within the organisation can be attributed to the 0:10:90 safety strategy focusing on culture and leadership, systems and tools, hazard identification and risk assessment, visibility and communication, review and consequence management. The strategy was supported by a 'back to basics' drive focused on management walkabouts, serving leadership, coaching, proactive intervention, enforcement of standards and practices in the workplace and consequence management every day during every shift.

Safety performance since FY 2009 FATAL ACCIDENT AND FIFR ROLLING TREND FY 2009–FY 2019

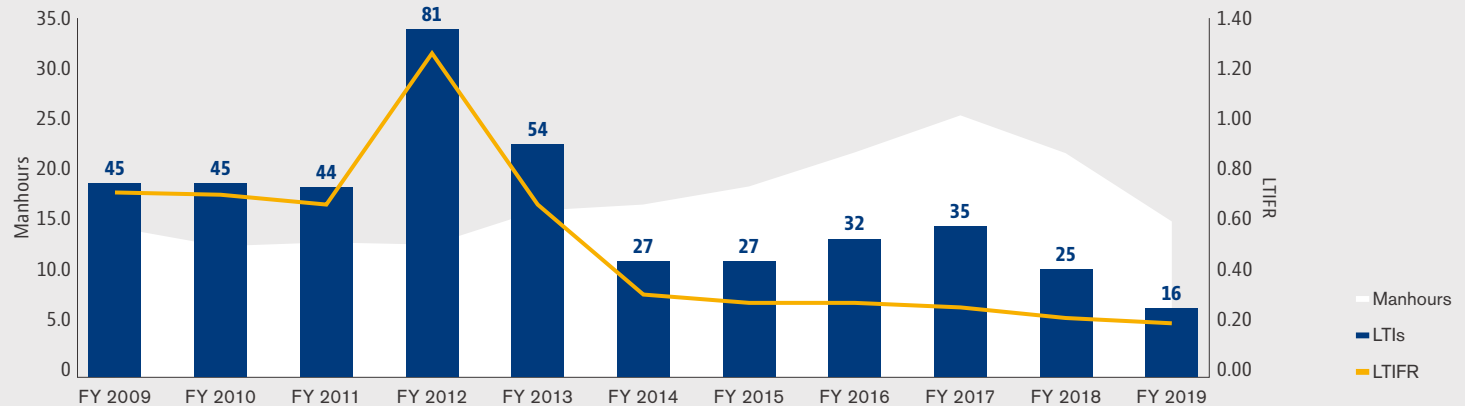


Putting safety first

Petra's Health and Safety Pledge



LTI AND LTIFR ROLLING TREND FY 2009–FY 2019





Safety continued

National health and safety roadshow

VALUES IN ACTION



LET'S DO NO HARM



LET'S DO IT RIGHT

Petra carried out a roadshow at its operations in South Africa as part of the National Day of Safety and Health in Mining, initiated by the Board of the Minerals Council.

The events held were led by COO Luctor Roode and other members of Petra's management team, as well as various stakeholders at each mining operation. All employees verbally committed to the Petra Diamonds Health and Safety Pledge

(see page 25) and aligned their pledge to the five-finger representation – each finger symbolises the pledge towards every employee's commitment to the target of 'zero harm'. The core values of willpower, leadership, individuality, affection and unity form the foundation of the Petra pledge to zero harm.

Each delegate at the events was presented with a hard hat with stickers as a symbol of their commitment to the initiative, after which each employee and contractor received the same stickers as a reminder of their pledge to zero harm.

In addition to the national roadshow, Petra conducts safety awareness campaigns on an ongoing basis.



All employees verbally committed to the Petra Diamonds Health and Safety Pledge, demonstrating their unwavering commitment to safety at work. The Board has also officially signed the pledge, thereby leading by example.



Occupational Health

Our ambition

In striving to prevent harm and positively influence the health and wellbeing of our employees, we aim to develop an integrated, holistic approach to managing workplace and personal health risks that is consistent and relevant. Our occupational health programme targets the elimination of health hazards at source.

Encouraging a healthy workforce

In addition to keeping our employees safe, we also want to encourage a workforce that is healthy in both body and mind. Our occupational health programme's primary focus is to eliminate exposure in the workplace at levels known to cause harm and prevent associated occupational diseases.

The key occupational health issues that can affect our workforce relate to noise induced hearing loss ("NIHL") and respiratory illnesses.

Where a condition cannot be prevented, we ensure that all our employees are provided with appropriate personal protective equipment.

Outside the workplace, the main community health issues are HIV/AIDS, tuberculosis ("TB") and malaria (in Tanzania only) as well as lifestyle diseases such as hypertension and diabetes.

Our health strategy addresses the following three focus areas:

- 1 managing occupational health risks in order to prevent harm to our workforce;
- 2 implementing employee health and wellbeing programmes; and
- 3 building partnerships with external health service providers to strengthen health systems.

1 Managing occupational health risks in order to prevent harm to our workforce

Occupational hygiene

This involves proactively identify sources of, and exposures to, health hazards, profiling the associated risk and preventing release of the hazards through controls in the workplace.

Our focus is on embedding the critical control management process and mitigation measures. In workplaces where there is a possibility that an occupational exposure limit might be exceeded, employees are provided with appropriate personal protective equipment ("PPE"), such as suitably selected respiratory protection and hearing protection devices. We have programmes to ensure that employees and contractors are trained in the appropriate use and maintenance of PPE, and strict control measures to ensure adherence to requirements in areas where hazards are present and the use of PPE is needed. Measures to reduce noise levels have resulted in the near elimination of instances where employees are exposed to noise levels above the key South Africa Mine Health and Safety Council ("MHSC") milestone limit of 105 dB(A). The roll-out of personalised hearing protection devices at sites at risk across our South African operations has also materially improved the effectiveness of hearing protection measures.

Occupational medicine

Occupational medicine is divided into three areas: primary health, care clinic and the occupational health centre.

2 Implementing programmes for employee health and wellbeing

In addition to primary health care and occupational health services, Petra has an extensive wellness programme in place to prevent, identify, monitor and support employee illnesses and conditions. We place emphasis on raising awareness and breaking down taboos around conditions such as HIV/AIDS, and also encourage healthy lifestyles in a number of ways, such as implementing themed days to raise awareness, through employee newsletters and other communications, and by organising health-focused community events, such as sporting events.

Petra has partnered with Life EHS Careways to assist employees with guidance and counselling. To date, 897 employees and family members made use of the facility, equating to an actual engagement rate of 4.8% compared to a mining industry rate of 1.9%. The main issues per category relate to psychosocial (18%), work-related (16%) and dependency problems (15%).

Williamson continues to diversify its community health programme in Tanzania, including making improvements to health infrastructure, monitoring health indicators and providing training for health care professionals, as well as educating on TB control, alcohol and drugs, diabetes and hypertension, and sexual and reproductive health.

3 Building partnerships with external health service providers to strengthen health systems



South Africa

As part of Petra's standard conditions of employment, all full-time, permanent South African employees need to belong to a recognised and approved Medical Aid Fund. This condition of employment aims to ensure that employees and their families are provided for medically in terms of primary health care, chronic conditions and trauma. Contract employees are also regarded as Company employees for the purposes of occupational health and safety. As it is not practical to expect these employees to conform to our conditions of employment, they are referred to state medical facilities for care. Petra uses in-house and outsourced private medical services, including occupational health service providers.



Tanzania

At Williamson, employees benefit from the Social Health Insurance Benefit Scheme, which is part of the National Social Security Fund ("NSSF"). NSSF supports the Government's efforts to increase access to health care services and provides medical support to the insured and their dependants. Williamson is in a fixed agreement with NSSF in terms of social securities and health benefits.



Occupational Health continued

Encouraging a healthy workforce continued

3 Building partnerships continued

Subsidised primary health care is also provided to employees, dependants and external communities by the Williamson Diamonds Hospital. The hospital is fully equipped for small to medium surgical procedures and includes a pharmacy, reproductive health facility, outpatient department, laboratory, X-ray and mortuary. In addition, the hospital pilots various health programmes in conjunction with the Tanzanian Government and certain NGOs. The programmes include mother and child health, malaria prevention, voluntary counselling and testing ("VCT") as well as anti-retroviral treatment ("ART") for HIV/AIDS. These services are provided free of charge to employees and their families, as well as community members. The programmes are financially supported by the Ariel Glaser Paediatric AIDS Healthcare Initiative ("AGPAHI"), with infrastructural and services support from Williamson.

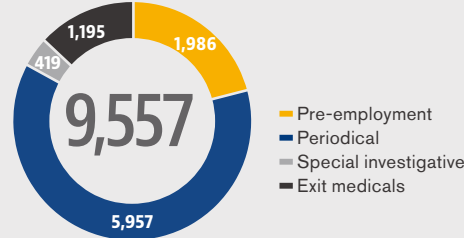
Engaging on health issues

A Memorandum of Understanding was signed with the Department of Health in each of the three provinces in South Africa. The partnership focuses on HIV/AIDS/TB and non-communicable disease management. In January 2019, we started implementing the Isoniazid Preventive Therapy ("IPT") to all HIV/AIDS infected employees to prevent TB infections as per the national guidelines.

We are also in discussion with partners to start issuing pre-exposure prophylaxis to eligible employees.

Health management and performance

Medical examinations conducted for Petra employees



During FY 2019, nine NIHL cases related to employees' occupations were submitted to the Department of Health Medical Bureau for Occupational Diseases ("MBOD") and Rand Mutual Assurance ("RMA") for evaluation as an 'occupation disease' and three of these were compensated. The remaining cases are still awaiting adjudication. Eight pulmonary TB cases were submitted to the MBOD.

1,228 Williamson employees and contractors underwent full medical examinations by the Occupational Safety & Health Administration ("OSHA") in October 2018. The medical reports were issued to the mine.

100%

OF OUR EMPLOYEES WERE OFFERED THE OPPORTUNITY TO VOLUNTARY TEST FOR HIV/AIDS

HIV/AIDS testing

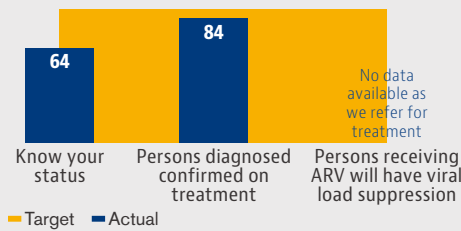
Petra's South African operations have adopted the UNAIDS Programme targets for HIV treatment.



By 2020, 90% of all people living with HIV will know their HIV status. By 2020, 90% of all people with diagnosed HIV infection will receive sustained anti-retroviral therapy. By 2020, 90% of all people receiving anti-retroviral therapy will have viral suppression.

Petra's progress towards the UNAIDS Programme and the 90:90:90 target

Department of Health 90:90:90 milestone



A 64% uptake in voluntary testing was recorded during medicals; of these, 56 patients tested positive and were referred for treatment. The number of HIV-positive employees enrolled on our HIV wellness programme is 149 (2018: 220). The decrease results from operational restructuring in the Group as well as contractors completing projects. The uptake of ART by HIV-positive employees is 114 employees or 84%.

Malaria

2,569 people were tested at Williamson; of those tested, 2% of employees and 4% of contractors were positively diagnosed with this disease, all of whom received treatment.

Improving communications on health topics



VALUES IN ACTION



LET'S MAKE A DIFFERENCE



LET'S DO IT RIGHT

Petra introduced the 'Impilo Yethu' ('Our Health' in the Nguni languages) newsletter on health-related educational information and commemorated World AIDS Day with a focus on health screening and education through partnerships.



People

To deliver on our strategy, we require a skilled and engaged workforce, pulling together as a team to achieve our shared vision. Failure to prioritise and manage labour relations could significantly impact the Company's performance. Petra recognises the importance of diversity, given the benefits to business of more diverse teams.



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- 34 Diversity
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People

Responsibility

Petra Board

SED Committee

Chair: Octavia Matloa

Executive Committee

Chairman: Richard Duffy

SED Steering Committee

Chairman: Egbert Klapwijk

Operational Social Compliance Committees

KPIs

6,788
PEOPLE¹

US\$6.6 million

INVESTED IN EMPLOYEE TRAINING AND DEVELOPMENT

19%

OF FEMALES IN THE WORKFORCE

34%

OF PETRA'S INTERNS ARE WOMEN

33%

OF LEADERSHIP DEVELOPMENT PROGRAMME CANDIDATES ARE WOMEN

1. Employees and contractors.



We place great importance on training and developing our people, who are integral to Petra's ultimate success. Diversity remains a key priority and I am pleased to note that, whilst there is still a long road to travel, we have made significant steps forward during the Year in terms of encouraging and improving gender diversity.

Octavia Matloa

Chair of the SED Committee

Stakeholders

Employees, contractors, trade unions, local communities, host Governments, regulators, NGOs.

Company policies and guidelines

- ▶ Petra policies on employee benefits, HR services and recruitment
- ▶ Social and Labour Plans ("SLP")
- ▶ Communication Management Policy
- ▶ Code of Ethical Conduct and related policies
- ▶ Group Training and Development Policy, with additional related policies
- ▶ Policy Statement: Political Activity on, or Using, Company Facilities

Standards we follow

- ▶ The Constitution of RSA
- ▶ The South African Mining Charter
- ▶ International Labour Organization Declaration on Fundamental Principles and Rights at Work
- ▶ Labour Relations Act (Act 66 of 1995)
- ▶ Employment Equity Act (Act 55 of 1998)
- ▶ Basic Conditions of Employment (Act 75 of 1997)
- ▶ Mineral Resources and Petroleum Development Act 28 of 2002
- ▶ Collective/Recognition and other Agreements with relevant trade unions
- ▶ EU Directive (relating to diversity)

Key achievements and performance against FY 2019 objectives

- ▶ Continued support was provided to our female management through the implementation of our Women in Leadership ("WIL") programme. Increased female representation was achieved on the bursary scheme, LDP, Management Development Programme and Senior Management Development Programme.

- ▶ Employee development initiatives included the launch of a structured approach to career discussions for Middle and Senior Management in line with the Company's Talent Management Framework.
- ▶ Uptake on the Engineering Aid Development Programme as well as the Career Advancement Programme for A and B band employees improved.
- ▶ Functional Employment Equity Committees are in place at the operations and head office to drive the culture of tolerance and diversity.
- ▶ Focus on scholastic skills within local communities, with notable achievements included in 'Positive Impacts'.

Key challenges

- ▶ Low level of literacy of communities especially in the rural communities, limiting the pool from which to recruit scholars, bursars and interns.
- ▶ Policy uncertainty regarding the revised Mining Charter and how this will impact on the Company's transformation objectives.
- ▶ Reduced contractor employee numbers which impacts on the unemployment rate in local communities.

Objectives for FY 2020

- ▶ An intake of 15 female middle and senior managers on the WiL programme.
- ▶ To meet targets for learnerships, internships and development programmes as set out in operational SLPs.
- ▶ To implement development opportunities identified during the career discussion process.
- ▶ To align the outcome of the career discussions with a structured approach to succession planning as a tool to retain skilled employees.
- ▶ To implement a revised performance management system.



Employee Retention and Development

Our ambition

We aim to empower our employees and encourage them to fulfil their true potential with the provision of training and attractive career development opportunities.

Employees who are provided with the opportunity to enhance their skill-sets not only contribute better to the Company's success but also have greater career satisfaction, thereby improving morale, productivity and employee retention.

Our approach

Petra recognises that the retention and development of our people is one of the key drivers of our future success and long-term sustainability as a company. It is only with the continued hard work and contribution of our employees that the significant value of our resources can be unlocked.

Petra works hard to foster a 'can-do' culture, where entrepreneurial thinking is encouraged and rewarded, big challenges are taken on and tackled systematically, change is embraced, and full accountability is placed on all individuals to act with integrity and to the best of their abilities. In this way, each employee can feel that they are contributing to the ongoing success of the business.

Improvement of educational levels of employees where necessary is addressed through adult education and training ("AET") as well as the Amended Senior Certificate programme.

We continued with the development of the required leadership and management skills continued during the Year, with specific emphasis on empowering

female leaders through a bespoke WiL programme. Our focus is not merely on Petra's current employees, but also the next wave of employees in our local communities. Therefore, it is imperative that we have programmes in place to prepare them and equip them with the skills they require. These initiatives include support to selected schools in our communities to improve performance in mathematics and science in order to feed the education pipeline. This is covered further in 'Community Development and Engagement' on pages 53 to 57.

The Petra culture

At the heart of Petra's business is our purpose to unearth the world's most beautiful product as responsibly and efficiently as possible. In doing so, we aim to contribute to the sustainability of our industry and deliver long-term value to each of our stakeholders. This purpose is underpinned by our culture, which bases itself on five core values, which are shown on page 2.

Leading from the top, Petra's Board and management team work to ensure that they are living these values and embedding them throughout the organisation. They are also further disseminated through continuous engagement around Petra's Code of Ethical Conduct, which includes a strong emphasis on the importance of mutual trust and voluntary compliance to the value system.

Central to the reinforcement of Petra's culture are human resources ("HR") processes and communications tools. HR processes include effective recruitment, standardised induction and training processes focusing on socialisation and acculturation, standardised HR policy and practice and espousing an outward-facing social compliance responsibility in which employee ambassadorship plays an

important role. As far as communication is concerned, emphasis is placed on both the provision of effective systems and on enabling employees – notably line managers and supervisors – to communicate more effectively, both of which are surveyed and measured periodically. Although the emphasis remains on ensuring the effectiveness of traditional communication channels, such as briefing systems, new media and approaches, especially social media, are playing an increasingly important role in solidifying employees' acceptance of, buy-in into and pride in the Petra value system and overall culture.

Moving from an intensive capital investment period into steady-state production, as well as having undergone a number of significant changes at Board and Senior Management level, Petra is experiencing the fluidity in culture that is typical to such periods of transition. Despite the respective operations each having their own distinctive identity, Petra's vision and value system has been embraced by most in the Company and forms the core of the organisational culture and value system. Whilst recognising the need for each operation to have its own identity, work is ongoing to further standardise processes, practice and messaging to contribute to the overall Petra Group-wide culture.

Our workforce

6,788

EMPLOYEES AND CONTRACTORS

As at 30 June 2019, the number of people employed by the Group decreased by 9% (30 June 2018: 7,474, excluding KEM JV, which was disposed of during the

Year). The number of permanent employees decreased 1% to 3,833 (FY 2018: 3,883, excluding KEM JV) mainly due to the disposal of Helam as well as the transition from an intensive capital development phase to steady-state production. The number of contractors decreased by 18% to 2,955 (FY 2018: 3,591), in line with the advanced stages of our capital programmes.

See page 64 for the breakdown of employee and contractor numbers.

Local hiring

In order to foster a stable and cohesive workforce and to contribute to the development of our local communities, Petra prioritises recruitment from the local area. This makes sense from a business perspective and decreases the requirement for Company-provided services such as transport and housing.

It is also a regulatory requirement in terms of our prescribed SLPs, which include commitments to recruit from 'labour-sending areas', i.e. host and local communities.

However, skills shortages in the local communities are often a reality when recruiting for skilled positions. For this reason, vacancies for positions in the skilled bands are also advertised regionally or nationally, whereas all unskilled and semi-skilled positions are advertised locally only. Preference will still be given to local applicants whenever possible.

Major contractors to the operations are expected to apply the same recruitment principle when employing workers for contracts at these operations.



Employee Retention and Development continued

Our workforce continued

Staff retention

Although there is still competition in the labour market for semi-skilled and skilled employees (57% and 43% of Petra's workforce respectively in FY 2019), and a shortage of certain specialised skills, strained economic conditions in South Africa, in part due to the commodities downturn, have taken some pressure off recruiting for and retaining skills.

Staff retention is particularly important due to the previously mentioned limited local employment pool and the difficulty in attracting skilled employees from larger urban centres, and therefore remains a focus for Petra.

In FY 2019, our total employee turnover decreased from 11% to 8% (excluding KEM JV); see page 64 for the breakdown. We consider this a comparatively low staff turnover rate, on par with those of the mining sector and industry in general, resulting from the creation of a challenging but attractive work environment and remuneration policies that are designed to incentivise and retain individuals of a high calibre.

In FY 2019 the Company embarked on a process of conducting annual career development discussions with Middle to Senior Management, whose positions are deemed critical to the operational success of the Company. These discussions will feed into succession planning and our performance management approach. The rationale for these discussions is to ensure engagement on the needs and aspirations of Middle and Senior Management and to promote continued job satisfaction and job retention.

Training and development

US\$6.6 million

INVESTED IN EMPLOYEE TRAINING AND DEVELOPMENT

Our investment in employee training and development remained constant in FY 2019 (FY 2018: ca. US\$6.7 million, excluding KEM JV). The Company's actual spend in ZAR terms increased by 5% year on year; however, due to the ZAR weakening against the US Dollar, the US Dollar amount was marginally lower.

Due to the fluctuation of the ZAR/US Dollar exchange rate, Petra will continue to strive to achieve a target of 5% of annual payroll in ZAR terms, which is a more realistic target based on current economic factors.

Main areas of expenditure continue to be in-house safety and technical training, outsourced training to specialist accredited external training providers, engineering and rock-breaking learnerships, internships, bursary scheme, school support projects and centralised leadership and management development programmes as well as leadership coaching.

Training programmes at Williamson continue to focus on 'on-the-job' training. This Year functional training conducted included training for engineers and accountants, driver training and director training.

41 employees of the security department were trained by the Company's Security Training Officer on the in-house security training programme, which was conducted over a period of ten days, focusing on practical application of skills. Williamson does not currently have formal bursar and scholarship programmes in place, but it supports those engaged with self-development programmes to a certain extent.

A total of 28,621 instances of legally required training were presented across the operations during the Year (FY 2018: 30,106). These are mostly health and safety-related courses required by legislation and aimed at improving workplace safety.

Employee training and development spans a wide scope of safety and technical training and a variety of development programmes, both technical and managerial in nature.

Developing the next generation of leaders

Petra's Leadership Development Programme ("LDP") remains an important strategic tool to assist the organisation in the identification and development of employees who display the potential to fulfil leadership positions in the future. At the end of the two-year programme all participants receive a Higher Certificate in Generic Management (NQF Level 5).

During FY 2019, nine employees participated in the LDP, which is considered an important method of improving management diversity, by race and gender, with 33% of participants being female. From inception of this programme in 2008, a total of 138 employees have graduated. Of the graduates, a total of 83 were promoted, including 28 women.

In FY 2019, ten middle managers, of whom 40% were female, completed the Management Development Programme ("MDP") and three senior managers partook in the Senior Management Development Programme, 33% of whom were female. The formal programme is complemented by leadership and management coaching sessions to further contribute to performance improvement and personal efficiency.

40%

FEMALE REPRESENTATION ON THE MANAGEMENT DEVELOPMENT PROGRAMME

A range of supervisory development interventions are also presented, ranging from short courses to skills programmes. 26 candidates were enrolled in the Supervisory Development Skills Programme. 68 experienced supervisors attended 'True Blue', a bespoke short course on supervision. This intensive course is conducted over three days and focuses on providing supervisors with the skill-set to effectively engage their teams in the workplace.

Petra's inaugural WiL programme was held in FY 2019 and was attended by 13 female leaders, six of whom were from the core disciplines. This customised programme is intended to enable women in key leadership positions to master important personal skills and gain insight into leadership at both a micro- and macro-organisational level.

Employee Retention and Development continued

Women in leadership



VALUES IN ACTION

Petra's first WiL session in October 2018.



LET'S TAKE CONTROL



LET'S DO IT RIGHT

As part of our commitment to gender diversity and encouraging women in the workplace, Petra launched a Women in Leadership programme in October 2018. As we have a number of women progressing through education and training into technical and managerial positions, it was important to develop a programme to support these women moving into an environment that has typically been male dominated.

Since the launch of the programme, the ladies have been involved with different sessions at all operations, with a total of five themes. Subjects covered include 'personal effectiveness', a complexity seminar and 'influencing others', to name just a few.

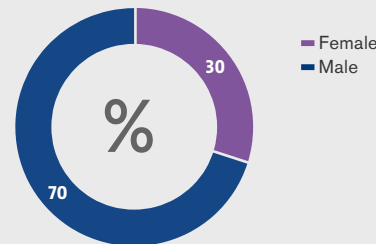
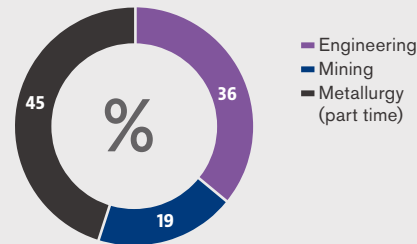
All participants recognised the need to have such a space for women to support growth and experiences in their journey to reach their full potential for future successes.

Training and development continued Career development through learnerships

In South Africa, a learnership is a registered and accredited learning programme which combines practical work experience with academic learning. This mechanism is considered a very important career development opportunity on the basis that most qualified learners, both current employees and non-employees, go on to be appointed as artisans or miners within our operational structures.

Learners are recruited from both internal and external applicants by the Company. We have learners on a number of programmes ranging from various engineering disciplines (e.g. electrical, fitter, instrumentation) through to rock breaking and metallurgy.

Learners in FY 2019, broken down by discipline and gender



Improving further and higher education

Petra provides various opportunities to further employees' education and qualifications. One such scheme is the Study Assistance Scheme, which is available to support employees in obtaining tertiary qualifications or other training relevant to their current positions or positions that they can reasonably be expected to hold in the future, thus contributing to career progression. Assistance is provided in the form of a service obligation, an interest-free loan or study leave.

225

EMPLOYEES SUPPORTED BY STUDY ASSISTANCE SCHEME IN FY 2019

During FY 2019 one employee was sponsored to attend full-time tertiary studies in the field of occupational nursing and will, on her return to Cullinan, continue development in this discipline. One intern from Koffiefontein was also afforded the opportunity to further her tertiary education on a full-time basis and is expected to complete her BTech in metallurgy at the end of this calendar year.

Addressing transferability of abilities: portable skills training for employees

One of the issues facing employees at our South African operations is the transferability of their skills, meaning that their skills do not necessarily allow them to enter self-employment at the end of their careers or at mine closure.

Our operations therefore plan and budget for training to equip employees with transferable skills, such as mechanical repairs, electrical, welding and cutting technology, business skills, carpentry, the ability to qualify for their driver's licences and a number of computer training modules. This is an important aspect of encouraging the sustainability of our employees' livelihoods into the future. 145 employees participated in portable skills training during FY 2019, in line with the previous year (with KEM JV excluded).

Adult education and training ("AET")

Due to the country's unique history and the comparatively poor standard of education, adult illiteracy is still an issue in South Africa.

For this reason, we make it possible for all employees who want to improve their literacy and numeracy skills to do so via our AET Programme (previously referred to as Adult Basic Education and Training). AET is provided free of cost or obligation to all learners and is implemented through the use of multimedia computer-based training or facilitated learning via facilities available at all of our South African operations.

AET facilities were used by 81 enrolled learners in FY 2019, including 21 community members. Read more about the education and training opportunities we provide to our local communities on pages 53 to 57.



Diversity

Our ambition

We aim to eliminate discrimination and encourage diversity amongst our workforce. Factors such as gender, marital status, race, ethnic origin, colour, nationality, disability, religion, sexual orientation or age may not be used to unfairly discriminate against individuals. Petra's overall objective is to achieve true equity by affording women the appropriate training, development and progression opportunities within the organisation across all job levels.

Our approach to stimulating diversity

Petra believes that diversity is an important business benefit, allowing for a broad range of views, experience and backgrounds to be drawn upon. We have a policy of no tolerance of discrimination and are committed to fair employment practices, meaning that these criteria are not used to discriminate against individuals, and this is reflected in equitable remuneration scales and benefits.

Whilst not subject to the same regulation and legislation as the South African operations, Williamson in Tanzania has a policy to promote equal opportunity and to eliminate discrimination in the workplace. Williamson also applies affirmative action measures consistent with the promotion of women in mining, particularly during the recruitment process.

Diversity in FY 2019

The overall gender diversity of the Group improved in FY 2019, particularly at Board level as a result of the Company's Succession Plan, with the appointment of Ms Varda Shine. However, we recognise that the diversity of our entire team still needs widening to

enable Petra to benefit from the breadth of thought, opinions, perspectives and experience this offers.

In order to address any form of discrimination experienced by any employee, the Company has a grievance procedure as well as a disciplinary policy and procedure to address discrimination allegations. Contractors are also advised to align their practice to ours in order to avoid any inconsistencies in the application of the rule. The option of dismissal is available in the event of non-compliance. No instances of discrimination were reported during FY 2019.

Group Employment Equity Policy

Our approach to diversity is outlined in the Group Employment Equity Policy and within the principles of the policy stated below:

- ▶ We are committed to the principles of employment equity and to achieving a productive and fair working environment free of any kind of discrimination.
- ▶ We commit to actions which will result in a work environment wherein opportunity, treatment, expectations and practices are not based on race, gender, sexual orientation, marital status, family responsibility, ethnic or social origin, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language, birth and/or any other arbitrary grounds.
- ▶ We aim to eliminate all forms of unfair discrimination, either directly or indirectly, from employment practices and conditions of employment.
- ▶ We recognise the need to implement affirmative action measures to counteract the under-representation of certain designated groups in certain levels of the workplace through recruitment, training and promotion.
- ▶ We strive to foster a culture which encourages understanding and appreciation of the diverse cultural background of our employees. This will in turn develop a relationship of trust, co-operation and confidence amongst employees.

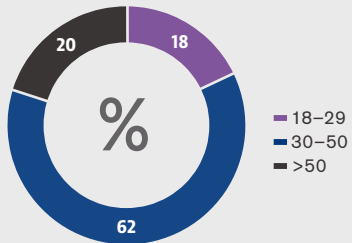
The Company is currently in the process of reviewing its employment and gender equity policies to ensure that an appropriate Group diversity policy is in place as part of its Sustainability Framework.



Women from Petra's Cullinan mine represented the Company at the MHSC's national women in mining conference, focusing on the improvement of the health and safety of women in the mining industry.

Diversity continued

Age distribution

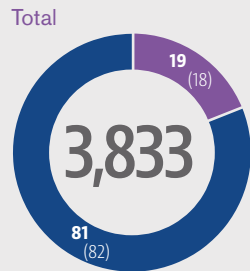
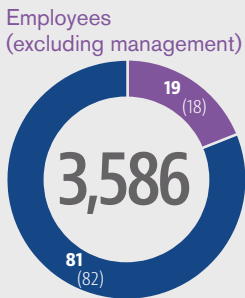
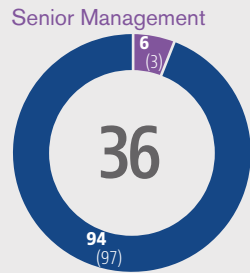
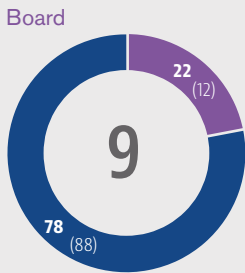


Our approach to stimulating diversity continued

Equality and equity

In South Africa, the Broad-Based Black Economic Empowerment (“BBBEE”) legislation, which includes employment equity, is regarded as one of the strategic Government imperatives in dealing with the legacy of apartheid. Compliance with this legislation is therefore mandatory.

2019 breakdown of gender diversity % (2018 figures in brackets)



Female
Male

We regard employment equity, which is aimed at representative diversity in the workplace, not only as a mandatory measure that needs to be complied with, but as a moral and business imperative, due to the benefits that well-managed diversity brings. This, as a principle, is reflected in our Code of Ethical Conduct, as well as our Disciplinary Code, and Petra’s employment policies prohibit any kind of unfair discrimination.

Employment Equity Committees continue to meet regularly in order to monitor the implementation of Employment Equity Plans, which detail the identified barriers to equitable employment and specify affirmative measures to be implemented by each operation. The mines also submit their Employment Equity Reports annually to the Department of Labour, as prescribed by law.

Even though ‘transformation’ is a regulated compliance issue in South Africa, the Company views it as the right thing to do and always strives to go beyond compliance requirements. Petra has Employment Equity Plans at all its South African operations, with specific targets regarding historically disadvantaged South Africans (“HDSA”) and women in mining, where managers are compelled to comply with the Employment Equity Plans in order to address ‘transformation’.

Encouraging women in mining

Petra is committed to encouraging women in mining at all levels of the business. The Company therefore actively pursues the appointment of women at all levels of the business, as well as the development of women to fill more senior positions. Petra’s overall objective is to achieve true equity by affording women the appropriate training, development and progression opportunities within the organisation across all job levels.

Petra has a number of initiatives aimed at developing women into managerial positions, such as the LDP, which has, since its inception, focused on the advancement of women, and the WiL programme. We are focused on affording women an equal role as part of the next generation of Petra employees and as a result 34% of our interns, 28% of our engineering learnerships, 39% of our mining learnerships, 48% of our bursars and 38 employees attending the various MDPs in FY 2019 were women.

Women in Mining (“WIM”) Committee

Petra’s WIM Committee is tasked with reviewing Company policies and procedures, with the goal of attracting and retaining female representation in the Group, as well as providing input and recommendations to management on issues relating to women.

Employees from Finsch represented Petra at the Northern Cape Women in Mining Committee meeting in October 2018. The Northern Cape Women in Mining group was formed earlier in the year with guidance from the DMR as well as the MHSC. The purpose of the Committee was to provide the attendees with knowledge in order to address the issues relating to mine health and safety that affect them.

Female employees at Koffiefontein participate in the Free State Regional Tripartite meetings and subcommittee meetings which take place every month, in accordance with guidance from DMR. The purpose of the forum is to promote co-operation and consultation on health and safety issues relating to women in the mining industry between the DMR, employers, employees and the MHSC.



Labour Relations

Our ambition

We aim to maintain a strong employer and employee relationship in order to enhance the ultimate success of our organisation by improving the efficiency and productivity of our workforce, avoiding conflict, creating a more pleasant working environment and thereby improving employee loyalty to Petra. We wish to embrace equality for all employees and to create a balanced, fair and equal environment for everybody. We also strive to implement a vibrant, progressive, proactive, transparent, practical and realistic approach to employee relations.

Our approach

Stable labour relations are essential to our productivity and the delivery of our strategy. We therefore place great importance on this area of the business, which is impacted by Company culture, our employee share trust, fair remuneration and effective internal communications.

We believe that effective and transparent dialogue is the key to our management of labour relations, and we are therefore focused on continuing to communicate openly with our employees, trade unions and local community representatives in order to resolve concerns as and when they arise.

In addition to mandatory engagements directed by statutory laws, we hold annual relationship-building sessions with all recognised trade unions at our operations in South Africa in order to improve relationships. The sessions focus on reviewing and rebuilding relationships between parties, as well

as setting objectives and agreeing on action plans to restore or strengthen them. Independent facilitators oversee the process to ensure fairness.

Petra did not experience any instances of industrial action in FY 2019.

Engaging with our employees and employee satisfaction

Petra places a high premium on continuously improving all types of communication and engagement with its employees and frequently reviews its Communication Management Policy and Procedure Framework. The Company has various communication systems and channels in place to facilitate the execution of its internal communications strategy, including written and electronic media, social media and a programme of face-to-face meetings at different levels of the Company.

We have a variety of feedback mechanisms in place, with the emphasis remaining on face-to-face engagement, such as briefing sessions. Sensitive feedback, such as in cases of suspected wrongdoing, is channelled via the mechanisms provided for by employee relations and ethics procedures.

At each of the operations, the monthly management brief is regarded as the primary vehicle for regular, official communication to update employees on progress in the respective area of their operation, including, but not limited to, health, safety and environment, production, finance, human resources, and policy and procedure updates. General Managers also use this as a vehicle to both provide guidance on what is required to ensure success at the operation and to update employees on developments in the Group and in the macro-environment that could impact on operations.

Dissemination of briefs takes place via a cascading system of face-to-face meetings, where the brief is read and explained to employees and they are given the opportunity to discuss the content and ask relevant questions.

Whilst employment policies are not translated into other languages, they are explained in the vernacular as and when required to ensure full understanding.

Board and workforce engagement

Petra aims to introduce clear and formal systems to strengthen Board/workforce engagement, but it is important to note that, on an individual level, the Directors already set aside significant time to visit operations, meet employees and listen to their views and opinions.

One important method used to ensure direct communication between our workforce and the Board is facilitated via the annual CEO roadshow to all of Petra's operations, which consists of meetings with managers of different levels, employees and trade union representatives. These meetings tend to cover the business, the diamond market and the broader industry as well as macro topics and include an interactive session to enable attendees to raise any questions or concerns. Any issues raised are recorded and made available to all employees afterwards. Due to the change in CEO during the Year, a formal roadshow was not held in FY 2019 but the new CEO has visited all operations and set aside considerable time to understand the views and feedback of the workforce.

Operationally, Petra has a system of meetings and forums to cover important employee and social issues and initiatives. An important driver of the decision to restructure Board Committees and establish a separate SED Committee was the aim of keeping the Board informed of these issues and initiatives as well as providing a feedback avenue for the Board to communicate with employees.

Trade union representations

We respect our workforce's right to exercise freedom of association and collective bargaining, regulated by our Collective/Recognition Agreements, across all our operations. Any trade union that has achieved sufficient representation in the workplace may request recognition. Trade union membership across our operations represents 76% of the total workforce in South Africa and 73% in Tanzania.

Petra has aligned its principles with the International Labour Organization Declaration on Fundamental Principles and Rights at Work, as well as with the relevant legislation in the countries in which we operate, covering areas such as minimum conditions of employment, maximum allowable hours of work, collective bargaining and dispute resolution. This includes compliance with South Africa's Labour Relations Act (Act 66 of 1995), which regulates collective bargaining, and the Employment Equity Act (Act 55 of 1998), which prohibits any kind of unfair discrimination.

Labour Relations continued

Our approach continued

Trade union representations continued

The Company has grievance processes which are regulated by our Collective/Recognition Agreements and Group Grievance Procedure. These processes are accessible to all employees, with final recourse to the CCMA in South Africa or to the Commission for Mediation and Arbitration ("CMA") in Tanzania.

In South Africa, the period of notification relating to operational changes varies depending on the nature of the change in question and the parties involved in the consultation process. However, the minimum notification provided by legislation ranges from one week to one month and is governed by the Labour Relations Act. Certain changes, for example the implementation of continuous operations, are covered in collective bargaining agreements (three months' notice in this specific case).

In Tanzania, the period of notification changes due to the urgency of the business situation and the nature of the change and its impact on the workforce/Company.

Legal working hours

In South Africa, labour legislation sets out the maximum allowed number of hours of work per cycle. Standard shift working arrangements are designed to prevent excessive hours being worked. Procedures are in place to monitor and manage maximum hours of work, based on clock records and employee timesheets. It includes the management of standby and overtime, as well as lay-off period scheduling.

Petra's South African operations ensure compliance with the Basic Conditions of Employment Act ("BCEA") 75 of 1997 as well as with the provisions and spirit of other applicable legislation intended to create and foster the maintenance of sound health and safety practices in the workplace.

Employees may only work within the determined working hours envisaged in the BCEA 75 of 1997 except owing to circumstances for which the operation could not reasonably have been expected to make provision and is required to be carried out without delay or with any overtime variation having to be obtained from the Department of Labour.

In Tanzania, the Employment and Labour Relations Act 2004 regulates standards of work operations, which any employer is expected to comply with, which include hours of work, night work, compressed working week, averaging hours of work, etc., and the Company ensures compliance with this legislation.

Employee ownership

The Itumeleng Petra Diamonds Employee Trust ("IPDET") is one of our BEE Partners and therefore holds a 12% interest in each of our South African operations. This provides the opportunity for all South African employees to directly share in the successful development of the mine in which they work.

The IPDET plays an important role in our labour relations strategy as annual distributions to employees are expected to be a compelling motivator to drive enhanced employee productivity and accountability.

Distributions to the IPDET commenced in 2014 and each beneficiary receives the same distribution amount. Petra Directors and Senior Management do not qualify as beneficiaries under the IPDET Trust Deed.

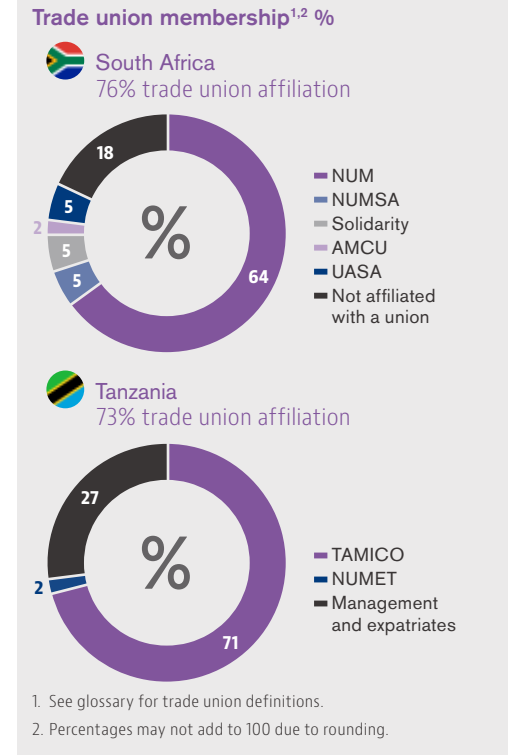
Supporting our employees

Petra provides a number of benefits to its employees such as pension fund participation, medical subsidy/allowance, housing allowance and holiday leave allowance. The Company provides for additional parental leave along with family responsibility leave. In addition to this, we offer support and training, where required, to assist employees in their personal finances. This is particularly relevant in our countries of operation, where financial training is often lacking.

During FY 2019, mining economics and basic financial training was given to certain employees at our South African operations. The training was aimed at enhancing employee understanding of financial products, concepts, risk, individual awareness and day-to-day running of the operations and the Company's financial status. The sessions have been well received and attended and will assist employees in their financial engagements with the Company as well as in their individual financial planning and budgeting. Requests for ongoing sessions on an annual basis to enable all employees to share this knowledge and understanding are testament to the success of the initiative.

Employees nearing retirement are given the opportunity to consult with brokers regarding financial plans and retirement options. They are also provided with post-retirement follow-ups and support sessions by service providers.

Petra has operated an assisted home ownership scheme since June 2015, which was the result of extensive consultations with all stakeholders, including organised labour structures, and in accordance with Mining Charter requirements and the empowerment of employees. Even prior to housing becoming a compliance requirement,



as part of which the mining industry is obliged to assist employees with proper accommodation, the Company has long been providing its employees with 'living out' or 'housing allowance' assistance. Each operation also has its own policy to regulate accommodation provided to employees. We continue to engage with all stakeholders to ensure optimisation of housing schemes.

In Tanzania, Williamson continues to provide accommodation for most of the permanent employees and some contractors.



Environment

Managing our environmental impact is a priority for Petra and, in so doing, we align our interests with those of our local communities. The rationalisation of energy usage is an operational necessity, given the benefits to the operations of optimised power planning and usage, as well as an environmental prerogative in order to combat climate change. Our operations are water intensive and therefore Petra is committed to utilising water responsibly and efficiently to ensure the availability of water for our operations as well as local communities.



- 40 Environmental Management
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- 48 Water Management



Environment

Responsibility

Board

HSE Committee

Chairman: Bernard Pryor

Executive Committee

Chairman: Richard Duffy

HSEQ Steering Committee

Chairman: Charl Barnard

Environmental Peer Review Committee

Mine Environmental Steering Committee Departmental Environmental Committees

KPIs

56%

OF WASTE RECYCLED IN FY 2019

33.6kWh/t

ENERGY EFFICIENCY

0.03 tCO₂-e/t

CARBON INTENSITY

0.86m³/t

CLEAN WATER INTAKE FOR PRODUCTION

72%

OF WATER USED ON MINE IS RECYCLED



We are aware of our environmental impacts and therefore are constantly looking at ways of improving the way we do business. Through everyday choices, we can reduce water usage, switch to more sustainable energy sources and reduce our consumption of non-reusable, toxic products such as single-use plastics.

Bernard Pryor

Chairman of the HSE Committee

Stakeholders

Employees, contractors, trade unions, shareholders, bondholders, local communities, host Governments, regulators, NGOs.

Company policies and guidelines

- ▶ Group HSE Policy
- ▶ Group standard on the optimisation of waste management
- ▶ Group integrated water management strategy
- ▶ Rehabilitation and Closure Policy
- ▶ Phasing out single-use plastic

Standards we follow

- ▶ ISO 14001:2015
- ▶ ISO 14064-3
- ▶ ISO 31000
- ▶ ISO 19011

Key achievements and performance against FY 2019 objectives

- ▶ Integrated water management strategy implemented.
- ▶ 1% annual reduction in carbon emissions. Successful reduction of the carbon footprint for a fifth consecutive year and improved CDP score for carbon disclosure to 'B'.
- ▶ Year-on-year improvement in waste recycling was not achieved.
- ▶ Five-year clean-up for legacy underground waste (initiated in FY 2018) was achieved.
- ▶ No major environmental incidents reported for nine consecutive years.
- ▶ 100% of South African operations are certified to ISO 14001:2015.

- ▶ Successful implementation of waste optimisation and single-use plastics reduction strategies.
- ▶ Independent verification of GHG emissions reporting according to ISO 16064-3.
- ▶ Development of Ecological Management Plans for all undeveloped areas.

Key challenges

- ▶ Uncertainty around the implementation of anticipated environmental legislation.
- ▶ Identifying and implementing additional measures to improve water use efficiency, even where maximum efficiency has already been met.
- ▶ Growing energy needs due to increased production output.
- ▶ Implementation of climate change adaptation measures amidst ageing infrastructure.

Objectives for FY 2020

- ▶ Retain ISO 14001:2015 certification.
- ▶ Implement waste optimisation, integrated water management and ecological management strategies.
- ▶ Achieve improvement in water use efficiency.
- ▶ Achieve improvement in the percentage of total water recycled.
- ▶ Reduce the total tonnage of waste disposed to landfill.
- ▶ Improved energy (electricity) efficiency.
- ▶ Improved fuel efficiency in trackless mobile machines.



Environmental Management

Our ambition

Our primary focus is to embed environmental management across our operations as a value rather than a regulatory requirement. We wish to demonstrate to our employees, trade unions, investors and other stakeholders that taking care of our environment is built into our culture, with a value proposition of 'Let's do no harm' – more commonly referred to as 'zero harm'.

Our approach

We recognise that our value emanates from the natural world; therefore protecting the environment in which we operate is fundamental to how we run our business.

The principles of pollution prevention, compliance with legal and adopted obligations and continual improvement, due to the achievement of objectives and KPIs, are integrated into our planning, management systems and daily activities.

An EMS is in place for each mining licence, which sets out the detailed processes for the identification of environmental risks and implementation of action plans to mitigate the impacts of our activities. As per Clause 6.1.2 of ISO 14001:2015, the impacts of our activities, products and services are evaluated considering a life cycle perspective. This is not a life cycle analysis ("LCA") in the strict definition as a LCA is not relevant to diamond production but rather the analysis of a continuum of interlinked stages from service providers and suppliers

through the use of resources up to final disposal of waste products/packaging material.

All our South African operations are certified to the international environmental standard ISO 14001:2015 through the BSI. Williamson is not yet certified but operates under the same principles. Therefore 75% of all Petra operations are formally certified.

The Group HSE Policy, which is our guiding document for setting operational performance objectives, is covered in more detail in the Sustainability section of our website. Petra's Board-level HSE Committee has oversight of environmental issues and therefore these are taken into consideration in business and strategic discussions as well as when monitoring Group performance and setting objectives.

Risk management

Managing risk is an integral part of governance and leadership and is fundamental to how we run our business at all operational levels. It contributes to the improvement of management systems that considers the external and internal context of the risk management framework.

The key environmental risks associated with our operations are as follows:

- ▶ impact on water resources, both through inefficient use and potential contamination of natural water sources;
- ▶ inappropriate waste management activities may cause water and soil contamination;
- ▶ permanent changes in topography, land use and land capability due to the final disposal of mining waste on surface;

- ▶ depletion of non-renewable sources due to inefficient consumption;
- ▶ biodiversity loss due to the spread of invasive vegetation as well as increasing mining footprints;
- ▶ illegal mining activities damaging previously rehabilitated areas;
- ▶ availability of water and damage to infrastructure due to climate change; and
- ▶ the continued deepening of underground operations may cause an increase in the open pit footprint, leading to the risk of damage to surface infrastructure.

Risk identification, analysis and management

Our approach to risk management is based on a process of continual improvement in hazard identification, risk assessment, instilling awareness into the organisational culture and enforcing adherence to control mechanisms. Updates to the environmental baseline risk are implemented every five years, or when processes change, after significant incidents or disasters or by instruction from regulatory bodies.

Stakeholder engagement

Petra has processes in place to engage with its stakeholders on environmental matters, including the handling of issues raised by its local communities. Public participation processes in South Africa for obtaining environmental authorisations also make provision for direct communication with communities where their views and needs are included into management programmes. This includes public meetings, individual interviews, advertisements and flyers containing pertinent

information on changes at the operations or potential impact such as periods of increased noise and dust levels.

During FY 2019, our stakeholders were engaged on a number of topics including:

- ▶ updated legal documentation at Finsch;
- ▶ the impact of open pit scaling at Cullinan;
- ▶ mining methods used at the operations; and
- ▶ the process of relocating heritage items at Koffiefontein.

Environmental incidents

We aim to minimise environmental incidents at all our operations and have processes to manage any incidents which may occur as effectively as possible. We classify incidents according to their severity, ranging from minor to major. Incidents are recorded and managed on an ongoing basis and are only recorded as closed once all allocated actions have been addressed and the effectiveness of the corrective actions has been verified.

Three significant environmental incidents were reported in FY 2019. See page 68 for details.

For the past nine years, no 'High' or 'Major' environmental incidents were reported at any of the Group's operations.



Environmental Management continued

Spillage management

0

**SIGNIFICANT SPILLAGES¹
AT OUR OPERATIONS IN FY 2019**

Any hydrocarbon spillage on soil or tailings are either treated in situ or removed to a formal bioremediation site depending on the practicality and situational risks of the area. Approved biocides are applied according to a set procedure to ensure maximum biological digestion of the hydrocarbons. Soil samples are analysed to determine the level of digestion before the treated material is placed back on location, signed off as treated or stored to be used as rehabilitation material.

Waste management

Petra manages separate waste streams within the organisation:

- ▶ business waste^{1,2};
- ▶ hazardous waste^{1,2}; and
- ▶ mining waste¹.

Business and hazardous waste

We are continuously implementing processes to improve waste management, according to the internationally recognised hierarchy of waste management, and set annual objectives and KPIs to drive continual progress.

One of our main drivers of change is to focus on the repurposing of waste and improved recycling initiatives to reduce the overall volume of waste to landfill.

Overall volumes of combined waste (business and hazardous) generated decreased by 66% to 9,777t (FY 2018: 28,757t). The percentage of waste recycled by Petra decreased from 84% in FY 2018 to 56% in FY 2019 due to a significant scrap metal clean-up at Williamson in Q1 FY 2018, which positively impacted the previous year's figures.

31%

**DECREASE IN HAZARDOUS WASTE
DISPOSAL IN FY 2019**

In line with this trend, ca. 490 fewer tonnes of non-hazardous waste (domestic) were disposed of compared to FY 2018. See page 63 for a detailed breakdown.

Petra only uses reputable waste handling companies that are vetted for legal compliance prior to awarding tenders. Most of the waste handling companies are ISO 14001 certified, which adds to the level of assurance provided that waste is handled, transported and disposed of in a responsible manner. This includes the management of hazardous waste.

All on-site waste handling areas are audited by third party independent specialists as part of the mines' ISO 14001 management systems. Off-site

handling and disposal sites are inspected on an ad hoc basis. All waste generated by the Company is recycled or disposed of within the country of origin.

Mining waste

Petra operates a number of different mining waste facility types:

- ▶ Coarse residue deposits ("CRD"): all ore mined and processed through the processing plants may contain a percentage of waste rock in addition to the diamondiferous ore. CRDs are dry waste facilities with a maximum moisture content of 5%.
- ▶ Fine residue deposits: the slurry fraction of mining waste produced as part of ore processing. The small ore particles are deposited in suspension with water in dam-like structures of various designs (valley dams and ring dams are preferred).
- ▶ Waste rock dump (overburden): portion of mined ore that is not diamondiferous and not treated through the ore processing plants.

The Company's mining waste areas are planned, operated and maintained according to the country of operation's legislative framework. In addition, external professional engineers are appointed to monitor the safety of these facilities, according to international best practice. Each site has a unique operating procedure that is implemented with the utmost care to reduce risk and protect the communities downstream of the facilities.

Read more about tailings residue deposit management on Petra's website

Materials

The liberation of diamonds requires a process that involves mining, crushing, washing and screening of ore, followed by the recovery and sorting of concentrates, whereafter the raw product is shipped offsite for further classification. During this process, the minimum raw materials are used, with the largest inputs being:

Non-renewable resources

- ▶ energy (in the form of fuel and electricity generated from fossil fuel);
- ▶ water; and
- ▶ construction steel.

Renewable resources

- ▶ timber.

Chemicals

- ▶ explosives;
- ▶ lubricating oils and grease;
- ▶ moisture sealant; and
- ▶ DMS material (Ferro-Silicon).

No toxic chemicals are produced as a by-product of the diamond mining process.

Bulk chemical storage areas are built according to SANS 10263-0:2017 specifications to prevent pollution from accidental spillages and inappropriate handling. The Company's procurement position is such that preference is given to local suppliers and recycled products as far as practically possible.

Packaging material

Only re-usable canisters are used for the shipment of the Company's product. Therefore, no packaging waste is generated during product transportation.

1. See Glossary for definitions.

2. Waste Classification and Management Regulations (GN R. 634 of 2013) as promulgated in terms of the National Environmental Management: Waste Act No. 59 of 2008.



Environmental Management continued

Materials continued

Transportation impacts

Petra identified the impact from various transportation activities as part of each operation's ISO 14001:2015 risk assessment process. Impacts due to the transportation of employees, ore and product were evaluated. The identified impacts include:

- ▶ consumption of non-renewable resources (fuel and electricity);
- ▶ air pollution due to exhaust gases and dust liberation; and
- ▶ nuisance noise.

Recent upgrades to the processing plant at Cullinan reduced the impact of transporting ore by:

- ▶ curtailing the length of conveyors used from 15km to 3km; and
- ▶ reducing the number of motors required for ore transport from 589 to 84.

The carbon footprint relating to transportation has been calculated and details are available on pages 46 and 53. Business travel is included in scope 1 (Company/chartered flights to reach mine sites: 283 tCO₂-e) and scope 3 (commercial airline travel: 71 tCO₂-e) totalling 354 tCO₂-e, approximately 0.07% of Petra's total carbon footprint. Employee commute is included in scope 3.

Biodiversity and land management

We recognise that our activities have the potential to significantly affect local biodiversity and topography. Biodiversity impacts associated with mining include: habitat destruction, vegetation clearance, introduction of invasive species and permanent change to the original ecological processes. We monitor for such impacts at set frequencies during and after operations and implement mitigation strategies only if the impact could not be avoided.

The Company has implemented measures to integrate biodiversity in the management of its operations by:

- ▶ completion of environmental impact assessments prior to any 'greenfield' development;
- ▶ training of all employees on the importance of biodiversity; and
- ▶ implementation of biodiversity management guidelines.

None of our operations are located in or adjacent to formally protected areas.

As part of Petra's commitment to conserve biodiversity, game parks are established and maintained where employees and community members can experience biomes prior to mining activities. Of the total area owned and managed by the Company, 57% is protected.

6,981 ha
PROTECTED WILDLIFE AREAS

Encouraging and facilitating recycling at our operations



VALUES IN ACTION



LET'S MAKE A DIFFERENCE



LET'S DO IT RIGHT

The environmental team at Finsch ran a three-month recycling competition at the beginning of the Year to raise awareness for this important environmental initiative at our operation and to encourage positive behaviour. Just over seven tonnes of waste were collected for on-mine recycling, with the Earthmoving section winning the overall competition, with 2.1 tonnes of waste.

Following the competition, Finsch showed its support for World Environment Day on 5 June 2019 with a recycling awareness campaign in the local community aimed at making recycling more accessible. A station was set up in the local town of Lime Acres to enable residents to recycle non-domestic waste and unwanted household items. The team held an information sharing event, open to employees and community members, and visited all local early childhood development centres in Lime Acres to highlight the importance of recycling. Each centre also received a recycling station to encourage all pupils and teachers to get involved. The mine now collects sorted waste from employees' residences every Wednesday, which has been declared as 'recycling day'.



Environmental Management continued

Biodiversity and land management continued

Williamson maintains a large forest reserve of some 906 ha, thereby protecting the unique biodiversity of the Shinyanga province in Tanzania.

Petra's ecological management standard is based on the international mitigation hierarchy of avoidance, minimisation, restoration, offset and compensation of impacts. There are currently no offset or compensation projects registered, owing to the fact that these two options are viewed as least desirable and will only be entertained as an absolute last resort.

100%

OF OPERATIONS HAVE BIODIVERSITY MANAGEMENT PLANS

A number of Red Data List species (six fauna and four flora species) have been identified in our areas of operation or protection. Where appropriate, protected plants are relocated, or 'no-go' areas are established around species that cannot be relocated, such as the 'Cullinan ant colony', situated on 1 ha of undisturbed land in the middle of Cullinan's coarse tailings facility.

Programmes are run with international NGOs to assist with research into fauna, such as the secretary bird (*Sagittarius serpentarius*) programme at Koffiefontein in conjunction with BirdLife Africa. This project has been running for the last seven years and resulted in the publication of a scientific article.

Biodiversity certification

There is currently no standard available to certify biodiversity management. The BS 8583:2015 'Biodiversity – Guidance for businesses on managing the risks and opportunities' is listed as a standard by the BSI but no certification body is currently accredited for issuing such certification. Petra will investigate this standard for future certification.

Other companies have sourced recognition through sponsorships to the Endangered Wildlife Trust, subscription to the Integrated Biodiversity Assessment Tool or registration of specific projects on the International Union for Conservation of Nature website. Petra is doing similar work with BirdLife Africa.

Petra supports the National Biodiversity and Business Network by taking part in meetings and discussions.

Rehabilitation and closure plans

Petra has implemented a standardised Group-wide approach on concurrent rehabilitation, with the objective of generating a non-detrimental, sustainable state of our communities that are left after mine closure. Third party independent specialists assess progress on rehabilitation schedules on an annual basis. When changes to the execution plans are noted, this is communicated to mine management.

100%

OF OPERATIONS HAVE CLOSURE PLANS

The environmental impact from Petra's mining activities is not expected to last long after the cessation of operations. This is due to our strategic approach and commitment to our values at each step of the mining value chain. Each project is planned with the end of mine in mind, creating the potential to reduce double handling of mining waste and managing impacts timeously. Special measures are put in place to address residual and latent impacts.

Rehabilitation budgets are allocated for concurrent rehabilitation activities to address the impacts of mining. Annual closure provision assessments are performed by external specialists to identify shortfalls in the provided funds. These funds are set aside, as per legislation, to cater for post-closure liability. The total rehabilitation and mine closure fund for Petra during FY 2019 was US\$46.8 million (FY 2018: US\$74.8 million); the reduction is due to the disposal of Helam and KEM JV.

General consensus in the mine rehabilitation community is that it is not possible to reinstate the previous pristine environment after mining has taken place. However, it is possible to restore the productive potential of each site to the benefit of its local communities. Most of our current mining areas were previously used for agriculture, thus having the potential to sustain a community. Care will therefore be taken to reinstate that economic potential, with the most appropriate end land use of each area determined within ten years before mine closure. This is achieved by setting clear rehabilitation and closure objectives for all operations in line with Government-approved closure plans. This will achieve our goal of 'no net loss'.

Transforming the rehabilitation landscape

VALUES IN ACTION



LET'S MAKE A DIFFERENCE



LET'S DO IT BETTER

Three Petra representatives joined the sixth annual Land Rehabilitation Society of Southern Africa ("LaRSSA") Conference, which was attended by delegates from a wide variety of organisations, including from the Department of Environmental Affairs ("DEA"), private sector engineering companies, environmental consultancies, the Minerals Council and the Endangered Wildlife Trust.

Anja van Deventer, Petra's Group Mine Rehabilitation and Closure Specialist and member of the United Nations Convention to Combat Desertification, gave a presentation on rehabilitation in a predominantly historical setting. The Petra approach was highlighted, where we engage local Government and community representatives to determine the most feasible closure or end land use scenarios that will benefit everyone, especially those left behind after the mine closure. We also look at the spatial development of the wider environment, including municipal plans in combination with historical and natural heritage demands.

Anja has been selected to serve on the LaRSSA Committee, which includes members from the DEA, the Minerals Council and the private sector. We believe engagement and co-operation with external stakeholders is critical to the eventual success of our mine rehabilitation programmes.



Climate Change and Energy Usage

Our ambition

We aim to be a market leader in the diamond mining industry with innovative concepts for addressing climate change, both by tackling the risks and maximising the opportunities associated with this global challenge.

Our approach

Diamond mining is less energy intensive than other types of mining, as evidenced by the fact that energy consumption (specifically electricity) only represented 16% of total cash on-mine costs in FY 2019 (FY 2018: 14%). However, it is recognised that non-renewable energy sources are finite and therefore likely to become increasingly scarce over time.

Our short- to long-term strategy is therefore to reduce our reliance on fossil fuel energy resources and minimise overall energy usage wherever possible. We do this by continually evaluating energy consumption reduction opportunities and by designing all new projects to be as efficient as possible.

We recognise the growing importance of climate change, both to our Company and to our stakeholders. By better evaluating and understanding the risks and uncertainties that climate change represents to our business, we will be able to manage our assets in the most economically and environmentally sustainable manner possible.

As driven by the unprecedented Paris Agreement and the global call to action from the SDG on 'Climate Change', we support the onus on industry to be actively involved in projects and programmes to reduce the effects of global warming and

climate change, caused by human activities. We believe that amidst present policy uncertainty and future climatic changes (as projected by the United Nations Framework Convention on Climate Change), the continuing development and implementation of a comprehensive climate change framework is not only crucial to our Company's competitive position but is also an essential component of our commitment to be a leader in the diamond mining industry.

Risks and opportunities

The Company's process for identifying and assessing climate-related risks and opportunities forms part of the environmental risk assessment process that is performed annually (based on the principles of the ISO 31000 standard on risk assessment) at each of the operations. The risk assessment process includes the identification and assessment of risks derived from internal and external issues, environmental conditions, emergency conditions, environmental legislation and significant aspects of the mining operations. Climate change has been identified as a key environmental risk, particularly when considering its impact on the availability of water and the related financial implications. This is considered as part of the Group's principal risk – 'licence to operate' (see further information in the 2019 Annual Report). However, a number of opportunities with regard to climate change have also been identified.

Climate change context

Our business needs to be able to adapt to the changing circumstances as can be expected from predicted climate change models. In this context, adaptation means anticipating the adverse effects of climate change and taking appropriate action to prevent or minimise the damage it can cause or taking advantage of opportunities that may arise.

Large parts of South Africa have been affected by one of the worst droughts since 2016. Water shortages at Koffiefontein, resulting from the cessation of flow from the Riet river in FY 2017, led to the redesign of the water reticulation system in the plant to ensure continued production. The negative financial impact of the unplanned redesign forced the mine to re-use water to a larger extent. This resulted in an opportunity for increased re-use of water in the processing plant and the use of grey water for sanitary purposes.

Other potential financial impacts of climate change that were identified include:

- ▶ the loss of tailings dams due to heavy rain events;
- ▶ the cost incurred to decontaminate affected areas downstream of our operations in the event of containment facility failures;
- ▶ redesigning and upgrading facilities to increase freeboard levels as well as additional holding capacity in preparation of dry spells; and
- ▶ additional health care for employees as higher temperatures are linked to the spread of communicable diseases.

Climate change adaptation strategy

In recognition of the adverse circumstances that could occur as a result of climate change, Petra has put in place a climate change adaptation strategy, with the aim being to prepare itself for scenarios that include restrictions in the availability of water from surface resources (rivers and dams) and intense rainfall events. Higher rainfall intensity would require improved freeboard at all pollution prevention facilities and dirty water impoundments. There would be more competition for resources (between industries and with local communities) that may lead to reputational risk.

Our adaptation goals are:

- ▶ **Goal 1:** Develop a corporate adaptation plan and initiate implementation on operational level in the short to medium term (2020–2025).
- ▶ **Goal 2:** Climate considerations must be included in project planning on corporate level.
- ▶ **Goal 3:** Develop an early warning system/network as well as a climatic monitoring system to reduce vulnerability in co-operation with Government and other mining companies.
- ▶ **Goal 4:** Develop a vulnerability assessment methodology to identify climate change needs.

Climate Change and Energy Usage continued

Energy consumption reduction initiatives

VALUES IN ACTION



LET'S DO IT BETTER

In line with our strategy to reduce our reliance on fossil fuel energy resources and minimise overall energy usage wherever possible, the following initiatives have been implemented since FY 2018 to improve efficiencies and achieve outright savings:

- ▶ change in ventilation fan operational model: improve fan efficiency through reducing guide vanes or where possible switch off one or two main fans during off-peak times;
- ▶ implementation of virtual servers to save energy use by actual servers: a total of 219 servers were replaced by 201 virtual servers (19.66kWh saving per virtual device per day);
- ▶ standardisation of printing protocols reduced the electricity used by printers as well as paper use (saving on ink and secondary water savings);
- ▶ replacement of energy efficient motors is an ongoing project; and
- ▶ raw water pumping station upgrades: pumping was automated to off-peak hours, old pumps were replaced by more efficient devices and all leaks on the pipeline were repaired. Plans in FY 2020 include the installation of non-return valves to reduce losses even further.

Energy management Energy consumption

Petra's total energy consumption for FY 2019 decreased by 24% to 2.30 million gigajoules (FY 2018: 3.0 million gigajoules). This only reflects energy use from non-renewable resources, which include diesel and petrol consumption in trackless mobile machines, diesel consumption for electricity generation, aviation fuel consumed by the Company aircraft and overall electricity consumption.

Petra's fuel consumption (petrol, diesel, LPG and aviation fuel) decreased by 24% to 0.50 million gigajoules or 13,157,047 L in FY 2019 (FY 2018: 0.66 million gigajoules; 17,283,918 L). The change is attributed to a 25% decrease in diesel use as a result of the disposal of KEM JV. See further details in supplementary information on page 63.

Electricity consumption was 23% lower than the previous reporting period, also due to the disposal of KEM JV.

9%

IMPROVEMENT IN ELECTRICITY EFFICIENCY
IN FY 2019

Electricity efficiency of 33.55 kWh/t in FY 2019 improved by 9% from 36.78 kWh/t, predominantly due to an increase in tonnages but also as a result of better efficiency. Both figures exclude KEM JV.

Carbon emissions

Scope, boundaries and methodology

In 2013, Petra started tracking scope 1, 2 and 3 (limited) emissions at all operations and used this information as 'base year' to calculate the Company's carbon footprint. In FY 2016, the base year was then reset on the basis of material changes in the Company, with an intensity value of 0.20 tCO₂-e/ct. Further changes in the Group structure at the end of FY 2018 necessitated a further recalculation of base year, thus FY 2019 is now regarded as our base year.

The scope of our carbon footprint covers all of Petra's mines, as well as our offices situated in Bryanston (South Africa) and London (UK). The following activities are included in the carbon footprint calculation:

Scope 1

- ▶ fuel consumed for electricity generation;
- ▶ fuel consumed by trackless mobile machines;
- ▶ business travel; and
- ▶ fugitive emissions (R22 is separately reported on).

Scope 2

- ▶ electricity purchased from Eskom; and
- ▶ electricity purchased from Tanesco.

Scope 3

- ▶ waste disposal;
- ▶ water pumping;
- ▶ paper consumption;
- ▶ business travel (commercial airlines); and
- ▶ employee commute.

Petra uses the GHG Protocol on the reporting of greenhouse gas as well as IPCC Guidelines for National Greenhouse Gas Inventories of 2001 to calculate and report on our carbon footprint. This provides us with confidence that the correct information is portrayed to our stakeholders and enables us to be held accountable for the figures presented.

Performance

In FY 2019, the direct carbon emissions linked to our operations (scope 1 emissions) decreased by 24% to 37,926 tCO₂-e (FY 2018: 49,753 tCO₂-e, including KEM JV) and indirect emissions (scope 2) decreased by 25% from 586,746 tCO₂-e in FY 2018 to 437,136 tCO₂-e in FY 2019.

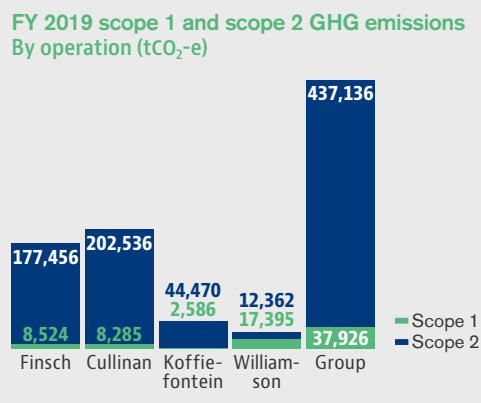
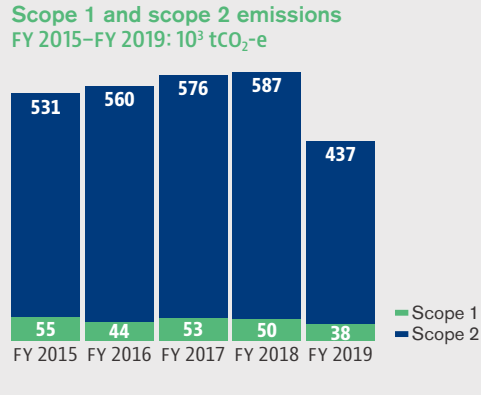
Petra is continuously refining its methodology to accurately calculate other indirect (scope 3) GHG emissions. The FY 2019 calculations now include the impact of electricity, potable water, fuel and ozone-depleting use at the Bryanston and London offices, as well as business transport. Scope 3 emissions decreased by 33% to 5,086 tCO₂-e in FY 2019 (FY 2018: 7,642 tCO₂-e, including KEM JV).

Carbon emissions from R22 gas, which amounts to 227 tCO₂-e, is also included separately in the FY 2019 calculation.

Climate Change and Energy Usage continued

Carbon emissions continued

Performance continued



Petra uses three intensity measures to express its normalised carbon footprint: carbon emissions per production tonne, total carbon emissions per carat recovered and total carbon emissions compared to revenue in US Dollars. Only scope 1 and 2 emissions are included in these calculations.

The graphs opposite provide a three-year history of these measures.

The target that we set for the reduction of carbon emissions in FY 2015, although very ambitious, was again achieved in this reporting year, for the fourth time. We are targeting a 1% reduction per annum in our total carbon emissions per carat as measured over a five-year period (2015–2020). Our carbon emitted per carat has consistently improved from 0.23 tCO₂-e/ct in FY 2013 to 0.12 tCO₂-e/ct in FY 2019, due to the higher number of carats produced for the Year, as well as the Company's focus on driving energy efficiency.

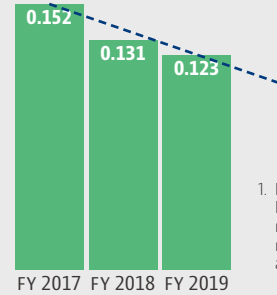
1% per annum
 TARGETING REDUCTION IN TOTAL CARBON EMISSIONS PER CARAT

Carbon sequestration

Carbon sequestration at Petra is implemented through the maximisation of indigenous vegetated areas. According to research, each hectare of natural vegetation is responsible for the sequestration of 300kg of carbon per annum; thus, the approximate 6,981 ha of protected area under Petra's control results in the sequestration of 2,094 tonnes CO₂ per year.

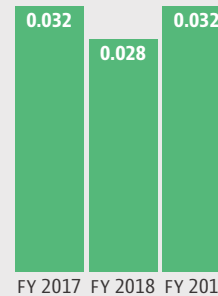
In addition, Petra is participating in a project in collaboration with other major diamond producers and academic institutions that focuses on the potential of carbon sequestration through mineralisation.

Total carbon emissions Per carat (tCO₂-e/ct)¹

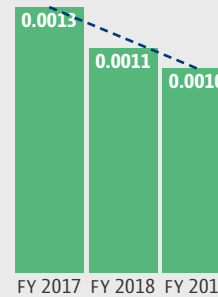


1. FY 2017 and 2018 include KEM JV. FY 2018 has been restated from last year's reported amount following auditing process.

Per tonne (tCO₂-e/t)



Per US Dollar (tCO₂-e/USD)



Significant air emissions

Petra has no significant sources of air emissions. Non-point sources of dust and particulates (i.e. environmental drop-out dust and particulate matter pm₁₀) as a result of surface activities are strictly regulated and annual results are submitted to authorities for evaluation.

During FY 2019 a number of real-time monitors were procured to assist with environmental monitoring. These instruments provide the operations with continuous data on dust and noise levels combined with ambient weather information.

Petra does not produce, import or export any ozone-depleting substances.



Climate Change and Energy Usage continued

Carbon emissions continued

Reporting to the CDP

Petra has participated in voluntary reporting to the CDP since 2013, with year-on-year improvement of scores on every report. During 2016 and 2017, Petra scored a 'C' (the 'awareness' band), which is in line with industry and region scores. In 2018, we improved our score to 'B' (the 'management' band). This is above average for industry and region alike. We aim to achieve an 'A' 'leadership' score within the next two years.



Verification

We contracted an independent consultant for the verification of the South African operations' GHG inventory¹ for FY 2018. It was agreed that limited assurance would be provided, thus there is less emphasis on detailed testing of the GHG data and information supplied to support the GHG assertion. The ISO 14064-3 standard, 'Specification with guidance for the validation and verification of greenhouse gas assertions', was used as a guideline for the verification process.

The following aspects of the GHG inventory fell outside the scope of the verification:

- ▶ Williamson;
- ▶ scope 3 emissions for business travel (employee commute, business flights, car hire fuel, commercial airlines) and diamond transport (flights);
- ▶ base year recalculations;
- ▶ intensity indicators;
- ▶ targets;
- ▶ GHG reduction initiatives; and
- ▶ the materiality of the following exclusions:
 - ▶ Bryanston office;
 - ▶ London office;
 - ▶ exploration projects in Botswana and South Africa; and
 - ▶ Helam mine and projects. The mine was placed under care and maintenance in FY 2015.

Verification statement

The verification statement is as follows:

"Based on the limited assurance verification procedures, guided by the ISO 14064-3 standard, there is no evidence that Petra Diamonds Limited's GHG assertion for FY 2018:

1. Is not materially correct and is not a fair representation of the GHG data and information, with the following qualifications:
 - ▶ KEM JV's source data for the diesel consumption, scrap waste recycled, and potable water used by Kimberley Underground Mine has been lost. Kimberley Underground Mine's activity data, for diesel consumption, scrap waste recycled, and potable water used can therefore not be verified. However, when compared to the size of the total GHG inventory, the effect of Kimberley Underground Mine's lost source data was found immaterial. This was tested by comparing the effect of the lost data when assumed as zero and when assumed as a conservative three times that of Koffiefontein.

- ▶ The verifiers were not able to confirm the potential impact the exclusions of the head office; the London office; the Helam mine (currently under care and maintenance); and the exploration projects in Botswana and South Africa would have on the overall inventory.
- 2. Has not been prepared in accordance with the principles of the GHG Protocol Corporate Standard, with the following qualifications:

Petra Diamonds Limited base year recalculation did not form part of the scope of this verification."

1. Including KEM JV, which has since been disposed of.



Water Management

Our ambition

To provide water to tolerate current and future growth without compromising the sustainability of the environment or the communities in which we operate.

Our approach

Water management objectives

- ▶ Improve water use efficiency
- ▶ Improve percentage of recycled water used in production

Petra has identified water demand and water conservation management as its most significant environmental risks to operations. This is mainly due to water scarcity in the areas where we operate and the fact that our operations are water intensive. Two of Petra's operations are located in areas that receive less than 600mm of rainfall per annum (Finsch and Koffiefontein).

Changes in temperature, as may be expected as a result of climate change, will affect the availability of raw water for treatment processes and impact on natural water resources that sustain the communities around our operations.

This is expected to specifically impact Cullinan, which is situated in Gauteng (the biggest area of commerce and employment in South Africa).

Petra's short- to medium-term strategy to secure water resources is through:

- ▶ service-level arrangements and co-operative agreements with local Government and neighbouring industries;
- ▶ reduction of water losses;
- ▶ securing water from Governmental water schemes;
- ▶ expanding our own internal storage capacities; and
- ▶ maximising 'greywater harvesting'.

The long-term strategic planning for water management is based on:

1. the South African Department of Water and Sanitation's Long-term Adaptation Strategy, which includes adaptation scenarios specifically for water management; and
2. the World Resource Institute's Water Risk Atlas – looking specifically at the 'business as usual' scenario for the period up to 2030 where most of the current life of mine planning resides. This scenario focuses on water stress in areas due to resources supply versus development and expansion.

Future initiatives to improve water management at all operations include the implementation of an integrated water management strategy with the below three distinct ambitions. Its implementation commenced in FY 2019:

1. to determine current and future operational water needs by managing demand, quality and infrastructure;
2. to ensure a resource capable of not only supporting production but also improving the lives of those around us; and

3. to operate within the regulatory framework provided by international, national and local legislation.

Water consumption

Total clean water, which includes total raw water plus potable water consumed for mining-related activities, used by our operations in FY 2019 decreased by 14% to 12,712,800m³ (FY 2018: 14,705,233m³, including KEM JV). We expect to achieve a year-on-year reduction in total water consumption going forward.

Our total water usage per production tonne increased by 49% to 3.61m³/t (FY 2018: 2.43m³/t, including KEM JV). This overall decrease in efficiency was due to an increase in the water usage per production tonne at Cullinan, as well as the disposal of KEM JV, that contributed to a very low water usage per production tonne in FY 2018.

Water recycling

Petra prides itself on the level of water recycling achieved to date. All new projects are designed to be able to substitute either potable or raw water with re-used/recycled water from various sources. Besides internal recycling, most operations also utilise treated effluent from municipal wastewater treatment facilities. The percentage of recycled water used by our operations has remained above 50% for the past four years. The total volume of recycled water used during FY 2019 was 38,391,412m³, representing a significant increase of 38% compared to FY 2018 (27,838,472m³).

72%
OF WATER USED ON MINE IS RECYCLED

Effluent discharge

Further to the ongoing drought conditions in South Africa, we continue to implement major operational changes to impound effluent water for re-use in the process. This had the additional advantage that no effluent was discharged from any of the operations during the Period.

Co-operative agreements

We place a high value on our working relationships with external parties such as companies operating in adjoining areas to our mines and local municipalities. These relationships aim to improve the management of shared issues such as resources consumption (water) and community involvement. We have such working agreements in place at Finsch and Williamson.

UN Global Compact CEO Water Mandate

Although the Company has not registered as a participant, the six elements of the mandate (direct operations, supply chain and watershed management, collective action, public policy, community engagement and transparency) are included in the daily management of our operations.

1. Restated from previously reported figure following auditing process.

Positive Impacts

Petra makes a valuable economic contribution to the countries and communities in which it operates. Maintaining supportive relationships and playing a positive role in our local communities is vital to the sustainable success of our operations.



- 51 Generating Economic Benefit
- 53 Community Development and Engagement



Positive Impacts

Responsibility

Petra Board

SED Committee

Chair: Octavia Matloa

Executive Committee

Chairman: Richard Duffy

SED Steering Committee

Chairman: Egbert Klapwijk

Various Operational and Social Compliance Committees

KPIs

US\$49.9 million

PAID IN TAXES AND ROYALTIES

US\$143.2 million

SPENT ON SALARIES, WAGES AND OTHER BENEFITS

US\$1.8 million

SOCIAL AND COMMUNITY TRAINING SPEND

US\$16.0 million

LOCAL SOUTH AFRICAN COMMUNITY PROCUREMENT SPEND

93

MEETINGS HELD WITH INTERNAL AND EXTERNAL STAKEHOLDERS¹

US\$16 billion

NET BENEFITS CREATED BY DPA MEMBERS IN 2016²

“

Through the provision of employment for local people, the payment of taxes and royalties, procurement from suppliers and corporate social investment, Petra makes a valuable contribution to the communities in which it operates. Nothing less than a net positive impact is enough if we are to truly generate long-term value for each of our stakeholders.

Adonis Pouroulis
Non-Executive Chairman

Stakeholders

Employees, contractors, trade unions, local communities, host Governments, regulators, NGOs, suppliers.

Company policies and guidelines

- ▶ Code of Ethical Conduct
- ▶ SLPs
- ▶ EMPs
- ▶ Group Corporate Social Investment Policy
- ▶ Group Local Economic Development (“LED”) Policy
- ▶ Stakeholder Engagement and Management Policy and Implementation Manual
- ▶ Stakeholder Engagement and Management Plans for the respective business units

Standards we follow

- ▶ UK Corporate Governance Code
- ▶ Extractive Industries Transparency Initiative (“EITI”)
- ▶ Publish What You Pay (“PWYP”)
- ▶ United Kingdom’s Report on Payments to Governments Regulations 2014 (as amended)
- ▶ SLPs have been submitted to the DMR and await feedback and approval.
- ▶ Additional community engagements were attempted at the operations, but success was limited due to the political environment in South Africa.
- ▶ Successful roll-out of some of the LED programmes.
- ▶ Some enhancements in codification of spend, with further initiatives in place for FY 2020.
- ▶ Formation of the SED Committee that oversees social obligations.

Key achievements and performance against FY 2019 objectives

- ▶ Continued demonstration of the success of our school support programme and our ESD Community Fund.

Key challenges

- ▶ Socio-political instability and unrest in South Africa, particularly in the build-up to the general election in May 2019.
- ▶ Misalignment of identified projects and the actual needs of the communities in the Integrated Development Plans of local municipalities.
- ▶ Community expectations related to issues of training, procurement and employment.
- ▶ Community unrest that has an impact on Petra operations.
- ▶ Increased local unemployment as a result of winding down capital expansion programmes.

Objectives for FY 2020

- ▶ To implement focused interventions in selected schools to improve the pool of scholars for take-up into the bursary programme and learnerships.
- ▶ Finalise our approach to sustainability and obtain Board approval of the Sustainability Framework.
- ▶ Continued roll-out of the Group’s eProcure Portal to improve access to procurement opportunities for local businesses.
- ▶ Improve communication with local communities through continued engagement.
- ▶ Continued roll-out of community development projects to meet the needs of local communities.
- ▶ Further improvements to codification of spend.

1. Regarding community and social development.

2. The Socioeconomic and Environmental Impact of Large-Scale Diamond Mining, a report by Trucost for the Diamond Producers Association – May 2019.



Generating Economic Benefits

Our ambition

We aim to make a meaningful positive contribution to our stakeholders. By creating sustainable employment opportunities, we aim to support the local communities; by investing in ethical, and where possible local, supply chains and assisting small businesses, we aim to support the local economies; and by paying taxes and royalties, we aim to contribute to our countries of operation.

Our approach

Creating stakeholder value and providing an economic contribution to the countries and communities in which we operate are important focuses for the Group. Through the employment of local people, the payment of taxes and royalties, procurement from suppliers and corporate social investment, we can make a positive contribution to our stakeholders. Our value added statement can be viewed on page 62.

The benefits of stable and sustainable employment

The Company currently employs 6,788 employees and contractors but given the generally accepted 'multiplier effect' in South Africa and Tanzania of x10, ca. 68,000 people are dependent on our operations.

ca. 68,000

PEOPLE DEPENDENT ON PETRA'S OPERATIONS

By investing in our mines over the last number of years, we have put relatively long-term mine plans in place, ensuring sustainable employment for our workforce and the associated socio-economic development opportunities for the wider local communities. Read more about our social investment and how we work to generate sustainable development on pages 53 to 55.

The Group spent US\$143.2 million on wages in FY 2019 (FY 2018: US\$139.1 million), in line with inflationary increases across the operations partially offset by the positive effect of translating the South African operations' ZAR denominated payroll costs at the stronger ZAR:USD exchange rate (FY 2019: ZAR14.19:US\$1 vs FY 2018: ZAR12.86:US\$1).

Payments to Governments

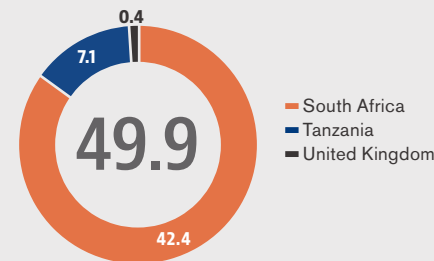
Petra is committed to transparency with regard to payments to Governments, both in terms of taxes and royalties, as well as our other areas of significant social expenditure.

We support the principles of the EITI and PWYP, given that publishing details of Petra's tax payments to Governments can increase confidence and help improve community support for its activities.

In FY 2019, the Group paid a total of US\$49.9 million in taxes and royalties (FY 2018: US\$50.9 million). It should be noted that Petra's operations are currently subject to varying levels of tax shields, due to the significant level of investment having been spent by the Company at each operation. With a reducing capital expenditure profile payments of taxes and royalties are due to rise in line with the profitability of each operation.

The Company did make certain charitable donations during FY 2019 (as detailed on pages 53 to 55), but not of a material financial size. The Company did not make any political donations during FY 2019 and received no financial assistance from Governments.

Tax summary per country (US\$ million)



See Petra's Payments to Governments Report: www.petradiamonds.com/investors/results-reports

Our supply chain

Petra's supply chain department is responsible for managing the Group's inbound supply chain. It performs an important role in terms of delivering on our production and expansion plans by ensuring that the right goods and services are delivered to the right location at the right time. The team is also accountable for ensuring that our supply chain operates safely, efficiently and according to the high level of ethical conduct that we expect of our business.

We proactively manage and develop a capable and commercially secure supply base, with the aim of delivering sustainable value to our Company and to our suppliers through leveraging long-term relationships

and effective contract management. Our approach in this regard is guided by our Procurement Policy, which was revised during FY 2019 to incorporate the Preferential Procurement Policy.

Petra implemented a supply chain management platform in FY 2018, enabling suppliers to register to do business with the Company via our online **eProcure Portal**. This ensures that suppliers are made aware of new opportunities as they arise and also allows us to expand our list of contractors and make our procurement system more transparent and effective. The platform also encourages potential suppliers to comply with various forms of legislature and registrations that is measured by a Business Maturity Index ("BMI") visible to every registered supplier on the platform. Petra aspires to improve the average BMI of suppliers contracted going forward.

In excess of 2,000 suppliers have registered on the eProcure Portal, which consists of both current and new suppliers. The system has already impacted on some Group tenders, where the number of potential suppliers has increased significantly compared to past tenders.

We expect all suppliers and contractors to act with integrity and respect for human rights. Therefore, compliance with our Code of Ethical Conduct is explicitly required as part of the general terms and conditions of contract with Petra. We have vetting processes in place to ensure that we deal with reputable businesses, but we will continue to strengthen these processes as part of the ongoing formalisation of our supply chain practices.

Generating Economic Benefits *continued*

Our supply chain *continued*

Petra has stringent verification processes and security vetting policies in place to ensure the integrity of its supply chain. The Company is also introducing a new contract management solution to ensure consistency and efficiency in processes. Read more about these initiatives on page 20.

Petra has established a Supplier Compliance Committee, which aims at improving governance with regard to suppliers by ensuring that all suppliers comply with legislation and Petra's standards and processes.

Supplier environmental assessment

100%

OF SUPPLIERS ARE SCREENED USING ENVIRONMENTAL CRITERIA

Petra uses pre-qualification questionnaires and site inspections (under special circumstances) to vet suppliers before contracts are finalised. The environmental criteria used during qualification includes:

- ▶ compliance with relevant environmental legislation; and
- ▶ certification of their EMS.

All supply chain activities are part of the EMS of each operation and its risk identification criteria as per ISO 14001. Special attention is given to suppliers of hazardous chemicals and those which deliver high-risk environmental services, such as

waste management and disposal. Incidents that may lead to environmental impact are reported via the normal on-site incident reporting processes. Copies of significant incident reports are distributed to suppliers for their information. Where costs are incurred for clean-up or remediation, these are recovered from the supplier as per the international accepted principle of 'the polluter pays'. The mechanisms for cost recovery and initiation of action against suppliers are described in detail in every contract. During the period under review, no supplier contract was terminated as a result of environmental bad practice and no significant impact actuated as a result of supplier action.

Local procurement

Petra sources the majority of the goods and services for its South African and Tanzanian operations from the countries in which they are located; even those goods supplied by international companies are purchased through the suppliers' operating entities in that country. We view targeted local procurement as a powerful lever for local economic development and community empowerment and preference is therefore always given to suppliers in close proximity to our mines when possible.

Despite significant progress made, challenges remain relating to the availability of BEE suppliers in South Africa and the fact that suppliers of high-value capital goods are very seldom situated in the host communities of our mines. Petra therefore has a strategy in place to help develop local suppliers to be able to enter our supply chain. By increasing the total potential number of suppliers (including local ones), the eProcure Portal has already assisted local procurement opportunities.

Our supply chain in figures

1,331

SUPPLIERS

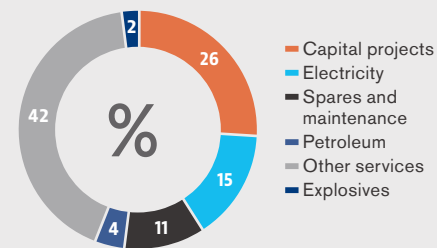
2

COUNTRIES

Country	Procurement spend (US\$ million)	Percentage spent with local ² suppliers
South Africa ¹	199.4	49%
Tanzania ¹	62.9	90%

1. South Africa and Tanzania are considered 'significant locations' due to the presence of our producing mining operations in country.
2. We define 'local' as suppliers based in the relevant regional province in South Africa and 'local' refers to national spend in Tanzania.

Commodity breakdown (excluding services)





Community Development and Engagement

Our ambition

In line with our mission to unlock value for all our stakeholders, our involvement in community development aims to contribute to alleviating the most critical needs in our local communities and to create life-changing opportunities. We target long-term positive impact in the communities in which we operate, which can continue to be sustained following the cessation of our mining activities guided by our mine closure plans.

Our approach

Due to the remote locations of our operations, predominantly in areas of relatively low levels of socio-economic development and high unemployment, Petra's mines in most cases present the only major economic activity in the local area.

Our community development work is focused on contributing meaningful and long-term development of our host communities via sustainable job creation, skills transfer (education and training), enterprise development and infrastructure development.

To ensure co-ordination and inclusivity in social planning and development, we strive to establish partnerships with our employees, Governments, communities, NGOs and educational institutions in order to contribute to ensuring the optimal impact of our initiatives.

The structure of our community engagement and development programmes is guided by the SLPs and EMPs in place for each operation. These plans include the following:

- ▶ social impact assessments based on participatory processes;

- ▶ applicable legislation relating to diversity;
- ▶ environmental impact assessments and ongoing monitoring;
- ▶ public disclosure of results of environmental and social impact assessments;
- ▶ local community development programmes based on local communities' needs;
- ▶ Stakeholder Engagement Plans ("SEP") based on stakeholder mapping;
- ▶ broad-based local community consultation committees and processes that include vulnerable groups;
- ▶ Occupational Health and Safety Committees and other worker representation bodies to deal with impacts; and
- ▶ local community grievance processes.

Social investment

Considering the relatively long potential lives of our operations, we focus on investing in long-term projects which will have a lasting positive impact, and which address the socio-economic needs of our communities. Our approach to corporate social investment is therefore developmental in nature and aimed at creating sustainability in communities beyond the life of active diamond mining.

The success of several of our social investment projects is dependent on our local communities having the necessary skills to implement and eventually manage them, and Petra therefore aims to provide the required training and advice wherever possible. We also facilitate steering committees to assess, implement, monitor and evaluate the progress of our projects, consisting of our employees, members of the local community and municipality, and other service providers.

Expenditure in FY 2019

Our Group social spend remained in line with last year's spend at US\$1.0 million. Only ca. 27% of budgeted spend was committed in South Africa in FY 2019 due to the inability of stakeholders to agree on suitable Local Economic Development ("LED", see definition below) projects, hindering the implementation of larger projects in the community. The operations are constantly engaging with local authorities and representatives to identify suitable projects, but community stakeholders must first come to a consensus on their desired projects. The political climate in South Africa during FY 2019 made it difficult to proactively engage with communities and Government officials. We are hoping that since the elections have passed, we will now be able to engage more effectively. In Tanzania, community spend was curtailed to a minimum in FY 2018, as a result of the mine's liquidity constraints resulting from the blocked parcel; however, we were able to generate sufficient cashflow to make contributions in line with amended Corporate Social Responsibility ("CSR") regulations in FY 2019.

Expenditure by country (US\$ million)

	FY 2019	FY 2018
South Africa	0.7	0.9
Tanzania (Williamson)	0.3	0.1
Group total spend	1.0	1.0

South Africa

Social investment in South Africa is provided in the following areas:

- ▶ **LED** is mandatory spend and corresponds with the Company's commitments as per the approved SLPs for each of the South African operations. LED projects are agreed with local municipality representatives and the DMR and approved by the latter.

- ▶ **Corporate Social Investment ("CSI")** spend is discretionary and the level that can be spent on qualifying projects in the local community is agreed upon by the CSI Committee. These projects and their criteria are outlined in Petra's Group Corporate Social Investment Policy. Each operation has an established Committee to approve and oversee the roll-out of the projects.
- ▶ **Sponsorships** are one-off expenditures, granted on a case-by-case basis, usually by a specific Petra operation, following a request received by the local community.
- ▶ **The Petra Foundation ("PF")** was formally established and registered in FY 2016. The purpose of the PF is to attract funding from our large suppliers, contractors and multi-nationals as well as securing other contributions. These funds are then used for community projects adjacent to our operations, which meet the criteria of the PF's Memorandum of Incorporation. For FY 2018 and 2019 two new projects were approved for Cullinan, being the Lethabong day care centre and the Partners for Possibilities Project. Implementation of the approved projects was carried out in consultation with relevant Government departments, with the DoE being a lead department. Our aim is to ensure that all relevant stakeholders are engaged in the consultation to enable the projects to make a meaningful and sustainable contribution towards community development.

Tanzania

In Tanzania, Williamson contributes directly towards community development through assistance with the advancement of social, commercial, industrial, educational, medical and administrative infrastructure for the benefit of local communities.



Community Development and Engagement continued

Social investment continued

Expenditure by country continued



Tanzania continued

Williamson's CSR Plan, which is informed by the mine's Stakeholder Engagement Plan, concentrated on the following areas for contribution and support during FY 2019:

- ▶ hospital supplies related to HIV/AIDS and TB patients;
- ▶ local education pertaining to health-related issues, environmental conservation planning and education;
- ▶ local environmental considerations supporting seedling germination, collection and planting;
- ▶ health screening; and
- ▶ local sports facilities.

Williamson also owns and runs the Mwadui A Primary School, providing subsidised English education for 525 students. This is the only primary school in the district which has formalised computer training and a computer centre and continues to be considered a top achiever at district, regional and national level.

Community training and development

Petra considers providing training, education and development to local community members just as important as training its own workforce, as this enables it to not only directly contribute to the economic uplift of the community but also to prepare a pool of potential labour for its operations.

In order to address the scarcity of skills in our local communities, our mines' involvement starts at a grassroots level, in the form of the maths and science school support programme and the provision of scholarships. This is continued at

tertiary education level with opportunities provided through the bursary scheme, the graduate development programme and the provision of practical experience through our experiential training programme.

US\$0.8 million

SPENT ON COMMUNITY TRAINING AND EDUCATION PROGRAMMES

The main areas of expenditure were the bursary scheme and school support projects. Williamson's spend was focused on supporting students at universities and colleges.

Bursary scheme

Petra's bursary scheme focuses on supporting promising students studying towards higher qualifications in the core disciplines of the mining industry, and forms part of the South African mines' SLP commitments. The bursary covers the cost of the studies as well as accommodation and allowances and is only available to South African students.

24

FULL-TIME BURSARS FROM OUR COMMUNITIES WERE SUPPORTED BY PETRA IN FY 2019

In support of the national imperatives to support access to tertiary education, the Company supported four bursars in FY 2019 with grants received from the Mining Qualifications Authority offsetting the total cost.

The group of full-time bursars supported during FY 2019 is suitably diverse, consisting of 17 African students, one coloured¹ student and six white students, meaning that it is comprised of 88% HDSAs, and 48% are female. As part of the scheme, students are supported in carrying out vacation work or practical modules at operations as required by their respective institutions.

Young graduate work experience project

Youth unemployment is a significant challenge in South Africa, with graduates often not getting the opportunity to enter the labour market due to a lack of experience. As part of Petra's ambition to contribute to addressing this national problem, a programme was implemented to employ young graduates for a period of six to twelve months to participate in project-based work at our operations. In FY 2019 there were six active young graduates in service, of whom 83% are HDSA.

Since inception of the work experience programme in FY 2015, 48 young graduates have been recruited onto the programme, 22 of whom went on to be offered further employment opportunities at Petra.

Portable skills for community members

The issue of portability of skills also extends to local residents who are not employed by the mine but reside in the surrounding communities. For this reason, some of these programmes are also extended to community members. Portable skills training includes computer literacy training, technical training, plumbing, basic building techniques and carpentry, driver's licence training and agricultural training, as well as other opportunities related to local economic activity. In FY 2019, 78 community members were enrolled for portable skills training. This represents a decrease on last year due to the inability to find a suitable service provider at Finsch.

School support project

The school support project, which is intended to elevate the general level of mathematics and science education in order for more students to achieve quality passes in these subjects, is currently implemented at seven schools in the communities surrounding our operations. This project is aimed at contributing to improving opportunities to access tertiary studies and to securing employment. It is focused on developing both teacher and student competence, targeting Grades 8 to 12. Advocacy campaigns to involve parents in their children's education and to assist pupils in making career choices were also included during the Year as well as Grade 12 motivation workshops.

Six additional schools were supported by providing them with the 'My Maths Buddy' dictionary, which aims to assist teachers and pupils in mastering the language of mathematics. Grade 8 students from four schools were also provided with study skills training sessions at the commencement of their secondary school careers.

Demonstrating the success of our school support programme, one female scholar and beneficiary achieved seven distinctions and was awarded a bursary to study chemical engineering. Improvements in the number of Grade 12 learners passing the National Senior Certificate as well as the number of learners achieving distinctions in some of the supported schools were also achieved.

1. The term 'coloured' is the official and accepted term used for HDSAs of mixed descent.



Community Development and Engagement *continued*

Community training and development *continued*

Scholarships

Scholarships are awarded to deserving learners from schools in our communities, to alleviate the pressure that financial burden can place on both the learner and parent. 46 learners were supported in this manner during FY 2019.

Supporting the Minerals Education Trust Fund ("METF")

The METF is a body which provides the means to pool resources in South Africa's minerals industry to address and resolve some of the many challenges facing tertiary education. Petra provides annual contributions and committed ca. US\$71k in FY 2019.

Developing local businesses

We believe that the combination of targeted procurement and local small business development is a key component to providing a sustainable solution for economic development in South Africa.

Local businesses face a number of challenges such as access to finance and access to market. This limits the ability of start-ups and existing local businesses to grow and expand.

Through our Enterprise and Supplier Development Programme ("ESD"), the Company aims to assist these local businesses in accessing financing and markets, thereby encouraging their sustainability, creating sustainable employment and economic growth in local communities.

This is supported by the Group Procurement and Preferential Procurement Policy which aims to facilitate the inclusion of local black owned businesses into the supply chain of the mine.

We have a network of one-stop Enterprise Development Resource Centres, which support local businesses with non-financial and financial offerings. These centres provide an important link between local businesses and the mine's supply chain.

Services offered at the centres include:

- ▶ business advisory services;
- ▶ readiness assessments – business, financial and technical;
- ▶ generic business and technical training;
- ▶ access to market;
- ▶ access to funding through low-interest funding for qualifying SMMEs;
- ▶ formal business mentoring;
- ▶ computer and printing facilities; and
- ▶ boardroom facilities.

Petra's ESD Community Fund¹

202

LOANS TO LOCAL SMMEs

US\$2 million

DISBURSED LOAN FUNDING

Driving enterprise development



VALUES IN ACTION



LET'S MAKE A DIFFERENCE

As part of its responsibility to encourage the development of the diamond cutting industry in South Africa, Petra runs an ESD programme, through its subsidiary, Tarorite (Pty) Limited. Tarorite is the holder of Petra's Beneficiation and Diamond Dealer licences. Through its ESD programme Tarorite is able to support the growing local diamond industry.

The Tarorite ESD Fund programme aims to develop learners within the diamond industry through internships and other diamond-related courses. It also aims to equip local beneficiation businesses through both funding and mentoring.

One of the beneficiaries of the Tarorite ESD Fund programme is Outclass Crystallized Gems ("OCG"), which has secured funding to buy rough stones and cut and make jewellery to sell to the open market. Its cutters trained at the Kimberley Diamond and Jewellery Academy in 2015 and went on to receive funding through Petra's Tarorite ESD programme in 2017, after which they celebrated their first sale.

Through the Tarorite ESD programme, they have secured a supply of rough diamonds at competitive rates. They have exhibited at a number of jewellery shows, including the Hong Kong Gem & Jewellery Show in 2019. OCG is also amongst the very few manufacturers to join the Gemmological Institute of America Mine2Market programme.

1. Since inception in 2015.



Community Development and Engagement *continued*

Petra's ESD Community Fund FY 2019

51

LOANS APPROVED

US\$0.6 million

VALUE OF LOANS APPROVED

393

NUMBER OF JOBS CREATED AND SUSTAINED
FOR DURATION OF PROJECT/CONTRACT

28

LOCAL SMALL BUSINESSES SUPPORTED

US\$0.3m

PETRA'S ESD SPEND

Community stakeholder engagement

In recent years, there has been a considerable shift in the influence that stakeholders, especially local communities, have on the operations of all companies – and in particular mining companies – that operate in, or are close to, them. This is witnessed by the number of service delivery protests around the country (such as those seen at Koffiefontein in Q2 FY 2019), many of which have called on mines to play a bigger part in local development, and the increase in illegal mining. This has necessitated a

review of our approach towards interaction with our social environment, leading to a more integrated approach that is better suited to the current situation being adopted.

It has also been a key driver of the establishment of the SED Board Committee, with the necessary supporting operational structures, such as the multidisciplinary SED Steering Committee. The way in which stakeholders are engaged and the relationships with them are managed forms a critical part of the Company's success in dealing with the demands made by the current socio-political situation. Stakeholder engagement and management ("SEM") has been a significant focus of the Group since 2013, when we started training those members of staff who had significant levels of stakeholder contact in SEM methodology and started putting the necessary processes in place. In the current environment, it has become critical that we ensure an increased emphasis on these processes.

Continuous progress is being made with the implementation of a consistent and effective stakeholder engagement approach across the Petra Group. Our objective is to standardise processes and our stakeholder management approach and provide stakeholder relationship owners with the required management framework and we have made significant headway in fulfilling this.

The Company uses a software system, IsoMetrix Social Management, to capture, profile, schedule and manage engagement, as well as carry out the required reporting. There are some further enhancements to make to the IsoMetrix system and our stakeholder approach in H1 FY 2020, which centre around capturing a significant amount of historical demographical data on stakeholder

individuals and entities as well as engagement. This is required to ensure an accurate overall picture of our ongoing stakeholder relationships. We will also look to ensure that all stakeholder relationship owners have been identified, trained in the principles of effective stakeholder relations, and are actively using the IsoMetrix system as a means of data capturing and also as a SEM tool. A strategy to address these points, which also includes specialised community communications training aimed at improving engagement and relations with community stakeholder groups, has been devised for implementation in H1 FY 2020.

This approach and system will also assist in materiality assessments going forward, in conjunction with formal surveys carried out, and will be instrumental in identifying our stakeholders' perception of Petra's most material issues, enabling the Company to respond to these speedily and more effectively. No formal, Company-wide Social Impact Assessment ("SIA") or materiality study was conducted during FY 2019 as the approach has been to build on the information gathered during the FY 2016 studies, evaluating it against and adjusting it according to the insights provided during ongoing stakeholder engagement. A more formal materiality survey is planned in FY 2020.

Ongoing communication with our stakeholders is the most critical part of our SEM process. In addition to face-to-face meetings and forums, we use a variety of suitable channels and media, including printed, broadcast and social media. While our social media accounts, such as Facebook and Instagram, are playing an increasingly important role in this, quarterly community newsletters produced and distributed to the communities by

the respective operations, with support from the Communication Management department, still play a key part in keeping communities informed of operational issues that affect them. Although these newsletters are generally well received by communities, their success largely depends on the prevalent social issues that affect the respective communities' relationship with the operations.

93

EXTERNAL AND INTERNAL STAKEHOLDER
ENGAGEMENT MEETINGS HELD IN
FY 2019 REGARDING COMMUNITY
AND SOCIAL DEVELOPMENT

A proactive approach to stakeholder engagement is critical in building relationships and upholding our social licence to operate. We engage continually with the Government, and in particular the Department of Mineral Resources ("DMR"), local Government (municipality), communities and organised labour on matters of mutual benefit and interest. The most tangible benefits of our proactive approach are:

- ▶ collaboration with stakeholders (including the municipality) on key issues such as Integrated Development Plans (including their development and implementation), the roll-out and alignment of projects with the needs of the community and collaboration with the Government on funding developmental opportunities;
- ▶ enabling and exploring possible synergies in community development initiatives and co-funding of projects with other mining houses and/or Government departments;



Community Development and Engagement *continued*

Community stakeholder engagement *continued*

- ▶ we belong to community forums, aiming to address and manage the risk of mistrust and lack of clear communication, which have provided a catalyst for many social incidents. The following issues are discussed: local procurement and enterprise development, environmental impacts of mining, employment opportunities, illegal mining and skills development (bursaries, internships and learnerships);
- ▶ we engage with organised labour on differing issues at various levels such as: accommodation and living conditions, skills development, skills retention, health and safety, operational performance and achievement of targets relating to sustainability of business, labour unrest and productivity;
- ▶ issues relating to the environmental impact of mining remain the concern of all our local communities; synergies are required between the environmental liability and the needs of the community; and
- ▶ we maintain regular, transparent engagements at all levels with authorities and regulators, especially concerning compliance with SLP commitments and Mining Charter requirements and targets (including, amongst others, transformation, mine community development, housing and living conditions and procurement).

Responding to issues

Petra has reviewed and integrated its existing community feedback systems. The aim has been to ensure that all queries and complaints are properly captured and addressed.

Community feedback received has subsequently been integrated into the IsoMetrix Social Management system, thereby significantly improving both the Company's awareness of and response to community issues. Petra's social media accounts have also proven to be very valuable and powerful as a feedback mechanism, to the point where most feedback is now being received via these channels.

Artisanal and small-scale mining ("ASM")

At Petra's underground operations, there is no risk of artisanal mining taking place given the defined outline of the mine site areas and the associated security. However, there is an ongoing risk of illegal artisanal mining taking place at the Williamson mine in Tanzania, due to the vast size of the orebody (146 ha) and the challenges associated with securing such a large perimeter. Some illegal artisanal mining activity sporadically takes place at Williamson and is managed on an ongoing basis by the mine, together with the local authorities. There is also a risk of illegal artisanal mining taking place upon the tailings dumps at Petra's South African operations, due to the nature of these deposits being at surface, meaning they can be more easily targeted. In terms of various pieces of South African legislation, amongst which are the Diamond Act, the MPRDA, the Mine Health and Safety Act and the National Environmental Management Act, the prospecting for or extraction of diamonds, and trade in uncut diamonds, without the necessary authorisations is illegal. Generally, instances of such illegal artisanal mining are sporadic at our operations and dealt with in terms of the aforementioned legislation in conjunction with the relevant authorities.

The scale of illegal mining at Petra's operations is not expected to have a material impact upon Petra's production in the short to medium term. However, there are risks in terms of illegal miners

operating on Petra operations contravening a number of regulations for which the Company is held responsible, in particular in the areas of health and safety and environmental management.

Petra is committed to finding a long-term solution, via multifaceted stakeholder engagement and co-operation with the South African police, the Department of Mineral Resources, the Minerals Council of South Africa and others, in order to address this challenge, as well as via its efforts to promote skills transfer and local economic development in its local communities in recognition that this issue is a direct result of South Africa's low economic growth and employment opportunities. Petra believes that legalised and regulated artisanal mining has the capacity for positive societal contributions via job creation and stimulation of the local economy. At KEM JV, Petra was instrumental in facilitating the historical agreement in which parts of the mining rights area in Kimberley were made available to illegal miners to conduct legalised artisanal and small-scale mining, demonstrating successful multi-stakeholder dialogue and co-operation.

Following a comprehensive business case and risk assessment, a decision was also taken to donate part of the tailings mineral resources at Koffiefontein for ASM. All relevant stakeholders have been involved in setting up the formal processes, structures and agreement. This has involved engagement with the artisanal miners, the DMR (including the South African Diamond and Precious Metals Regulator) and the local authorities to reach an optimal arrangement.

Petra believes that legalised and regulated artisanal mining has the capacity for positive societal contributions through job creation and stimulation of the local economy.



Defining Materiality

Defining our material topics

Petra follows the below process in identifying and reporting on its material topics.

1

Define

Petra defines a material topic as an ESG issue that could significantly impact the delivery of the Company's strategy and future performance, and/or could have a material impact on individuals, groups or communities that are impacted by Petra's operations. In the sustainability sphere, materiality encompasses a company's impacts on the outside world and our definition therefore takes into account any issues which are deemed to have a significant economic, environmental or social impact on our stakeholders, as well as those which may significantly impact the Company.

2

Engage

A formal stakeholder engagement and management evaluation process was carried out in FY 2016 to identify our material issues. Since this time, Petra has conducted various canvassing exercises both internally (in the form of internal communications surveys) and externally. A formal stakeholder engagement process will be conducted in FY 2020 alongside a full sustainability strategy review.

▶ **Stakeholder engagement:**
[pages 8 and 9](#)

3

Determine

Petra identified its material topics in accordance with the GRI Standards process and guidelines. These topics form the basis of our sustainability reporting and have been grouped into five key areas for inclusion in this Year's report. The next formal review of our material topics will take place in FY 2020, following a full engagement and internal evaluation process.

4

Align

Material topics identified are aligned with internal governance processes and operational imperatives and are therefore managed as part of internal processes that answer to both regulatory requirements and internal KPIs. In an effort to support the UN SDGs, we have linked each of our material topics with the relevant goals to demonstrate the part we are playing in the agenda to transform our world.

www.undp.org/content/undp/en/home/sustainable-development-goals.html

▶ **Our material topics:**
[page 10](#)

Key Performance Indicators

The following non-financial KPIs are considered by management to be the most appropriate in terms of tracking Petra's sustainability performance year on year.

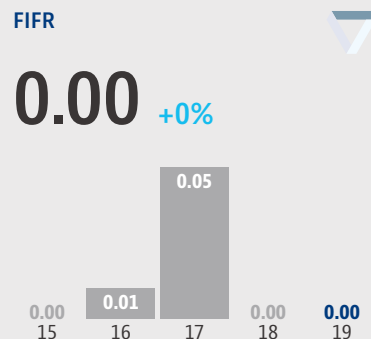


PERFORMANCE AND TARGETS

Group LTIFR for the Year improved further to 0.21, which is a strong achievement and broadly in line with our ongoing target to achieve a minimum 10% improvement in LTIFR annually. This is a clear indication of the effectiveness of the implemented management system. We continue to target a zero harm working environment.

RISK MANAGEMENT

In addition to appropriate risk management processes, Petra has strategies, systems, effective risk-based mitigating controls and training in place to promote a safe working environment.

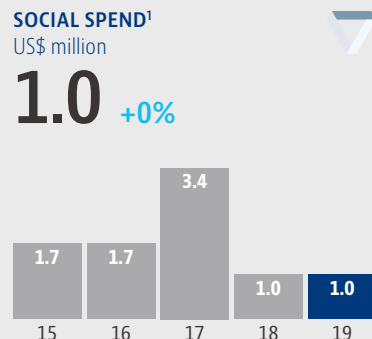


PERFORMANCE AND TARGETS

The Group recorded a fatality-free year. Fatalities are unacceptable and we target a FIFR of zero. Whilst Petra's mining methods are inherently safe, accidents can happen and therefore this remains a constant area of focus.

RISK MANAGEMENT

In addition to appropriate risk management processes, Petra analyses and investigates all significant incidents and accidents in detail through a root cause analysis technique to review and align controls in mitigation of reoccurrences.

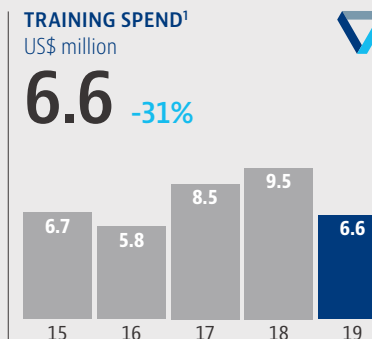


PERFORMANCE AND TARGETS

Social spend remained in line with last year's spend at US\$1.0 million. Whilst Petra continues to actively engage with local communities, social spend levels specifically in South Africa have been depressed for the last two years on account of stakeholders being unable to agree on suitable local economic development projects, which was also exacerbated by the political climate prior to the 2019 elections. Petra targets base case spend of 1% of net profit after tax ("NPAT"); however, this calculation was not possible for FY 2019, given the negative NPAT recorded.

RISK MANAGEMENT

Petra maintains compliance with the regulatory framework, as well as continual liaison and co-operation with social and institutional stakeholders.



PERFORMANCE AND TARGETS

Our investment in employee training and development remained constant in FY 2019 but the reason for the reduction seen above is due to the inclusion of KEM JV in FY 2018 figures. Excluding KEM JV, FY 2018 spend was ca. US\$6.7 million. Actual spend in ZAR terms increased by 5% year on year; however, due to the ZAR weakening against the US Dollar, the US Dollar amount was marginally lower. Due to the fluctuation of the ZAR/US Dollar exchange rate, Petra will continue to strive to achieve a target of 5% of annual payroll in ZAR terms, which is a more realistic target based on current economic factors.

RISK MANAGEMENT

Petra maintains compliance with the regulatory framework and supports a number of different training and development programmes.

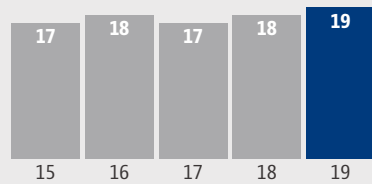
1. FY 2018 and before includes KEM JV; FY 2019 excludes.

Key Performance Indicators continued

WOMEN IN THE WORKFORCE

(%)

19% +6%



PERFORMANCE AND TARGETS

The percentage of women in Petra's workforce increased to 19% and remained higher than the 15% average for the South African mining industry as a whole.¹ Increasing this number is an important aspect of improving on equality, with the long-term objective of the workforce in South Africa representing the overall demographic.

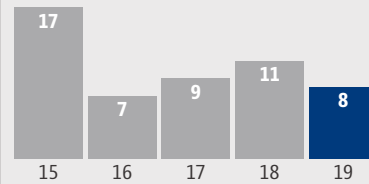
RISK MANAGEMENT

Proactive and concerted efforts to advance workplace equality through preferential recruitment and the development of women in our workforce.

STAFF TURNOVER²

%

8 -27%



PERFORMANCE AND TARGETS

The staff turnover rate of 8% is considered to be comparatively low and in line with the broader mining sector. Petra endeavours to maintain turnover rates consistent with industry norms and has a number of initiatives and programmes in place to develop and retain its people.

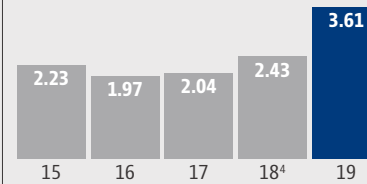
RISK MANAGEMENT

The Group's employment policies and remuneration strategy are designed to attract, incentivise and retain individuals of the right calibre, as well as retain key management for the longer term.

WATER USAGE^{2,3}

m³/t

3.61 +49%



PERFORMANCE AND TARGETS

Petra's total water usage per production tonne increased by 49% to 3.61 m³/t, due to an increase in the water usage per production tonne at Cullinan, as well as the sale of KEM JV which contributed to a low water usage per production tonne previously.

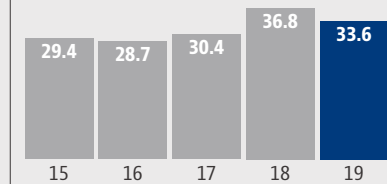
RISK MANAGEMENT

The Group endeavours to continually develop, implement and improve water efficiency measures to reduce the consumption per tonne processed.

ENERGY EFFICIENCY⁵

(kWh/t)

33.6 -9%



PERFORMANCE AND TARGETS

Petra's energy usage per tonne improved by 9% in FY 2019, predominantly due to an increase in tonnages but also as a result of better efficiency.

RISK MANAGEMENT

Continuous development, implementation and improvement of energy efficiency measures.

1. Source: South African Chamber of Mines.

2. FY 2018 and before includes KEM JV; FY 2019 excludes.

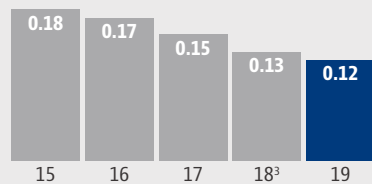
3. Consumption is reported per tonne fed to the various plants based on gross tonnes treated, comprising ROM and tailings tonnes, as well as development waste tonnes treated (where appropriate), while specifically excluding recirculating tonnes.

4. Adjusted from previously published figure based on environmental audit results.

5. FY 2018 has been recalculated to exclude KEM JV.



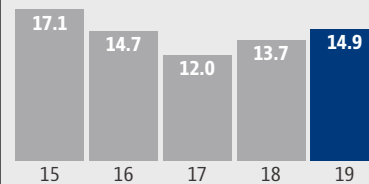
Key Performance Indicators continued

CARBON EMISSIONS^{1,2}
Thousand tCO₂-e/ct**0.12** -8%**PERFORMANCE AND TARGETS**

Carbon emitted per carat continued its decreasing trend, down 8%, due to the higher number of carats produced for the Year, as well as the Company's focus on driving energy efficiency. This exceeded the Company's target to achieve a 1% reduction in tCO₂-e/ct per annum.

RISK MANAGEMENT

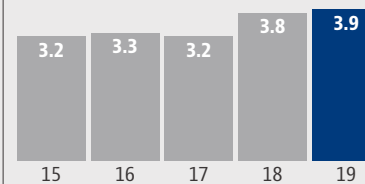
The Group endeavours to minimise its overall energy usage wherever possible and improve energy efficiencies.

TONNES (TREATED)⁴
(Mt)**14.9** +9%**PERFORMANCE AND TARGETS**

Petra's ore tonnage throughput increased by 9% to 14.9 Mt. ROM tonnes treated increased 10% to 13.3 Mt driven by an 11% increase in underground ROM tonnes mined from the South African operations and a 9% increase in tonnages mined from the Williamson open pit of 5.1 Mt whilst the contribution from surface overburden ROM material at Finsch remained flat at 0.6 Mt.

RISK MANAGEMENT

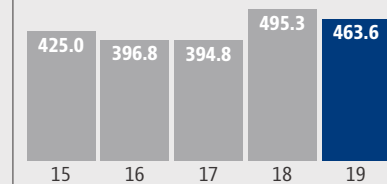
Realistic operational targets, based on detailed mine production planning, with production performance monitored closely.

ROUGH DIAMOND PRODUCTION⁴ Mcts**3.9** +1%**PERFORMANCE AND TARGETS**

Production increased 1% to 3.9 Mcts, in line with guidance. FY 2020 guidance is ca. 3.8 Mcts, with ROM production expected to remain largely flat at 3.75 Mcts. Petra continues to focus on value over volume and the majority of ROM production in FY 2020 is anticipated to come from the newly established underground block and sub-level caves ("SLCs"), as well as surface production at Williamson.

RISK MANAGEMENT

Realistic operational targets, based on detailed mine production planning, with production performance monitored closely.

REVENUE⁴
US\$ million**463.6** -6%**PERFORMANCE AND TARGETS**

Revenue decreased by 6% during the Year due to the number of carats sold for the Year decreasing 2% to 3.7 Mcts, as well as the impact of a weaker diamond market and product mix. Petra's realised diamond prices reduced by ca. 5% in line with market movement during the period.

RISK MANAGEMENT

The key factors affecting revenue growth are delivery on production targets, managing grade volatility and product mix and diamond prices (which are outside of the Group's control).

1. FY 2018 and before includes KEM JV; FY 2019 excludes.

2. Updated emissions reporting methodology implemented during FY 2017 means that historical figures are not directly comparable.

3. Adjusted from previously published figure based on environmental audit results.

4. FY 2016–FY 2019 excludes KEM JV.



Back-up Data

Annual data

	Unit	30 June 2019 ¹	30 June 2018	30 June 2017
Value added statement for the year ended 30 June 2019				
Revenue	US\$m	463.6	576.9	477.0
Paid to suppliers for material and services		(151.3)	(196.7)	(167.3)
Value added		312.3	380.2	309.7
Income from investments		0.3	4.7	3.6
Wealth created		312.6	384.9	313.3
Wealth distribution				
Employees				
Salaries, wages and other benefits		143.2	139.1	145.8
Net salaries, wages and benefits		108.9	103.7	110.5
Salary-related taxes		34.3	35.4	35.3
Providers of capital		73.2	79.2	48.0
Finance cost		73.2	79.2	48.0
Dividends paid		—	—	—
Governments				
Tax paid		15.6	15.5	11.9
Reinvested in the Group		80.6	151.1	107.6
Depreciation and capital items		195.0	311.1	364.5
Accumulated losses		(114.4)	(160.0)	(256.9)
		312.6	384.9	313.3

1. Excluding KEM JV.

	Unit	FY 2019	FY 2018	FY 2017
Health and safety				
LTIFR unit calculations				
Rate per 200,000 hours		0.21	0.23	0.27
Rate per million hours		1.05	1.15	1.35
Number of LTIs		16	25	35
LTI – male/female breakdown:		15 male 1 female	24 male 1 female	34 male 1 female
LTI – employee/contractor breakdown:		11 employees 5 contractors	17 employees 8 contractors	18 employees 17 contractors
FIFR unit calculations				
Rate per 200,000 hours		0.00	0.00	0.05
Rate per million hours		0.00	0.00	0.25
Number of fatalities		0	0	6
Fatal accident male/female breakdown		N/A	N/A	6 male, 0 female
Fatal accident employee/contractor breakdown		N/A	N/A	3 employees, 3 contractors
Environment				
Water consumption by source				
Municipal water	m ³ (unless otherwise indicated)	3,219,093	3,666,103	3,287,943
Surface water		9,493,707	9,006,203	10,705,490
Ground water		2,540,317	4,795,203	5,484,158
Rain water	mm	1,592	2,546	N/A
Total water usage		53,644,529	47,366,805	40,587,452
New water usage		12,712,800	14,705,233	13,993,433

Back-up Data continued

Annual data continued

	Unit	FY 2019	FY 2018	FY 2017
Environment continued				
Total business waste and recycling				
	t (unless otherwise indicated)			
Hazardous waste disposed		191	279	355
Domestic waste disposed		3,768	4,261	9,504
Total waste to landfill		3,959	4,540	9,859
Total waste recycled		5,468	24,203	4,527
Total waste incinerated		350	14	21
Total waste generated		9,777	28,757	14,407
Recycled waste as a percentage of total waste	%	56	84	31
Volumes of mine waste generated				
	t			
Coarse		6,064,754	8,518,121	7,300,760
Fines		7,947,049	9,600,069	7,795,992
Energy consumption				
Total diesel consumption	L	12,883,410	17,106,022	17,700,405
Total electricity consumption	kWh	498,778,642	651,761,346	604,793,237
Total diesel consumption	GJ	490,858	651,739	674,385
Total electricity consumption	GJ	1,795,602	2,346,339	2,177,254
Total energy consumption ¹	GJ	2,296,197	3,004,511	2,862,791

	Unit	FY 2019	FY 2018	FY 2017
Carbon footprint				
Scope 1	tCO ₂ -e	37,926	49,753	52,580
Scope 2	tCO ₂ -e	437,136	586,746	576,327
Total tCO ₂ -e (scopes 1 and 2)	tCO ₂ -e	475,062	636,499	628,907
Intensity indicator 1	tCO ₂ -e/ct	0.123	0.131	0.152
Intensity indicator 2	tCO ₂ -e/t	0.032	0.028	0.032
Scope 3	tCO ₂ -e	5,086	7,642	8,251
Total tCO ₂ -e (scopes 1, 2 and 3)	tCO ₂ -e	480,374	644,399	637,158
Ozone-depleting substances				
	kg			
1,1,1-trichloroethane ("TCA")		0	0	0
Carbon tetrachloride ("CTC")		0	0	0
Halon		0	0	5.0
Methyl bromide		0	0	0
R134a		28.5	24.0	757.0
R22		92.5	115.9	38.5
R-410		21.0	19	0
R507		129.0	146.9	147.8
Total ozone-depleting substances		271.0	305.8	948.3

1. This figure excludes petrol, jet fuel and LPG.



Back-up Data continued

Data per operation

	Belgium office	Finsch	Cullinan	Koffiefontein	Williamson	Helam Projects	Botswana	Head office	London office	Board	Total
People											
Total employees and contractors	3	2,122	2,127	757	1,581	0	12	173	4	9	6,788
Permanent and part-time employees	1	1,118	1,320	645	560		5	173	2	9	3,833
Contractors	2	1,004	807	112	1,021		7	0	2		2,955
Rate of employee recruitment											
Male											4.2%
Female											3.8%
Group turnover by type											
Voluntary turnover		80	52	53	28	24	0	8	0		61
Terminations		28	14	3	1	4	1	15	1		252
Recruitment by gender											
Male		42	39	62	10			16	0		169
Female		32	6	14	5			8	1		66
Total recruitment		74	45	76	15			24	1		235
Recruitment by area											
Gauteng			45					8			53
Northern Cape		74						16			90
Free State				76							76
North West											0
Recruitment by age group											
18–29		40	19	47	10			6	0		122
30–50		28	22	26	5			13	1		95
51+		6	4	3	0			5	0		18



Back-up Data continued

Data per operation continued

	Unit	Finsch	Cullinan	Koffiefontein	Williamson	Helam Projects	Botswana	Head office	London office	Board	Total
Environment											
Water efficiency per operation	m ³ /t	1.84	6.30	3.77	2.15			0.00	0.00		3.61
Volume of business waste generated per	t	2,761	4,122	432	2,462			Not recorded	Not recorded		9,777
Rehabilitation and mine closure fund as at 30 June 2019	US\$m	25.8	18.6	8.1 ¹	5.06						57.56
Surface area occupied by mining waste per operation	ha							N/A	N/A		
Coarse		231	195	84	211						721
Fines		361	373	154	415						1,303
Waste rock		137	8	113	22						281
Paste		0	0	0	0						0
Total energy consumption	Mill GJ	0.782	0.877	0.203	0.417			0.017	0.000		2.296
Electricity consumption per operation	kWh	186,795,333	213,208,138	46,810,317	51,634,465			327,090	3,300		498,778,642
Electricity efficiency per operation	kWh/t	56.66	42.01	46.78	9.40			0.02	0.00		33.55
Carbon emissions per operation	tCO ₂ -e	185,979	210,821	47,055	29,757			1,447	1		475,062
Positive impacts											
Social spend	US\$	416,747	165,914	90,997	327,407			Petra Foundation: 8,138			1,009,203

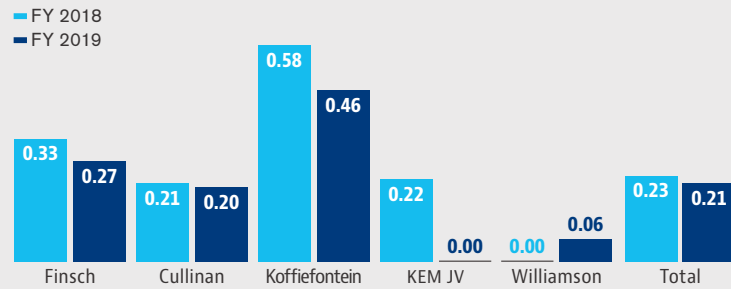
1. FY 2019 figure not yet available so FY 2018 figure has been provided.

Back-up Data continued

Data per operation continued

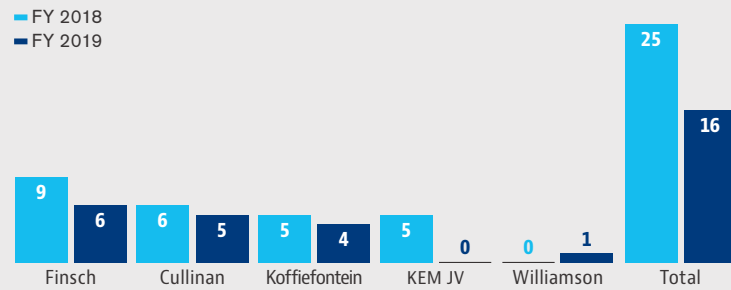
LTIFR

Breakdown per operation



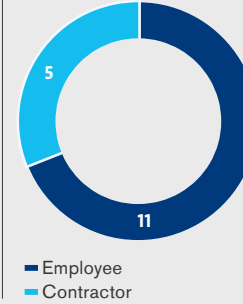
LTI

Breakdown per operation

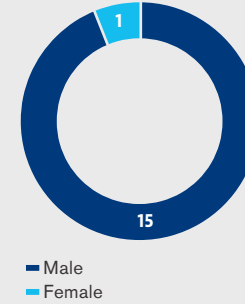


FY 2019 LTI and LTIFR breakdown

LTI workforce split



LTI gender split

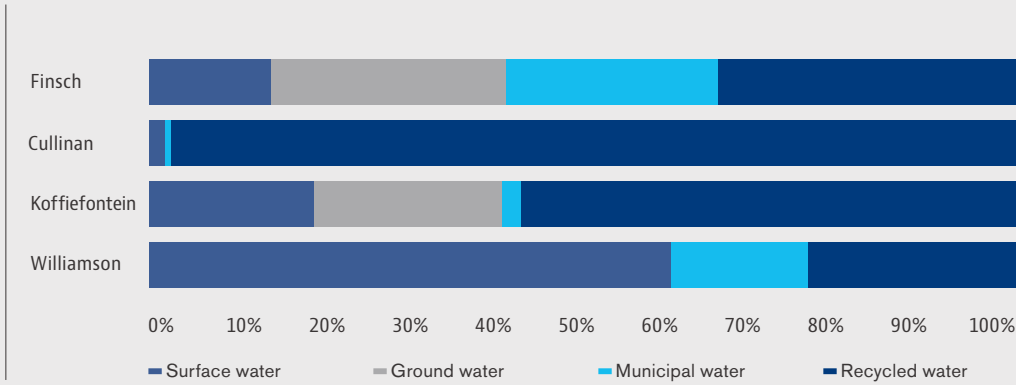


Employee breakdown by age group

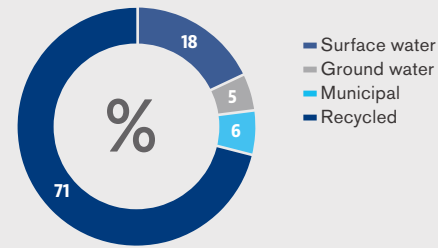
	18-29		30-50		>50		Total	
	Female	Male	Female	Male	Female	Male	Female	Male
Board			1	2	1	5	2	7
Senior Management			2	24		10	2	34
Management	3	4	31	96	5	63	39	163
Employees	137	531	440	1,801	94	583	671	2,915
Total	140	535	474	1,923	100	661	714	3,119

Back-up Data continued

Operational water consumption by source (%)



Petra water consumption by source



Total mining impact

The table below summarises the total mining impact in the South African context ([source: www.dea.gov](http://www.dea.gov)):

Operation	Water catchment area	Total available resource (million m ³ /a)	Resource required for mining (million m ³ /a)	Total mining (%)
Finsch	Lower Vaal	672	6	1
Cullinan	Crocodile West	1,245	140	11
	Olifants	1,265	86	6
Koffiefontein	Upper Orange	4,449	2	<1



Back-up Data continued

Significant environmental incidents FY 2019

Operation	Severity	Description
Koffiefontein	Medium	Two incidents within three weeks in which excess process water (created during a period of low production) was diverted from the slimes dam to the paddocks desilting system and holding facility as a safety precaution. The diverted volume was larger than the capacity of the paddocks, resulting in an overflow to the mine raw water reservoir. The incidents occurred during a period of public unrest that negatively affected production and supporting services.
Koffiefontein	Medium	
Koffiefontein	Medium	Process water was diverted from the mine circuit to the desilting paddocks. The diverted volume was larger than the capacity of the paddocks, resulting in an overflow to the mine raw water reservoir.

The below constitute the main sources of hazardous gas in mining, depending on the type of mining:

- Gases from blasting:** Gases resulting from blasting are principally carbon dioxide, nitrogen and steam. However, toxic gases including carbon monoxide and nitrogen dioxide also result. As oxygen is consumed in any such blast, oxygen deficiency may also be a result. For safety purposes all employees are evacuated from the underground workings prior to every significant blast and only allowed re-entry after a specific time period to allow for the dispersion of the toxic fumes. Special detection apparatus are used to measure the levels of primarily carbon monoxide (CO) to declare an area safe for re-entry. From an environmental point of view these gases cannot be accurately monitored in this scenario as the working areas are too diverse. Real-time monitoring of gas emissions through the extraction fans are not practical as the concentration of NO_x and SO_x are constantly below detectable levels.
- Methane from orebody:** Highly combustible methane (CH₄) or firedamp, as it is called in many coalfields, is formed in the latter stages of coal formation, and because of the depths and pressures, it becomes embedded in the coal. This is insignificant to Petra as only Koffiefontein has detected low concentrations in testing holes (cover drilling) and never in the general atmosphere.
- Vehicle exhaust:** As with any other vehicle exhaust application, toxic fumes are a result of the operation of internal combustion engines. In mining diesel vehicles are used primarily, and carbon monoxide and nitrogen dioxide, as well as oxygen deficiency, are of concern. A 10% sample of all underground vehicles are monitored on an annual basis to ensure compliance with local legislation. These vehicles are routinely maintained to reduce excessive air emissions. Special catalytic converters are also installed as Petra standard to reduce the volumes of CO released to the atmosphere.
- Underground explosions and fires:** Even small, smouldering fires can create toxic gases including CO and nitrogen dioxide (NO₂) and also consume enough oxygen to cause asphyxiation. Petra did not have any such events in FY 2018 and thus nothing to report under this section.
- Liberation of gases due to acidic water:** Low concentrations of sulphur dioxide (SO₂) could be present at Koffiefontein but to date have not been detected. This is as a result of the high pH of the ground water in the area.
- Volatile organic compounds:** At Petra, non-methane volatile organic compounds ("NMVOCs") have been detected and are monitored during belt splicing operations only (trichloroethylene). Environmentally these levels of emissions are insignificant as this activity is done infrequently. Occupational hygiene exposures are monitored.
- Ammonia gases:** Petra's standard is to use emulsion-based explosives in lieu of higher ammonium-based explosives. This implies that high ammonium-based products have been phased out and the detection of NH₃ is insignificant to Petra operations.



Back-up Data continued

Environmental management

Land disturbed vs protected

Operation	Unit	FY 2018			FY 2019		
		Area disturbed	Area protected	Requiring rehab	Area disturbed	Area protected	Requiring rehab
Finsch	ha	1,406	1,388	1,008	1,406	1,388	1,008
Cullinan	ha	1,642	2,673	1,631	1,642	2,673	1,631
Koffiefontein	ha	1,642	2,014	1,636	1,642	2,014	1,583
Williamson	ha	675	906	303	690	906	291
Total	ha	5,365	6,981	4,579	5,380	6,981	4,514

The table below summarises the various acts that deal with the elements as reported on, per country of operation:

Reported issue	South Africa	Botswana	Tanzania
Environmental management	National Environmental Management Act No. 107 of 1998 and Regulations	Mines and Minerals Act 17 of 1999	The Environmental Management Act 2004 and Mineral Beneficiation Regulation 2010
Environmental impacts	National Environmental Management Act No. 107 of 1998 and Regulations	Environmental Impact Assessment Act 6 of 2005	The Environmental Management Act 2004
Environmental incidents	National Environmental Management Act No. 107 of 1998 and Regulations	—	—
Waste management	National Environmental Management: Waste Act 59 of 2008 and Regulations	Waste Management Act 15 of 1998	—
Biodiversity management	National Environmental Management: Biodiversity Act 10 of 2004	Wildlife Conservation and National Parks Act 28 of 1992	The Environmental Management Act 2004 and Wildlife Conservation Act 2009
Rehabilitation and mine closure	National Environmental Management Act No. 107 of 1998 and Regulations	Mines and Minerals Act 17 of 1999	The Environmental Management Act 2004
Climate change	National Environmental Management: Air Quality Act 39 of 2004 and Regulations	—	—
Energy management	The Mineral and Petroleum Resources Development Act 28 of 2002 and Regulations	—	—
Carbon emissions	National Environmental Management: Air Quality Act 39 of 2004 and Regulations	Atmospheric Pollution (Prevention) Act 18 of 1971	—
Water management	The National Water Act 36 of 1998 and Regulations	Water Act of 1968 and Boreholes Act of 1976	The Water Resource Management Act 2009
Stakeholder engagement	National Environmental Management Act No. 107 of 1998 and Regulations	—	The Environmental Management Act 2004



Glossary

AET	adult education and training	dangerous occurrence	a dangerous occurrence is an incident where no person is injured, but which had the potential to cause serious injury, incapacity or death
AIDS	Acquired Immune Deficiency Syndrome, a disease of the immune system caused by the HIV infection. HIV/AIDS poses serious challenges; South Africa is one of the countries worst affected by the pandemic	DPA	the Diamond Producers Association
AMCU	Association of Mineworkers and Construction Union, South Africa	effluent	mine effluent is a regulated discharge from a point source like a treatment plant or dam spillway
ASM	artisanal small-scale mining	EIA	Environmental Impact Assessment
ART	anti-retroviral treatment for HIV/AIDS	EITI	Extractive Industries Transparency Initiative
BBBEE	Broad-Based Black Economic Empowerment	EMP	Environmental Management Programme
BEE	Black Economic Empowerment is a programme launched by the South African Government to redress the inequalities of apartheid by giving previously disadvantaged groups of South African citizens economic privileges previously not available to them	EMS	Environmental Management System
beneficiation	the refining of a commodity; in the case of diamonds, refers to the cutting and polishing of a rough stone	ESD	enterprise and supplier development
BRA	baseline risk assessment: an initial risk assessment that focuses on a broad overview of the complete operation in order to determine the risk profile to be used in subsequent workplace risk assessments	ESG	environmental, social, governance
BSI	the British Standards Institution	FIFR	fatal injury frequency rate: the number of fatal injuries per million hours worked
business waste	definition as per the National Environmental Management: Waste Act No. 59 of 2008 – means waste that emanates from premises that are used wholly or mainly for commercial, retail, wholesale, entertainment or Government administration purposes. Petra differentiates between non-hazardous and recyclable business waste	freeboard	vertical distance from the normal water surface to the top of a confining wall
carbon sequestration	a natural or artificial process by which carbon dioxide is removed from the atmosphere and held in solid or liquid form	FTSE4Good	a benchmark and tradable index, designed to measure the performance of companies demonstrating strong ESG practices
CCMA	the Commission for Conciliation, Mediation and Arbitration Charter	GHG	greenhouse gases
CDP	carbon disclosure project	GRI	Global Reporting Initiative, a multi-stakeholder process and independent institution, the mission of which is to develop and disseminate globally applicable sustainability reporting guidelines. These standards set out principles and indicators that organisations can use to measure and report their economic, environmental and social performance
CO₂-e	carbon dioxide equivalent	GM	General Manager
CVD	chemical vapour deposition	ha	hectares
DMR	Department of Mineral Resources, South Africa	hazardous waste	definition as per the National Environmental Management: Waste Act No. 59 of 2008 – means any waste that contains organic or inorganic elements or compounds that may, owing to the inherent physical, chemical or toxicological characteristics of that waste, have a detrimental impact on health and the environment
DMS	dense media separation	HDSAs	historically disadvantaged South Africans refers to all persons and groups who have been historically discriminated against on the basis of race, gender and disability
		HIRA	hazard identification and risk assessment



Glossary continued

HIV	Human Immunodeficiency Virus which causes AIDS by infecting the helper T cells of the immune system. This virus is transmitted through blood or bodily secretions
HR	human resources
HSE	health, safety, environment
HSEC	health, safety, environment, community
HSSE	health, safety, social and environment
IPDET	Itumeleng Petra Diamonds Employee Trust
ILO	International Labour Organization
ISO 14001	an international standard on environmental management; it specifies a framework of control for an Environmental Management System against which an organisation can be certified by a third party
kg	kilogram
Kimberley Process	a joint Governments, industry and civil society initiative to stem the flow of conflict diamonds (i.e. rough diamonds used by rebel movements to finance wars against legitimate Governments)
KPIs	key performance indicators
kWh	kilowatt hour
L	litres
LCA	life cycle analysis
LDP	leadership development plan, a Petra initiative to assist in the identification and development of future leaders within the Group
LED	local economic development (when used in reference to socio-economic development)
LFA	land function analysis
LHD	load haul dumper
LTI	lost time injury: an LTI is a work-related injury resulting in the employee/contractor being unable to attend work and perform all of the tasks for which he/she was appointed on the next calendar day after the day of the injury; note: fatalities are recorded as LTIs
LTIFR	lost time injury frequency rate is calculated as the number of LTIs multiplied by 200,000 and divided by the number of hours worked

material topic	an ESG issue that is of critical importance to both its stakeholders and its long-term success as a business
MCOP	Mandatory Codes of Practice, consisting of a set of written regulations and guidelines drafted by the research council in South Africa, formulated as industry best practice from learnings in industry issued by the DMR that explains how people working in a particular profession should behave
Mcts	million carats
METF	Minerals Education Trust Fund
MHSA	Mine Health and Safety Act, South Africa
MINI	Mini Risk Assessment tool, part of the continuous front line risk assessment tools
Mining Charter	the Broad-Based Socio-Economic Empowerment Charter for the South African mining and minerals industry. The goal of the Mining Charter is to facilitate sustainable transformation, growth and development of the mining industry
mining waste	waste deposited as part of the ore processing activities. Split between coarse residue deposits (particle size between 12 mm and 1 mm) and fine residue deposits (particle size smaller than 1 mm)
MPRDA	Mineral and Petroleum Resources Development Act, which came into effect in South Africa on 1 May 2004 and regulates the granting of mining rights and prospecting rights
MSCI	MSCI is an investment research firm that provides indices, portfolio risk and performance analytics, and governance tools to institutional investors and hedge funds
NGOs	non-governmental organisations
NIHL	noise induced hearing loss
NOx	mono-nitrogen oxide
NPAT	net profit after tax
NPO	non-profit organisation
NUM	National Union of Mineworkers, South Africa
NUMET	National Union of Mine Energy Workers of Tanzania
NUMSA	National Union of Metal Workers of South Africa



Glossary continued

OD-ETDP	the OD-ETDP qualification is for those who want to build on a Further Education and Training Certificate from another field to enter the field of OD-ETD as a potential career, and have little or no previous exposure to education, training and development	SLP	Social and Labour Plan stipulated in the MPRDA and aimed at promoting the employment and advancement of the social and economic welfare of all South Africans whilst ensuring economic growth and socio-economic development
OHSAS 18000	an international occupational health and safety management system specification	Solidarity	a South African trade union
PPE	personal protective equipment	SMEP	Stakeholder Management and Engagement Plan
PTO	planned task observation	SMME	Small, Medium and Micro Enterprises
PWYP	publish what you pay	SOP	Standard Operating Procedure
rehabilitation	the process of restoring mined land to a condition approximating to a greater or lesser degree its original state	Sustainalytics	an independent global provider of ESG and corporate governance research and ratings to investors
ROM	run of mine, i.e. relating to production from the primary orebody	t	tonne
risk work hours	the actual amount of hours worked by employees and contractors while exposed to controlled material risk	tailings	the waste products of the processing circuit which may still contain quantities of the economic mineral
SDG	UN Sustainable Development Goals	TAMICO	Tanzania Mines, Energy, Construction and Allied Workers Union
SED	social, ethics and diversity	TARP	Trigger Action Response Plan
SEM	stakeholder engagement management	TB	tuberculosis
SEP	Stakeholder Engagement Plan	tCO₂-e/Ct	total CO ₂ -e per carat produced
severity rate	severity rate indicates the severity of work-related injuries (number of days lost due to injuries) where individuals were booked off from work impacting on workforce effectiveness. The rate calculus is as follows (number of days off from work due to injury x 200 000 ÷ total manhours worked)	TMM	trackless mobile machinery
SHE	safety, health, environment	UASA	a South African trade union, formerly named United Association of South Africa
SI	social investment	VCT	voluntary counselling and testing, a programme aimed at encouraging voluntary HIV testing in order for individuals to know their status
SIA	social impact assessment	WiL	Women in Leadership
significant spillage	we define a significant spillage as any chemical spill that meets the following criteria: "The impact lasts longer than one year, will affect an area outside of the mining area, and the receptor area includes some sensitivity (vulnerable habitat/species)"	WIM	Women in Mining
SLAM	Stop, Look, Assess and Manage tool		
SLC	sub level cave		



GRI Content Index

GRI standard	Disclosure number	Disclosure	Page/notes
GRI 101: Foundation			
GRI General Disclosures			
Organisation profile			
GRI 102: General Disclosures	GRI 102-1	Name of organisation	Cover
	GRI 102-2	Activities, brands, products and services	2019 Annual Report, www.petradiamonds.com/investors/results-reports (Pre-Index, pp.2, 3, 10, 11, 15 to 19)
	GRI 102-3	Location of headquarters	p.168
	GRI 102-4	Location of operations	p.6
	GRI 102-5	Ownership and legal form	2019 Annual Report, www.petradiamonds.com/investors/results-reports (pp.159 and 160)
	GRI 102-6	Markets served	2019 Annual Report, www.petradiamonds.com/investors/results-reports (pp.15 to 19)
	GRI 102-7	Scale of the organisation	2019 Annual Report, www.petradiamonds.com/investors/results-reports (Pre-Index, pp.2, 3, 12 to 14)
	GRI 102-8	Information on employees and other workers	pp.6, 8, 29, 37 and 64
	GRI 102-9	Supply chain	pp.51 and 52
	GRI 102-10	Significant changes to the organisation and its supply chain	pp.51 and 52
	GRI 102-11	Precautionary principle or approach	pp.39 to 48
	GRI 102-12	External initiatives	p.1, p.22, p.30, p.39, p.50,
	GRI 102-13	Membership associations	pp.12, 17 to 20, 36
Strategy			
GRI 102: General Disclosures	GRI 102-14	Statement from senior decision maker	p.3
	GRI 102-15	Key impacts, risks and opportunities	pp.11 to 20
Ethics			
GRI 102: General Disclosures	GRI 102-16	Values, principles, standards and norms of behaviour	pp.11 to 20
	GRI 102-17	Mechanisms for advice and concerns about ethics	pp.15 and 16, www.petradiamonds.com/about-us/corporate-governance/business-ethics/



GRI Content Index continued

GRI standard	Disclosure number	Disclosure	Page/notes
GRI General Disclosures continued			
Corporate governance			
GRI 102: General Disclosures	GRI 102-18	Governance structure	p.12
	GRI 102-19	Delegating authority	pp.12 and 13
	GRI 102-20	Executive-level responsibility for economic, environmental and social topics	pp.12, 22, 30, 39 and 50
	GRI 102-21	Consulting stakeholders on economic, environmental and social topics	pp.8 and 9
	GRI 102-22	Composition of the highest governance body and its committees	2019 Annual Report, www.petradiamonds.com/investors/results-reports (pp.51 to 53)
	GRI 102-23	Chair of the highest governing body	2019 Annual Report, www.petradiamonds.com/investors/results-reports (p.52)
	GRI 102-24	Nominating and selecting the highest governance body	2019 Annual Report, www.petradiamonds.com/investors/results-reports (p.76)
	GRI 102-25	Conflicts of interest	p.20, 2019 Annual Report, www.petradiamonds.com/investors/results-reports (p.57)
	GRI 102-26	Role of highest governance body in setting purpose, values and strategy	p.12, 2019 Annual Report, www.petradiamonds.com/investors/results-reports (pp.51, 54 and 55)
	GRI 102-27	Collective knowledge of highest governance body	2019 Annual Report, www.petradiamonds.com/investors/results-reports (pp.54 and 59)
	GRI 102-28	Evaluating the highest governance body's performance	2019 Annual Report, www.petradiamonds.com/investors/results-reports (pp.59 to 61)
	GRI 102-29	Identifying and managing economic, environmental and social impacts	pp.8 to 10 and 40
	GRI 102-30	Effectiveness of risk management processes	2019 Annual Report, www.petradiamonds.com/investors/results-reports (pp.67 to 69)
	GRI 102-31	Review of economic, environmental and social topics	pp.10 and 58
	GRI 102-32	Highest governance body's role in sustainability reporting	p.14, 2019 Annual Report, www.petradiamonds.com/investors/results-reports (pp.78 to 81)
	GRI 102-33	Communicating critical concerns	pp.12 to 20
	GRI 102-35	Remuneration policies	p.14, 2019 Annual Report, www.petradiamonds.com/investors/results-reports (pp.82 to 93)
GRI 102-36	Process for determining remuneration	p.14, 2019 Annual Report, www.petradiamonds.com/investors/results-reports (pp.82 to 93)	
GRI 102-37	Stakeholders' involvement in remuneration	2019 Annual Report, www.petradiamonds.com/investors/results-reports (pp.82 to 93)	



GRI Content Index continued

GRI standard	Disclosure number	Disclosure	Page/notes
GRI General Disclosures continued			
Stakeholder engagement			
GRI 102: General Disclosures	GRI 102-40	List of stakeholder groups	pp.8 and 9
	GRI 102-41	Collective bargaining agreements	pp.36 and 37
	GRI 102-42	Identifying and selecting stakeholders	pp.56 and 57
	GRI 102-43	Approach to stakeholder engagement	pp.8, 9, 40, 56 and 57
	GRI 102-44	Key topics and concerns raised	pp.8, 9, 56 and 58
Identified material topics			
GRI 102: General Disclosures	GRI 102-45	Entities included in the consolidated financial statements	2019 Annual Report, www.petradiamonds.com/investors/results-reports (p.139)
	GRI 102-46	Defining report content and topic boundaries	pp.1 and 10
	GRI 102-47	List of material topics	p.10
	GRI 102-48	Restatement of information	
	GRI 102-49	Changes in reporting	No significant changes in reporting
Report profile			
GRI 102: General Disclosures	GRI 102-50	Reporting period	Year ended 30 June 2019
	GRI 102-51	Date of most recent report	23 October 2018
	GRI 102-52	Reporting cycle	Annual reporting cycle
	GRI 102-53	Contact point for questions regarding the report	p.82
	GRI 102-54	Claims of reporting in accordance with GRI standards	p.2
	GRI 102-55	GRI content index	pp.73 to 82
	GRI 102-56	External assurance	p.2



GRI Content Index continued

GRI standard	Disclosure number	Disclosure	Page/notes
GRI Material Topics			
Economic performance			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic and its boundary	p.10
	GRI 103-2	The management approach and its components	pp.13 to 16
	GRI 103-3	Evaluation of the management approach	p.51
GRI 201: Economic Performance	GRI 201-1	Direct economic value generated and distributed	pp.50 to 52 and 62
	GRI 201-4	Financial assistance received from government	p.51
	MM	Report countries of operation that either candidate to or compliant with the EITI	Tanzania and the UK are members of the EITI – www.eiti.org/countries
Procurement practices			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic and its boundary	p.10
	GRI 103-2	The management approach and its components	pp.51 to 52
	GRI 103-3	Evaluation of the management approach	pp.51 to 52
GRI 204: Procurement Practices	GRI 204-1	Proportion of spending on local suppliers	pp.50 and 52
Environment			
Materials			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic	p.10
	GRI 103-2	The management approach and its components	pp.40 to 48
	GRI 103-3	Evaluation of the management approach	pp.40 to 48
GRI 301: Materials	GRI 301-1	Materials used by weight or volume	Not included – not material
Energy			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic	p.10
	GRI 103-2	The management approach and its components	pp.44 to 47
	GRI 103-3	Evaluation of the management approach	pp.44 to 47
GRI 302: Energy	GRI 302-1	Energy consumption within the organisation	pp.45 and 65
	GRI 302-3	Energy intensity	pp.45 and 65



GRI Content Index continued

GRI standard	Disclosure number	Disclosure	Page/notes
GRI Material Topics continued			
Environment continued			
Water			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic and its boundary	p.10
	GRI 103-2	The management approach and its components	pp.39 to 48
	GRI 103-3	Evaluation of the management approach	pp.39 to 48
GRI 204: Water	GRI 303-1	Water withdrawal by source	pp.62 and 67
	GRI 303-3	Water recycled and re-used	pp.48, 60 and 67
Biodiversity			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic and its boundary	p.10
	GRI 103-2	The management approach and its components	pp.39 to 48
	GRI 103-3	Evaluation of the management approach	pp.39 to 48
GRI 304: Biodiversity	GRI 304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	p.69
	GRI 304-2	Significant impacts of activities, products, and services on biodiversity	pp.42 and 43
	GRI 304-3	Habitats protected or restored	pp.42 and 43
	GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	p.43
	MM	Disclosures on approach to biodiversity management should include consideration of ecosystems services and associated values (e.g. the functions of ecosystems that provide benefits to people, such as fresh water, fisheries, forests, climate and natural hazard regulation, cultural and recreational services, plus functions that provide benefits such as food, health, shelter and raw materials)	pp.42 and 43
	MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	p.69
	MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	Each mine's EMS sets out its commitment to biodiversity management and protection, including the requirements of South Africa's National Environmental Management: Biodiversity Act and other initiatives applicable to our operations
MM10	Number and percentage of operations with closure plans	pp.43 and 65	



GRI Content Index continued

GRI standard	Disclosure number	Disclosure	Page/notes
GRI Material Topics continued			
Environment continued			
Emissions			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic and its boundary	p.10
	GRI 103-2	The management approach and its components	pp.39 to 48
	GRI 103-3	Evaluation of the management approach	pp.39 to 48
GRI 305: Emissions	GRI 305-1	Direct (scope 1) GHG emissions	pp.45, 46 and 63
	GRI 305-2	Energy indirect (scope 2) GHG emissions	pp.45, 46 and 63
	GRI 305-3	Other indirect (scope 3) GHG emissions	pp.48 and 76
	GRI 305-4	GHG emissions intensity	p.63
	GRI 305-5	Reduction of GHG emissions	p.45
	GRI 305-6	Emissions of ozone-depleting substances ("ODS")	p.46
	MM	Disclosure of approach to emissions should include discussion of the management of fugitive emissions such as dust from mining and processing activities or noise and seismic impacts from explosives use, e.g. monitoring activities and compliance with regulatory limits	pp.45 to 46
Effluents and waste			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic and its boundary	p.10
	GRI 103-2	The management approach and its components	pp.41 and 42
	GRI 103-3	Evaluation of the management approach	pp.41 and 42
GRI 306: Effluents and Waste	GRI 306-1	Water discharge by quality and destination	p.48 – no discharge due to drought
	GRI 306-3	Significant spills	There were no significant spills in FY 2019
	MM	Indicator G4-EN23 refers to site waste, e.g. waste oils, spent cell lining, office, canteen and camp waste, scrap steel, tires and construction waste. Large-volume mining and mineral processing waste should be reported under MM3	p. 63
	MM	Includes spillage of tailings, slimes, or other significant process materials	p.63



GRI Content Index continued

GRI standard	Disclosure number	Disclosure	Page/notes
GRI Material Topics continued			
Environment continued			
Environmental compliance			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic and its boundary	p.10
	GRI 103-2	The management approach and its components	pp.19 and 20
	GRI 103-3	Evaluation of the management approach	pp.19 and 20
GRI 307: Environmental Compliance	GRI 307-1	Non-compliance with environmental laws and regulations	p.20
Supplier environmental assessment			
GRI 308: Supplier Environmental Assessment	GRI 103-1	Explanation of the material topic and its boundary	p.10
	GRI 103-2	The management approach and its components	pp.20, 40, 41 and 52
	GRI 103-3	Evaluation of the management approach	pp.20, 40, 41 and 52
	GRI 308-1	New suppliers that were screened using environmental criteria	p.52
Labour practices			
Employment			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic and its boundary	p.10
	GRI 103-2	The management approach and its components	pp.36 and 37
	GRI 103-3	Evaluation of the management approach	pp.36 and 37
GRI 401: Employment	GRI 401-1	New employee hires and employee turnover	pp.31, 60 and 64
	MM	Employment: report on how all policies, standards and practices are applied to contractors	pp.31 and 34
Labour/management relations			
	MM4	Number of strikes and lock-outs exceeding one week's duration, by country	p.36



GRI Content Index continued

GRI standard	Disclosure number	Disclosure	Page/notes
GRI Material Topics continued			
Labour practices continued			
Occupational health and safety			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic and its boundary	p.10
	GRI 103-2	The management approach and its components	pp.22 to 28
	GRI 103-3	Evaluation of the management approach	pp.22 to 28
GRI 403: Occupational Health and Safety	GRI 403-1	Workers' representation in formal joint management-worker health and safety committees	p.24
	GRI 403-4	Health and safety topics covered in formal agreements with trade unions	p.24
	MM	Provide a description of each accident resulting in a fatality, and actions taken following the accident. These may be aggregated where the causes of accidents or the actions taken are similar	No incidents recorded in FY 2019
Training and education			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic and its boundary	p.10
	GRI 103-2	The management approach and its components	pp.32 and 33
	GRI 103-3	Evaluation of the management approach	pp.32 and 33
GRI 404: Training and Education	GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes	pp.32 and 33
Diversity and equal opportunity			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic and its boundary	p.10
	GRI 103-2	The management approach and its components	pp.34 and 35
	GRI 103-3	Evaluation of the management approach	pp.34 and 35
GRI 405: Diversity and Equal Opportunity	GRI 405-1	Diversity in governance bodies and employees	pp.34, 35, 60 and 64



GRI Content Index continued

GRI standard	Disclosure number	Disclosure	Page/notes
GRI Material Topics continued			
Human rights			
(Note: human rights management is included in corporate governance; it is not considered to be a material risk for Petra's operations but disclosures have been made in recognition of the fact that this is considered a material topic for companies working in the extractive industries generally.)			
Non-discrimination			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic and its boundary	p.10
	GRI 103-2	The management approach and its components	pp.12 to 16
	GRI 103-3	Evaluation of the management approach	pp.12 to 16
GRI 406: Non-discrimination	GRI 406-1	Incidents of discrimination and corrective actions taken	p.34
Child labour			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic and its boundary	p.10
	GRI 103-2	The management approach and its components	pp.12 to 16
	GRI 103-3	Evaluation of the management approach	pp.12 to 16
GRI 408: Child Labour	GRI 408-1	Operations and suppliers at significant risk for incidents of child labour	p.15
Forced or compulsory labour			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic and its boundary	p.10
	GRI 103-2	The management approach and its components	pp.12 to 16
	GRI 103-3	Evaluation of the management approach	pp.12 to 16
GRI 409: Forced or Compulsory Labour	GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	p.15
Rights of indigenous people			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic and its boundary	p.10
	GRI 103-2	The management approach and its components	p.15
	GRI 103-3	Evaluation of the management approach	p.15
GRI 411: Rights of Indigenous People	GRI 411-1	Incidents of violations involving rights of indigenous peoples	There were no such incidents in FY 2019
	MM	Indigenous rights: report on any policies relating to community consultation and support (including free, prior and informed consent), and settings where such dialogues are required by company policy and where they are not	p.15
	MM5	Total number of operations taking place in or adjacent to indigenous peoples' territories, and number/percentage of operations or sites where there are formal agreements with indigenous peoples' communities	p.15
	MM6	Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples	p.15



GRI Content Index continued

GRI standard	Disclosure number	Disclosure	Page/notes
GRI Material Topics continued			
Society			
Local communities			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic and its boundary	p.10
	GRI 103-2	The management approach and its components	pp.20, 30, 31, 33, 40, 43, 51 to 57
	GRI 103-3	Evaluation of the management approach	pp.51 to 57
GRI 413: Local Communities	GRI 413-1	Operations with local community engagement, impact assessments and development programmes	pp.53 and 57
	MM	Lengthy guidance on reporting re. local communities	pp.53 and 57
	MM	Local communities report whether there are programmes in place for assessing the impacts of operations on local communities prior to entering community, while operating in the community and while making decisions to exit the community	pp.53 and 56
	MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and indigenous peoples, and the outcomes	pp.53 and 56
	MM8	Artisanal and small-scale mining: number (and percentage) of company operating sites where artisanal and small-scale mining ("ASM") takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks	p.57
Socio-economic compliance			
GRI 103: Management Approach	GRI 103-1	Explanation of the material topic and its boundary	p.10
	GRI 103-2	The management approach and its components	pp.12 to 20
	GRI 103-3	Evaluation of the management approach	pp.12 to 20
GRI 419: Socio-economic Compliance	GRI 419-1	Non-compliance with laws and regulations in the social and economic area	p.20
	MM	Report a summary of judgements made against the organisation in the areas related to health and safety and labour laws	p.20

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