



PetraDiamonds

# Shaping our future

Petra Diamonds Limited  
Sustainability Report 2015





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# Sustainability is at the heart of Petra Diamonds

The Company is committed to the responsible development of its assets to the benefit of all stakeholders and its operations are planned and structured with their long-term success in mind.

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See more about our Sustainability  
Reporting Roadmap on **page 2**

Front cover: Thabang Pampane and Petrus Mogatliwe, two contractors who work in Mining Support Development at the Finsch mine in South Africa. Contractors are playing an important role in assisting with the delivery of Petra's growth strategy and are bound by our HSSE policies.

# Petra Diamonds Limited is a leading independent diamond mining group and an increasingly important supplier of rough diamonds to the international market.

Petra offers an exciting growth profile, with a core objective to steadily increase annual production from 3.2 million carats in FY 2015 to circa 5 million carats by FY 2019. The Group has a major resource base of circa 300 million carats, which provides a solid foundation for sustainable operations over the long term.

Petra has developed a dynamic company, underpinned by a ‘can do’ attitude and a sense of collaboration and teamwork. Inspired by a shared vision for success, employees are

encouraged to fulfil their true potential and to work together for the long-term prosperity of the business.

High ethical standards are integral to our business and key to ensuring the provenance of our product. Petra therefore conducts all its operations according to its values and will only operate in countries which are members of the Kimberley Process.

 [petradiamonds.com/about-us/our-vision-and-values](http://petradiamonds.com/about-us/our-vision-and-values)



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 Discover more about Petra online  
[petradiamonds.com](http://petradiamonds.com)

## Sustainability Reporting Roadmap

# Development of our approach

As with all areas of our business, we are aiming for continual improvement with regards to sustainability reporting. The timeline below sets out our journey:

## FY 2009

Petra published its first Sustainability Report – GRI-G3 rating of C level

## FY 2013

Petra GRI-G3 disclosure rating improved from C to B level

## FY 2014

Petra commenced reporting to the Carbon Disclosure Project

## FY 2015

Petra has self-declared a B level rating for this Report

## FY 2016

Transition from GRI-G3 to GRI-G4, involving:

- Review of reporting requirements and mapping of transition from GRI-G3 to G4
- Working with an external consultant to develop our materiality evaluation process
  - Review and materiality assessment of our stakeholders
  - Material issues assessment via stakeholder engagement
- Further embedding sustainability strategies into Petra's business and enhancing communication in this area

Commitment to full reporting on greenhouse gas emissions for the Group

## FY 2017

Petra to commence independent assurance of its Sustainability Report

This is the seventh annual Sustainability Report (the "Report") produced by Petra and provides a balanced overview of our sustainability performance for the year to 30 June 2015 ("FY 2015" or "the Year") at the Group's operations in South Africa (Finsch, Cullinan, Koffiefontein, Kimberley Underground), Tanzania (Williamson) and its exploration portfolio in Botswana. It also includes information on the Helam mine in South Africa, which was placed on care and maintenance in H2 FY 2015.

This Report aims to set out those sustainability issues considered to be material to the business and Petra's ongoing approach to managing them. Case studies are used to illustrate our sustainability strategy and activities where appropriate.

This Report should be read in conjunction with Petra's 2015 Annual Report, which is available to download at [www.petradiamonds.com](http://www.petradiamonds.com). An exchange rate of US\$1:R12.16 was used for this Report.

### Reporting standards

This Report has been prepared according to the GRI-G3 Mining and Metals reporting standards. Our sustainability policies and reporting processes are also aligned with international standards, including the UN Global Compact, the UN Universal Declaration of Human Rights, the Kimberley Process, the Extractive Industries Transparency Initiative, ISO 14001, OHSAS 18001 and the ILO Declaration on Fundamental Principles and Rights at Work.

Petra also provides disclosure to the Carbon Disclosure Project, FTSE4Good and MSCI.

For information on our sustainability reporting, contact Petra's corporate communications team on: [investorrelations@petradiamonds.com](mailto:investorrelations@petradiamonds.com)



**[petradiamonds.com/  
sustainability](http://petradiamonds.com/sustainability)**



FY 2015 Highlights




### Strategy and Governance

ISO 31000 risk management process adopted

- Group Risk and Internal Audit Manager appointed
- Steps taken to progress to GRI-G4 reporting from FY 2016




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### Health and Safety

3 month LTI free period at the mines

- OHSAS 18001 standards maintained
- 2 million fatality free shifts at Finsch




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### People

Stable labour relations for FY 2015

- Women in Mining Committee formed
- Assisted Home Ownership Scheme launched



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### Communities

Significant progress in contributing to local community development

- Education-related projects in a number of host communities
- Formation of the Mwadui Helping Hands Foundation at Williamson



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### Environment

17% improvement in carbon emission footprint since 2013

- Improvements in water efficiency, energy efficiency and carbon emissions per tonne
- ISO 14001 environmental standards maintained



Read more  
Page 37

### Financial

	FY 2015	FY 2014
Production (carats)	3,186,475	3,109,685
Revenue (US\$m)	425.0	471.8
Adjusted EBITDA (US\$m)	139.3	187.7
Adjusted net profit after tax (US\$m)	62.8	93.7
Adjusted basic continuing EPS (cents)	10.09	14.82
Adjusted operating cashflow (US\$m)	141.3	181.2
Net debt (US\$m)	171.7	124.9
Dividend per share (cents)	3.0	—

## Introduction from the CEO



## Shaping our future

It gives me and my fellow Board members great pride each year to read the Report in its entirety, as it demonstrates the high level of CSR activity across the Group.

I am delighted to introduce our seventh Sustainability Report, which sets out Petra's safety, social and environmental performance for the Year as well as our impacts and the way these are managed and mitigated by the Group.

It gives me and my fellow Board members great pride each year to read the Report in its entirety, as it demonstrates the high level of CSR activity across the Group. Furthermore, we recognise that behind each area of the business – be it training and development, labour relations or safety – are people who are passionate about what they do and are constantly striving to do things better. This is the Petra way.

### Health and safety

FY 2015 was another year of significant activity for all at Petra, particularly given the advanced nature of the expansion programmes in place at each asset. This led to an additional 1.7 million hours being worked and our safety performance in this context was good, with our LTIFR improving from 0.32 to 0.29. I would like to congratulate all of our management and staff for the vigilance and hard work which made this achievement possible.

### Developing our people

Our people are central to Petra's future success and therefore we place great importance on providing employees with the tools that they need to thrive within the business. This is evident in the high level of expenditure we commit annually to training and development programmes, including a number of initiatives specifically focused on developing Petra's leaders of the future, with a particular focus on diversity.

Caring for our people also extends to their life outside of work and I am therefore particularly proud that Petra has finalised an assisted home ownership scheme, which aims to make home loan financing more accessible and affordable to employees at the lower end of remuneration scales.

### Labour relations

Labour relations is a key area of focus for Petra and I am personally involved in this important aspect of the business. We set out our approach to managing labour relations on pages 34 and 35, with effective and constructive communication with our employees and union representatives considered to be of utmost importance. As part of this process, I conduct a tour of the operations once a year, giving a presentation on the Company and its goals, before a Q&A session which gives employees the opportunity to discuss important matters with me directly.

### Caring for the environment

While diamond mining is generally less energy intensive than other types of mining, and less harmful to the environment (due to the absence of harmful chemicals used in the mining process), we are still mindful of our impacts. With this in mind, we are focused on reducing our carbon footprint and on responsibly managing our use of energy and water. Our attention also extends beyond the mine gate, with initiatives to encourage environmental awareness amongst our local communities.

### Diamonds and development

Most people are unaware of the role diamonds play in bringing real benefits to people in countries around the world, and

“Most people are unaware of the role diamonds play in bringing real benefits to people in countries around the world.”

Johan Dippenaar Chief Executive



nowhere is this more evident than on the continent of Africa, where circa 58% of the world’s diamonds by value are mined. In our countries of operation – South Africa, Tanzania and Botswana – the multiplier effect of diamond mining is x10, meaning that for every person directly employed, there are an additional nine dependants supported by our mines.

As well as the benefits that stable employment brings, companies such as Petra do much more to assist their local communities – from community health and wellbeing initiatives, training and support for local education, and projects to target poverty alleviation and stimulate socio-economic development. We have aimed to provide an overview of all our key activities in this Report.

We are already well advanced into FY 2016 and the high level of activity continues across the Group. I would like to extend my thanks to all Petra employees and our stakeholders for contributing to a successful and sustainable future for the business.



Johan Dippenaar  
Chief Executive  
30 October 2015

 SOUTH AFRICA	Our countries Putting our operations into context	 TANZANIA
1.2m km <sup>2</sup>	Size of country <sup>1</sup>	0.9m km <sup>2</sup>
54 million	Population <sup>2</sup>	51 million
62 years	Life expectancy <sup>2</sup>	62 years
94%	Literacy rate <sup>2</sup>	71%
25% (54% youth unemployment)	Unemployment rate <sup>3</sup>	3.5% (6.5% youth unemployment)
Mine Health and Safety Act 29, 1996; Mineral and Petroleum Resources Development Act, 2008	Mining regulations	The Mining Act, 2010
The King Report on Corporate Governance	Governance code	n/a
US\$1.2 billion	2014 value of diamond production <sup>4</sup>	US\$81 million
US\$705 billion	2014 GDP (purchasing power parity) <sup>2</sup>	US\$127 billion
<ul style="list-style-type: none"><li>▸ Labour relations</li><li>▸ Power supply</li><li>▸ HIV/AIDS</li></ul>	Challenges	<ul style="list-style-type: none"><li>▸ Power supply</li><li>▸ Women in the workforce</li><li>▸ Malaria</li></ul>
<ul style="list-style-type: none"><li>▸ Stable democracy</li><li>▸ Progressive in terms of human rights, including women’s rights</li></ul>	Opportunities	<ul style="list-style-type: none"><li>▸ Stable democracy</li><li>▸ Well educated and skilled local workforce</li></ul>

1. Google  
2. CIA World Factbook  
3. Worldbank  
4. Kimberley Process Statistics

## At a Glance

Petra mines and sells rough diamonds from its diversified portfolio of producing mines in South Africa and Tanzania, and is also exploring for new economic diamond deposits in Botswana and South Africa.

	Finsch	Cullinan	Koffiefontein
<b>PEOPLE</b>	2,167 (1,038 employees, 1,129 contractors)	2,516 (1,346 employees, 1,170 contractors)	984 (526 employees, 458 contractors)
<b>PRODUCTION</b> Carats	2,065,875	729,496	45,384
<b>REVENUE</b> US\$ million	185.4	122.2	17.8

	Kimberley Underground	Williamson	Petra Diamonds Botswana
<b>PEOPLE</b>	887 (630 employees, 257 contractors)	1,367 (573 employees, 794 contractors)	42 (13 employees, 29 contractors)
<b>PRODUCTION</b> Carats	137,226	202,265	<b>EXPLORATION SPEND</b> US\$ million
<b>REVENUE</b> US\$ million	41.8	62.1	5.7







Group, Corporate, Central  
Technical and Operations Support

**People** 158 (158 employees, 0 contractors)

**Headquarters** Jersey

**Administrative offices** Johannesburg, London

**Corporate overhead** US\$9.6 million

Sorting, Marketing and Sales

**Offices** Kimberley, Johannesburg, Antwerp

Helam<sup>1</sup> and Helam Projects

**People** 147 (141 employees, 6 contractors)

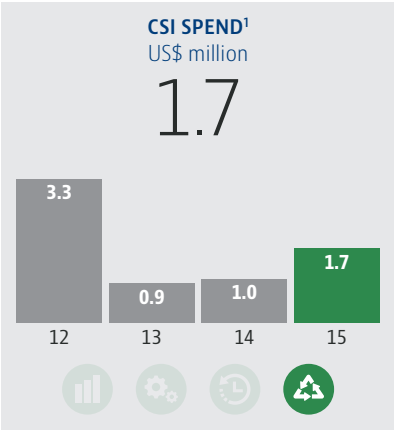
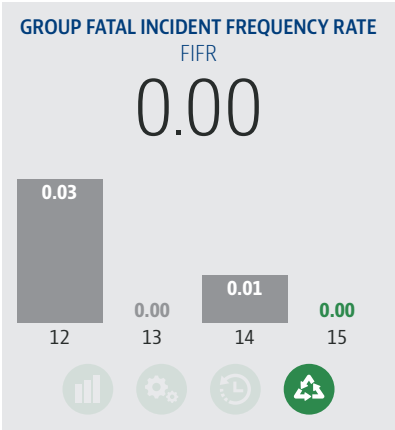
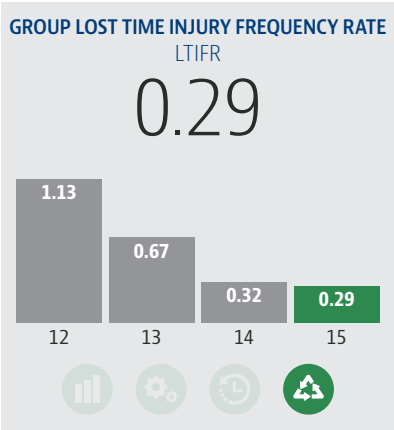
1. The Helam mine was placed on care and maintenance in H2 FY 2015.

<div></div> <div>SOUTH AFRICA</div>	Our Contribution in FY 2015	<div></div> <div>TANZANIA</div>
US\$257.0 million	Capital invested	US\$16.2 million
US\$100.7 million	Employee wages	US\$34.8 million
US\$1.3 million	Corporate social investment	US\$0.4 million
US\$6.6 million	Training	US\$73,240
US\$192.7 million	Local/regional supplier expenditure	US\$24.1 million

<div>EMPLOYEES WORLDWIDE</div> <div>Number</div> <div>4,428</div>	<div>CONTRACTORS WORLDWIDE</div> <div>Number</div> <div>3,843</div>	<div>GROUP RESOURCES</div> <div>Million carats</div> <div>308.6</div>	<div>GROUP RESERVES</div> <div>Million carats</div> <div>49.8</div>
<div>TOTAL PROCUREMENT SPEND</div> <div>US\$ million</div> <div>382.2</div>	<div>SOUTH AFRICAN EMPLOYEES FROM LOCAL COMMUNITIES</div> <div>up to 90%</div>	<div>PAYMENTS TO EMPLOYEE TRUST</div> <div>US\$ million</div> <div>4.9</div>	<div>Expected LOM</div> <div>Years</div> <div>17</div>

## 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 reduced to 0.29, a commendable achievement in comparison to international industry standards, particularly for underground operations. Petra is targeting a minimum 10% improvement in LTIFR annually.

The Group recorded a fatality free year. Fatalities are unacceptable and we target a FIFR of zero. Petra’s mining methods are inherently safe but accidents can happen and therefore this remains an area of focus.

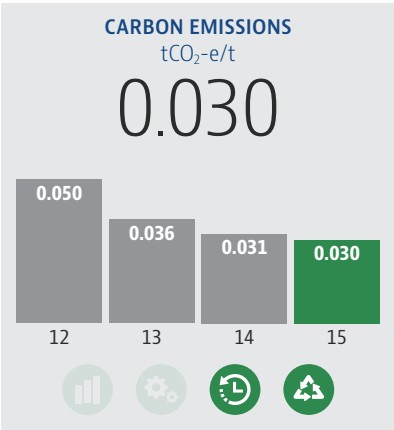
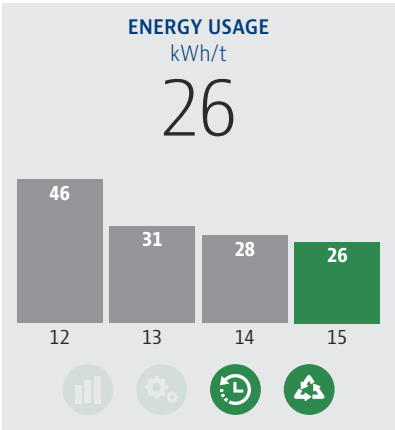
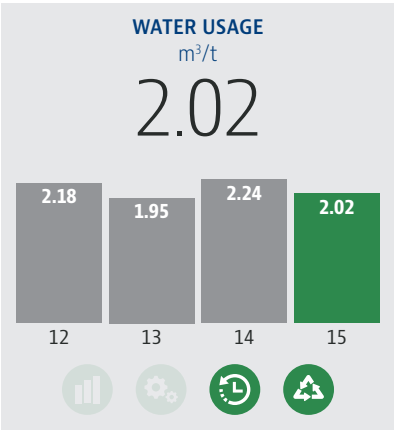
Expenditure represented 2.8% of NPAT. The increase was due to increased LED expenditure in South Africa as new SLP cycles took effect, and increased central CSI spend. Petra targets base case spend of 1% of NPAT.

### Risk management

Management’s focus on a zero harm environment requires a zero tolerance approach for any action that results in potential injury to employees.

The Company focuses on instilling a culture of safety awareness and the importance of adherence to formal policy and safe working procedures.

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



### Performance and targets

Water usage decreased 4% despite the increase in tonnages processed, attributable to heightened awareness on water conservation, the implementation of recycling initiatives and the improved reporting of consumption. Petra is targeting a medium-term reduction in water consumption to 1.55m³/t.

Total energy usage increased due to the increased tonnages, but the Group showed a reduction in energy usage per tonne, attributable to our continued focus on energy efficiency. We are targeting a continued reduction in energy consumption per tonne.

Total carbon increased 3% in line with the expansion projects. However Petra’s carbon intensity per tonne decreased 3% due to Petra’s focus on energy efficiency. Petra is targeting a 1% reduction in total carbon emissions over the five years from FY 2013.

### Risk management

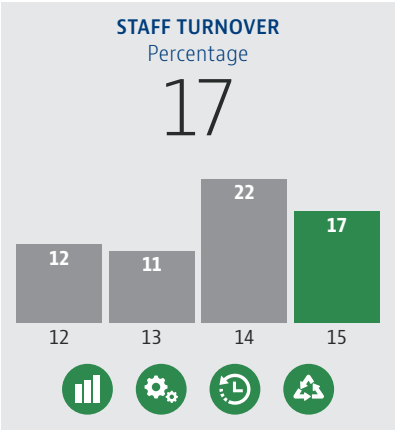
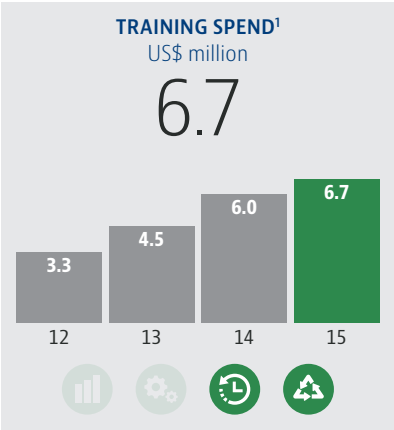
The Group endeavours to continually improve, develop and implement water efficiency measures to reduce the consumption per tonne processed.

Continuous improvement, development and implementation of energy efficiency measures.

The Group endeavours to continually reduce its reliance on fossil fuel energy sources and to minimise overall energy usage where possible.

1. As expenditure is usually in local currency the above figures are translated into US\$ and are therefore approximate.

Strategic objectives



Performance and targets

Training spend increased, accounting for 6.8% of operations payroll. The South African Mining Charter requires for at least 5%, which Petra endeavours to exceed.

Petra recorded a slight increase in FY 2015. Increasing the number is an important aspect of improving on equity, with a long-term objective of the workforce in South Africa representing the overall demographic.

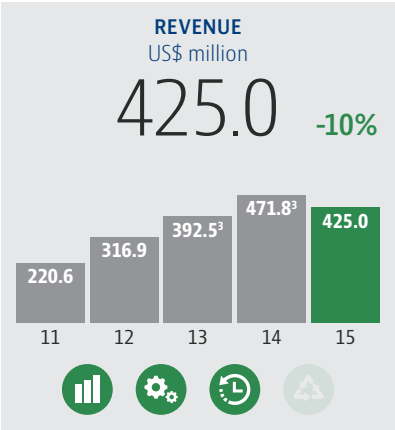
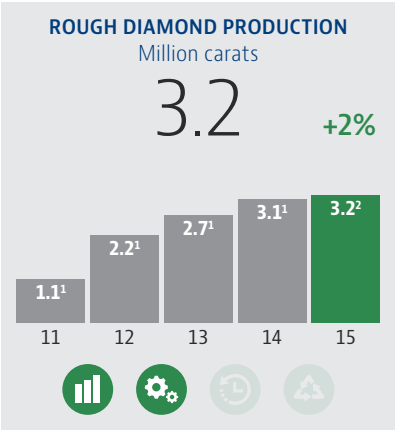
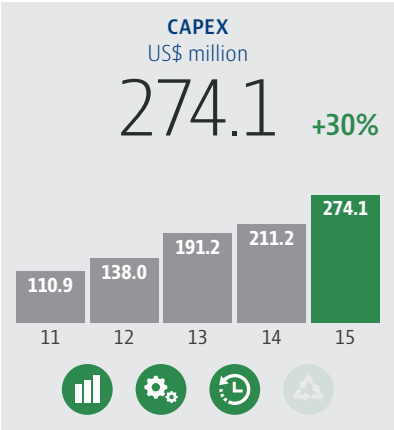
Staff turnover decreased, but was still higher than normal due to retrenchments at Helam mine. Excluding this impact, our turnover rate improved to 9%. Petra will endeavour to maintain turnover rates consistent with industry/national norms.

Risk management

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

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

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.



Performance and targets

Capex was circa US\$45m above guidance, mainly due to the bringing forward of spend at both Finsch and Cullinan as well as additional spend on the new Cullinan plant, Finsch bulk sampling plant and Koffiefontein. FY 2016 Capex forecasted of ZAR3.45bn in South Africa and US\$20m in Tanzania.

Production increased in line with Company guidance due to increases at Finsch, Kimberley Underground and Williamson, offset by reductions at Cullinan, Koffiefontein and Helam. Production is forecast to increase to 3.3–3.4 Mcts in FY 2016.

Revenue decreased 10%, primarily due to the negative impact on ROM grade/product mix of operating in heavily diluted mining areas, as well as the weaker diamond market. Revenue is expected to rise in FY 2016, dependent on diamond pricing.

Risk management

The Group's annual budgeting includes detailed Capex per operation and is Board approved. Capex is monitored and cashflow continually reviewed.

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

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

1. As expenditure is usually in local currency the above figures are translated into US\$ and are therefore approximate.



# Governance

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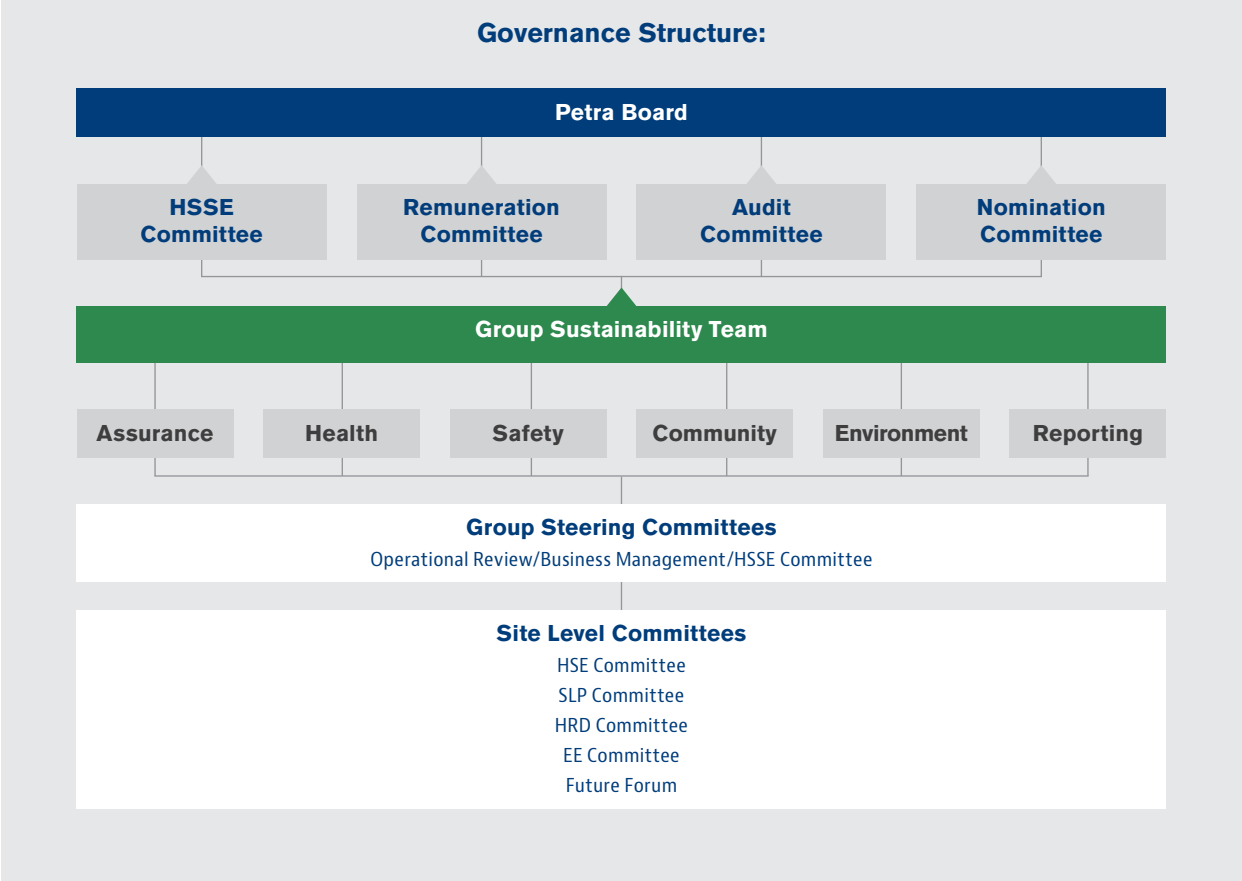


Ayoub Mwenda, Williamson Production Manager

Governance

A culture of integrity

Petra is committed to the responsible development of its assets, to the benefit of all stakeholders.



Governance

Integral to Petra’s strategy of building a sustainable future for the business is a continued focus on strong and effective governance, commensurate with the Company’s growing size and stature.

Listed on the Main Market of the London Stock Exchange, Petra is subject to the UK Corporate Governance Code 2012, one of the world’s most comprehensive standards, and the Company’s operating subsidiaries also comply with local standards as applicable, including the King III Report in South Africa. Petra’s 2015 Governance Statement can be accessed on our website: [www.petradiamonds.com/about-us/corporate-governance](http://www.petradiamonds.com/about-us/corporate-governance).

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.

Management

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

Sustainability objectives exist across our operations and specific indicators are used to monitor and assess performance

against targets on a mine-by-mine basis, as well as at a Group level. A robust system of reporting on these indicators is in place, with information flowing up from the Health, Safety and Environmental (“HSE”) Committees at mine level to the Group HSE Operational Steering Committee and then to the Board, via the health, safety, social and environment (“HSSE”) Committee.

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 Committee as well as the HSSE Committee.

The Group’s HSSE Management Framework was approved in FY 2014 and since then has been implemented across our operations in a phased manner. The aim of the framework is 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. See page 12 for further information.

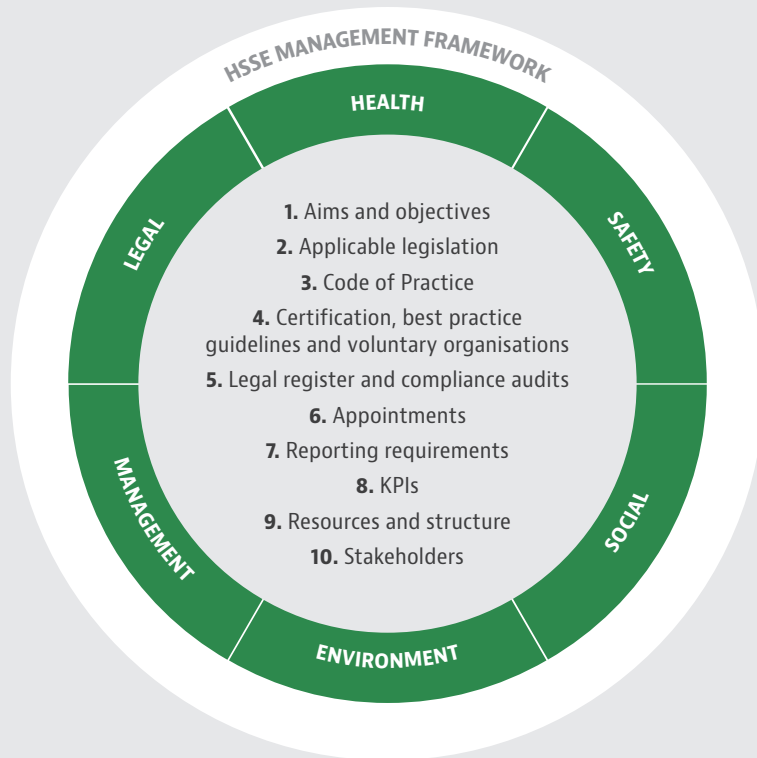
Our approach to managing HSSE matters is reinforced by Group and mine level policies and strategies covering all the key sustainability areas, as well as internationally recognised standards such as OHSAS 18001 (health and safety), ISO 14001 (environment) and ISO 31000 (risk).

Petra complies in all material aspects with all relevant laws and regulations in the countries in which it operates. Petra was not subject to any fines during FY 2015.

## Governance

continued

### HSSE Management Framework



### Risk management

The effective management of risks is essential to the long-term success and sustainability of Petra's business. Risk management is 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 risks.

As part of establishing the sustainability risk context, there are two distinct areas of accountability, namely governance and ethics (the remit of Petra's Audit Committee) and health and safety, community relations, employees and environment (the remit of Petra's HSSE Committee) – see our Material Issues on page 18.

Risk management is an explicit part of the HSSE Management Framework and is an ongoing component of everyday business. During FY 2015, we reviewed our HSE operational risk management process and rolled out the revised process across all the operations, whilst at the same time adopting the ISO 31000 risk management process as the core HSE risk management framework.

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.

In FY 2015, a Group Risk and Internal Audit Manager was appointed, alongside a supporting team. The Internal Audit department's main tasks for the Year included a robust and systematic internal audit strategy, with the supervision of the Audit Committee, which resulted in an internal audit plan for FY 2015. Later in the Year a detailed review of the Group's Risk Register was undertaken by senior operational and financial management, which then led to a detailed internal audit plan for FY 2016, which has been reviewed and approved by the Audit Committee.

#### What is ISO 31000?

ISO 31000:2009 is used across the Group as the guiding framework and principles for managing risk. It informs the foundations of our risk management process and assists the Company in designing, implementing, monitoring, reviewing and continually improving risk management across the Group. During the Year, we continued a review of the Group's baseline risk assessments and realignment with ISO 31000.



Read more at  
[iso.org/iso/home/standards/iso31000.htm](http://iso.org/iso/home/standards/iso31000.htm)



More information on our approach to risk management can be found at  
[petradiamonds.com/about-us/corporate-governance/internal-control-and-risk-management](http://petradiamonds.com/about-us/corporate-governance/internal-control-and-risk-management)





### 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.

Health, safety, social and environment measures are explicitly included as part of the annual bonus framework, reflecting Petra’s commitment to corporate responsibility.

### Our strategic objectives



### Performance measures for incentives

#### Production

Carat production is at the core of Petra’s strategy. These measures are therefore embedded in the performance measurement framework.

#### Costs and profitability

Petra remains focused on managing costs and profitability. Profit and cost measures form part of the annual bonus metrics.

#### Expansion project delivery

Progress is measured as part of the short-term annual bonus, and the long-term share awards include stretching targets supporting Petra’s long-term ambitions.

#### HSSE

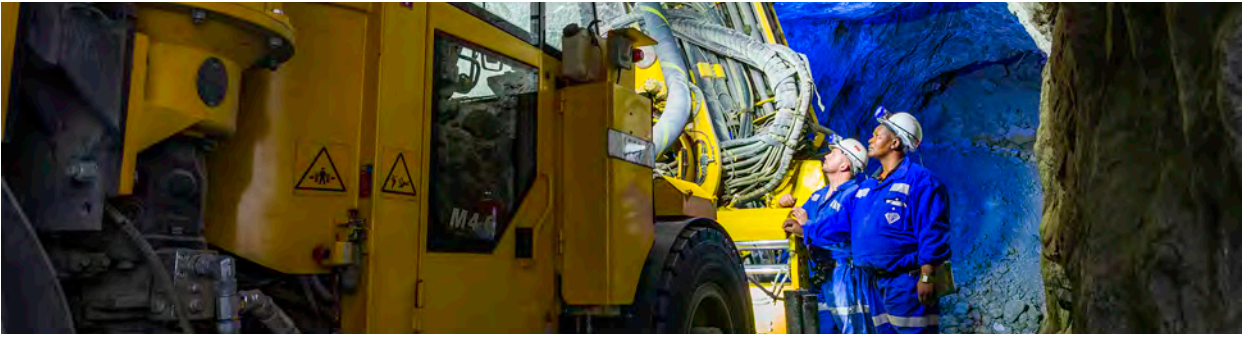
Health, safety, social and environment measures are explicitly included as part of the annual bonus framework, reflecting Petra’s commitment to corporate responsibility.

#### Total shareholder return

Share awards are linked to value created for shareholders by measuring both relative and absolute total shareholder return (“TSR”).

## Governance

### continued



### HSSE Committee

Petra's HSSE Committee plays an important role in terms of sustainability management for the Group. It is Board-represented by Chief Executive Johan Dippenaar, as Chairman of the HSSE Committee, and is comprised of members of Petra's Senior Management team, with each member considered to hold specialist knowledge and experience of their specific area.

It assists the Board by assessing the suitability and effectiveness of the HSSE systems and processes that the Company has in place, as well as monitoring the Group's HSSE performance and reporting on it to the Board.

### FY 2015 HSSE Committee activity

#### HSSE strategy and policies

- ▶ HSSE Steering Committee meetings were held, with all relevant functions being present to update on developments and discuss findings and future strategy. Reports were then prepared and discussed by the HSSE Committee.
- ▶ HSSE performance was monitored and the Board was made aware of any material issues.
- ▶ The Committee received regular reports with regards to applicable legislation and Group compliance.
- ▶ Review of the new Mining Charter milestones in South Africa, when it is published, and implications for the Group.
- ▶ Areas that required additional attention with regards to the Group systems and policies were given due focus.

#### Health and safety

- ▶ The main causes of accidents, risks and incidents across the HSSE spectrum were considered and assessed.
- ▶ No fatalities or serious accidents were recorded for the Year; however, systems and controls in place to prevent such incidents were discussed and reviewed by the Committee.

#### Environment

- ▶ Proposed environmental legislative changes in South Africa were discussed and action plans assessed.
- ▶ Continued review of the Group's energy conservation strategy activities.
- ▶ International best practice on GHG emissions reporting and how the Group's reporting on this subject compares with peers were reviewed.

#### Social

- ▶ The Integrated Transformation Framework was reviewed.
- ▶ A strategy to progress and improve stakeholder engagement was put in place, with activity to be rolled out in FY 2016.
- ▶ Proposed action plan for formalised Women in Mining forum within the Group.
- ▶ Overview of the formation of the Petra Diamonds Foundation.
- ▶ Continued focus on internal communications, particularly with regards to the launch of the IPDET.

#### Sustainability reporting and framework

- ▶ Ongoing review of international guidelines and best practice in respect of Petra's sustainability reporting.
- ▶ Decision made to transition from GRI-G3 reporting guidelines to GRI-G4, with appropriate action being taken to fulfil the reporting requirements by FY 2016.



Read more at  
[petradiamonds.com/sustainability/overview/our-hsse-committee](http://petradiamonds.com/sustainability/overview/our-hsse-committee)



## Stakeholder engagement

Petra's mission is to develop our assets in a responsible manner, thereby unlocking value for all stakeholders.

Effective, regular and transparent communication with all our stakeholders is considered a core priority and stakeholder engagement, at both Group and operating company level, therefore takes place on a continual basis.

Petra has embarked on a comprehensive programme to define how it interacts with those affected by its operations, starting with the development of Stakeholder Management and Engagement Plans ("SMEPs") for its operations and for the Group as a whole. This process has now been expanded by the commissioning of a full Social Impact Assessment ("SIA") for the South African operations, which will be carried out by an independent specialist. Data from the SIA will feed into the operational and Group SMEPs.

As part of this process and as prescribed as part of the Company's transition from the GRI-G3 to the GRI-G4 reporting framework, Petra will carry out a materiality assessment of its stakeholders in FY 2016.

The overall process is aimed at supporting improved CSR initiatives and allowing for effective programmes with measurable results. Petra believes that a more complete, integrated view of stakeholder-related issues will lead to better understanding and enhancement of the stakeholder engagement process.

## Stakeholder engagement structure

### Stakeholder Management Policy – Group

- ▶ Currently in development
- ▶ Guides all stakeholder relationships to ensure consistency of standards and that they are maintained in a way that will result in mutual benefit
- ▶ Expanding the reach of the Stakeholder Management and Engagement methodology to other departments/disciplines at the operations
- ▶ Integrates the findings of the SIA
- ▶ Development of the necessary resources and structures to support the policy and methodology
- ▶ Overarching plan for Petra Diamonds South Africa due to the high level of regulation in the country
- ▶ Guides implementation of the operational SMEPs
- ▶ Training continues for all social practitioners and officials from other disciplines (including Supply Chain, HSEQ and Social Compliance)

### Stakeholder Management and Engagement Plan – Operations

- ▶ Clearly defined processes for identification of key stakeholders
- ▶ Guides regular, focused and effective communication with key stakeholders
- ▶ Mechanisms for stakeholders to raise complaints or grievances with the Company
- ▶ Engagement recorded in the Social Compliance Matrix

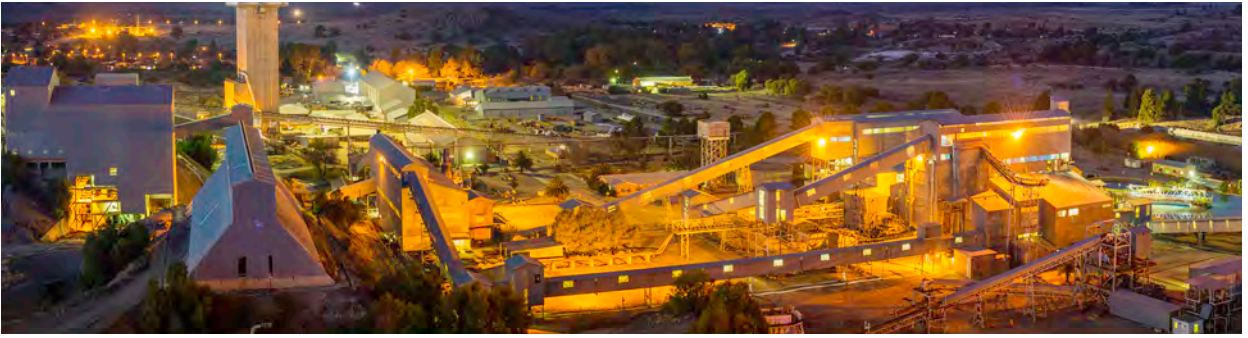


Read more in the  
**Community section**  
on pages 47 to 54



# Governance

continued



## Stakeholder engagement during FY 2015

STAKEHOLDER	KEY ISSUES	ENGAGEMENT METHOD
<b>Employees and contractors</b>	<ul style="list-style-type: none"> <li>▶ Health, safety and environment (e.g. monthly themes, policy, campaigns)</li> <li>▶ Targets and objectives (e.g. emphasis on zero harm)</li> <li>▶ Performance updates</li> <li>▶ Policies and procedures</li> <li>▶ Training and personal development</li> <li>▶ Remuneration and benefits (e.g. briefs on increases, wellness campaigns, Pension Fund and Medical Aid Open Days)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Safety and other workplace meetings</li> <li>▶ Employee briefs</li> <li>▶ Internal publications</li> <li>▶ Notice boards</li> <li>▶ Electronic channels – email, intranet, digital displays, bulk SMS</li> <li>▶ Mandatory committees (e.g. SLP Committees, HSE Committees, Future Forums, EE Committees)</li> </ul>
<b>Trade unions</b>	<ul style="list-style-type: none"> <li>▶ Substantive (rights) issues (e.g. requests regarding, and changes in, conditions of employment)</li> <li>▶ Interest issues (e.g. enhancements to benefits)</li> <li>▶ Sustainability (e.g. labour involvement in social responsibility projects)</li> <li>▶ Life of mine and mine future</li> </ul>	<ul style="list-style-type: none"> <li>▶ Mine Negotiating Forums</li> <li>▶ Central Negotiating Forum</li> <li>▶ Representation on Mandatory Committees</li> <li>▶ Future Forums</li> </ul>
<b>Government and regulators</b>	<ul style="list-style-type: none"> <li>▶ Mandatory compliance (social, environmental, production, health and safety)</li> <li>▶ Economic impacts (CSI, LED, development and downscaling)</li> <li>▶ Public-private partnerships (PPPs)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Continuous consultation</li> <li>▶ Scheduled meetings</li> </ul>
<b>Local communities</b>	<ul style="list-style-type: none"> <li>▶ Employment (e.g. local employment)</li> <li>▶ Local economic development (e.g. Supplier Development Programme, Enterprise Development Resource Centres)</li> <li>▶ Social development, including education (e.g. CSI projects, career days)</li> <li>▶ Mining and prospecting right consultations</li> <li>▶ Environmental impact of new development/activities (e.g. water licences)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Public participation processes</li> <li>▶ Public meetings</li> <li>▶ Community newsletters</li> <li>▶ Local Economic Development project involvement</li> <li>▶ Local media</li> </ul>
<b>Non-governmental organisations</b>	<ul style="list-style-type: none"> <li>▶ Social and economic development projects/partnerships (e.g. continued support of the National Council of People with Disabilities of South Africa, Ikageng Centre in Kimberley)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Continuous liaison</li> <li>▶ Community meetings and newsletters</li> </ul>



Stakeholder engagement during FY 2015 continued

STAKEHOLDER	KEY ISSUES	ENGAGEMENT METHOD
Suppliers	<ul style="list-style-type: none"> <li>▶ Compliance with Petra Code of Ethical Conduct – inclusion in general induction to be attended by all supplier employees before entering the workplace</li> <li>▶ Local Supplier Development/ Enterprise Development</li> <li>▶ Commercial transactions</li> </ul>	<ul style="list-style-type: none"> <li>▶ Supplier days</li> <li>▶ Local Supplier Development events</li> <li>▶ Continuous liaison</li> </ul>
Joint venture partners	<ul style="list-style-type: none"> <li>▶ Performance updates</li> <li>▶ Consultation on critical issues</li> </ul>	<ul style="list-style-type: none"> <li>▶ Regular meetings and communications flow</li> </ul>
Customers and end users	<ul style="list-style-type: none"> <li>▶ Product assurance ("conflict-free")</li> <li>▶ Reliability of supply</li> </ul>	<ul style="list-style-type: none"> <li>▶ Continuous communication with our client base</li> <li>▶ 'Open door' policy</li> </ul>
Shareholders and the financial community (including analysts and the financial media)	<ul style="list-style-type: none"> <li>▶ Financial and operational performance</li> <li>▶ Petra's expansion programmes and execution risks</li> <li>▶ Rationale for the US\$300 million Notes Issue and the new Cullinan plant</li> <li>▶ The state of the diamond market and expectations with regards to diamond pricing</li> <li>▶ The impact of the weak Rand upon the business</li> <li>▶ Synthetic 'man-made' diamonds and how these affect the market for natural diamonds</li> </ul>	<ul style="list-style-type: none"> <li>▶ Regular briefings via public announcements, meetings, conferences, webcasts, site visits</li> <li>▶ Annual and sustainability reporting</li> <li>▶ Consistent and transparent information flow</li> <li>▶ 'Open door' policy</li> <li>▶ Dedicated investor relations department</li> <li>▶ Social media</li> </ul>

## Governance

continued

### Material issues

We identify our material issues using a combination of our risk management and stakeholder engagement processes, as well as consultations with key Group and operational management responsible for issues relating to sustainability.

There were no changes to the material sustainability issues facing the Group as previously disclosed in FY 2014.

MATERIAL ISSUES	STAKEHOLDERS	GROUP KPIS	GROUP PRINCIPAL RISKS
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### Health and safety

<ul style="list-style-type: none"> <li>▶ Health and safety systems</li> <li>▶ Safety performance</li> <li>▶ Occupational health</li> <li>▶ Community health</li> </ul>	<ul style="list-style-type: none"> <li>▶ Employees and contractors</li> <li>▶ Local communities</li> <li>▶ Trade unions</li> <li>▶ Governments and regulators</li> </ul>	<ul style="list-style-type: none"> <li>▶ LTIFR</li> <li>▶ FIFR</li> </ul>	<ul style="list-style-type: none"> <li>▶ Safety</li> <li>▶ Regulatory compliance</li> </ul>
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### Employees

<ul style="list-style-type: none"> <li>▶ Labour relations</li> <li>▶ Employee development and retention</li> <li>▶ Employee diversity</li> </ul>	<ul style="list-style-type: none"> <li>▶ Employees and contractors</li> <li>▶ Trade unions</li> </ul>	<ul style="list-style-type: none"> <li>▶ Training spend</li> <li>▶ Staff turnover</li> <li>▶ Women in the workforce</li> </ul>	<ul style="list-style-type: none"> <li>▶ Labour relations</li> <li>▶ Retention of key personnel</li> <li>▶ Regulatory compliance</li> </ul>
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### Environment

<ul style="list-style-type: none"> <li>▶ Resource usage</li> <li>▶ Environmental stewardship</li> <li>▶ Rehabilitation and restoration</li> <li>▶ Water management</li> <li>▶ Climate change</li> <li>▶ Licensing</li> </ul>	<ul style="list-style-type: none"> <li>▶ Local communities</li> <li>▶ Governments and regulators</li> <li>▶ NGOs</li> </ul>	<ul style="list-style-type: none"> <li>▶ Water usage</li> <li>▶ Energy usage</li> <li>▶ Carbon emissions</li> </ul>	<ul style="list-style-type: none"> <li>▶ Access to energy</li> <li>▶ Country and political</li> <li>▶ Regulatory compliance</li> </ul>
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### Community

<ul style="list-style-type: none"> <li>▶ Stakeholder engagement</li> <li>▶ Community development</li> <li>▶ Local procurement</li> <li>▶ Management of stakeholder expectations</li> <li>▶ Security</li> </ul>	<ul style="list-style-type: none"> <li>▶ Local communities</li> <li>▶ NGOs</li> <li>▶ Governments and regulators</li> </ul>	<ul style="list-style-type: none"> <li>▶ CSI spend</li> </ul>	<ul style="list-style-type: none"> <li>▶ Regulatory compliance</li> <li>▶ Licence to operate</li> <li>▶ Security</li> </ul>
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### Governance and ethics

<ul style="list-style-type: none"> <li>▶ Risk management</li> <li>▶ Human rights</li> <li>▶ Ethical conduct</li> <li>▶ Product assurance</li> <li>▶ Security</li> <li>▶ Legal compliance</li> </ul>	<ul style="list-style-type: none"> <li>▶ Employees and contractors</li> <li>▶ Local communities</li> <li>▶ Governments and regulators</li> <li>▶ Customers and end users</li> <li>▶ Shareholders</li> </ul>	<ul style="list-style-type: none"> <li>▶ None – Petra will consider appropriate governance KPIs as part of the materiality assessment currently underway in FY 2016</li> </ul>	<ul style="list-style-type: none"> <li>▶ Regulatory compliance</li> <li>▶ Licence to operate</li> </ul>
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### Upholding the value of 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.

#### Business ethics

We are aware that the positive reputation Petra has developed is an asset which plays an important role in the ongoing success of the Company. We require that all those involved in the Petra business, including employees, contractors, partners and suppliers, contribute to upholding this reputation.

It is therefore our duty to ensure that every aspect of our business is managed and run in keeping with the high value placed upon our product. 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.

Petra's commitment to ethical conduct is clearly set out in our Group Code of Ethical Conduct, which provides a clear moral framework within which all Petra's business must be conducted. The Code of Ethical Conduct and the Group Anti-Bribery Policy are implemented through a training and communications plan, which is covered in some detail in the general induction that all new employees and contractors, as well as those returning after a period of absence (e.g. annual leave), need to complete before being allowed back in the workplace.

Petra has a dedicated and independent whistleblowing hotline in place to allow any concerned person to confidentially raise any concerns they may have about business malpractice.

#### Provenance

Petra's diamonds have a unique provenance in that they are sourced from some of the most culturally significant diamond mines in the world. The names Cullinan, Finsch, Kimberley, Koffiefontein and Williamson all have rich histories associated with them, as they have produced many of the world's most spectacular and celebrated diamonds.

Our mines continue to produce the full spectrum of diamonds, from lower quality goods to magnificent, one-of-a-kind natural masterpieces, such as the 122 carat blue diamond recovered from Cullinan in 2014 and subsequently sold for a value equivalent to US\$27.6 million.

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'.

#### Human rights

Principle 4 of Petra's Code of Ethical Conduct is "Not only do we respect human rights, but we actively advance them", thereby formally stating Petra's commitment to human rights.

Petra is fully committed to upholding the human rights of all of its stakeholders, and as such has a policy of fair dealing and integrity in place in terms of the conduct of its business.

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. The principles of the UN Declaration and the UN Guiding Principles on Business and Human Rights (the "Ruggie Principles"), as well as relevant legislation is taken into account when formulating and reviewing policy that might impact on human rights.

Human rights issues are covered by Petra's 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 labour unions.

In South Africa, human rights training is organised by Petra for union representatives through the Commission for Conciliation, Mediation and Arbitration ("CCMA") and they, in turn, disseminate their knowledge to their members.

Petra has aligned its principles with the International Labour Organisation 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.



## Governance

continued



### Upholding the value of diamonds continued 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.

The requirements for effective security extend beyond guarding and securing production only. The effect of crime, which includes illegitimate diamond mining and theft of diamonds and property, extends its reach far beyond the monetary loss associated with these actions, to the impact it has on the respective operations, the personal and job security of employees, and the communities who 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.

#### 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 undertakes and regularly updates risk assessments relating to security (in the three main security focus areas) at all our operations. In South Africa our security personnel only operate within our mandate and the borders of Company properties. Should any security operation impact on the local community, it is communicated with them. 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

The Williamson mine 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 of the mine, 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. Williamson, as part of its Community Support Programme, provides technical assistance to the local police, thereby enhancing community policing.

At Williamson, we have identified trespassing and illegal mining on the Special Mining Lease ("SML") as a potential risk. Petra manages this through frequent consultation, policing patrols and relationship management.

#### Client satisfaction

The Company is committed to a transparent and equitable sales process and is proud to offer the majority of its production for sale in Johannesburg, thereby contributing to beneficiation in Africa.

We maintain open and regular communication with our clients via our dedicated marketing team. Customer satisfaction is considered a priority in the marketing and sales process and the Company therefore takes client feedback on production, assortments, market movements and pricing seriously. Any feedback regarding production is noted and considered for the subsequent production cycle.

We maintain an open door policy with our clients (and potential clients), giving them the opportunity to discuss any issues or concerns to allow the Company to assist in an effective and timely manner.

Given the nature of the business, client confidentiality is central to our sales process and we do not divulge specific tender details, such as top buyers and related matters.



# Health and Safety

23 Strategy  
24 Performance  
24 Health  
27 Employee Wellness



Rista Diedericks, Senior Training Officer, and Michelle Mackay, Women in Mining Trainee, at the Dust Scrubber at Finsch

Health and Safety

# A ‘zero harm’ culture

Our safety strategy and management approach focus on improving our ability to anticipate and prevent harm to our people.

Overview

- ▶ We consider the safety of all employees, contractors and stakeholders as our top priority.
- ▶ We are committed to protecting and safeguarding the safety of those who work at or visit our operations in a manner that is compliant to legislation, respectful to customs and cultures.
- ▶ We have made steady progress in managing safety over the past few years and are performing well, particularly for underground operations.
- ▶ We will continue to dedicate considerable effort to achieving, and maintaining, a zero harm environment.

Achievements

- ▶ Significant improvement in safety controls and performance.
- ▶ The Petra Diamonds Operational Risk Management Process was reviewed and aligned with ISO 31000 standards.
- ▶ All underground pipe mines maintained OHSAS 18001 certification.
- ▶ For the first time in history, the Company achieved three months’ lost time injury free.
- ▶ Finsch achieved two million fatality free shifts and won first place as the safest underground mine amongst all mines operating in the Northern Cape Province, from the Northern Cape Mine Managers Association.

Challenges

- ▶ An increase of 1.7 million hours worked during FY 2015, due to capital projects at all underground mines.
- ▶ Workforce safety maturity: different levels of safety awareness and independence lead to non-adherence to safety controls and breaches of policy and safe working procedures.
- ▶ Noise induced hearing loss – due to the percentage of employees showing a shift in hearing audiometric levels, this is currently under investigation.
- ▶ HIV/AIDS is a significant risk to our workforce as well as to the long-term health of our host communities.
- ▶ Lifestyle-related health conditions, such as diabetes and hypertension, affect employee wellbeing.

Objectives for FY 2016

- ▶ Continue to improve on our health and safety performance.
- ▶ Maintain OHSAS 18001 certification.
- ▶ Maintain compliance levels with appropriate health and safety standards, legislation, company and other requirements.
- ▶ Maintain awareness of the shared responsibility and accountability for health and safety amongst all employees, contractors and the community through communication, training and development.
- ▶ Drive continual improvement in health and safety aspects, by keeping abreast of industry trends, research and development.







## Strategy

We are committed to administering a sound safety management system, focused on the journey of continuous improvement, and are striving toward a resilient workforce.

Our safety strategy and management approach focuses on improving our ability to anticipate and prevent harm to our people.

Our principal safety risks relate to moving machinery, fall of ground, supported and suspended loads and isolation/lock-out.

We develop and deliver measurable health and safety standards and targets, aligned with international performance requirements (OHSAS 18001:2007) and legislative governing body guidelines with the aim of ensuring that our employees and contractors are equipped and trained to achieve our goal of zero injuries and damages.

### The safety strategy is based on the following focus areas:

#### Effective operational risk management

We follow a risk based approach as depicted by the Petra Diamonds HSE Operational Risk Management Process which entails continual hazard identification, risk assessment and instilling awareness into the workplace culture. The root causes of accidents remain breaches in safety rules, inadequate risk assessment, sub-standard front line supervision and non-conformance with safe work procedures. The remedial process is focused on retraining, improving front line supervision and enforcement of existing controls.

#### Effective, focused leadership and front line supervision

The essence of leading from the front is vital to influence activities as they proceed and to change behaviour. Our objective is to ensure that all employees in the Company have an understanding of, and embrace the importance of, a safe workplace and practices. Management at all levels regularly visit the operations and play a visible leading role among employees at operations.

### What is OHSAS 18001?

OHSAS 18001 is an Occupation Health and Safety Assessment Series for health and safety management systems. It is intended to help an organisation to control occupational health and safety risks. It was developed in response to widespread demand for a recognised standard against which to be certified and assessed.

The custodianship for achieving operational targets safely lies with our front line supervisors. Consistency, detailed planning, preparation, enforcement of safety controls and support from management are the focus areas to ensure that we achieve objectives and targets in such a manner that everyone leaves the workplace every day unharmed.

#### Enforcement of compliance to a world class safety management system, standards and controls

The Petra Diamonds Safety Management System comprises the DNA elements of the OHSAS 18001 international management system principles integrated within the framework. Our goal is to embed the system into the hearts and minds of all employees by means of strict enforcement and zero tolerance for breaches, non-conformance and shortcuts. Management and front line supervisors play a critical role in the success of this goal and lead by example.

All our underground pipe mines maintained their OHSAS 18001 certification further to an independent third party audit conducted by British Standards Institution ("BSI") in FY 2015.

The Williamson open pit mine has not been subject to formal certification as yet, but its processes and systems are based upon such international standards and the mine maintains a very high level of safety performance.

#### Continual assessment, review and improvement

All our operations have structured safety management plans with clearly defined objectives and tasks. Assessment and review is executed by means of quarterly operational reviews, scheduled internal Company compliance, assurance and performance ("CAP") audits and incident triggered interventions. These measures, categorised as leading indicators, provide a clear indication for management to identify lagging indicators and thereby prioritise assistance to specific operations in need of remedial attention.

Monthly interactions with regional and national industry forums, inclusive of tripartite forums, are utilised to share best practice, to analyse trends in the sector and to proactively draft corrective action plans, which are communicated and implemented Company-wide at all operations. We continually communicate and engage with employees on safety-related issues in order to get their input and committed buy-in with regards to future planning and developments.



# Health and Safety

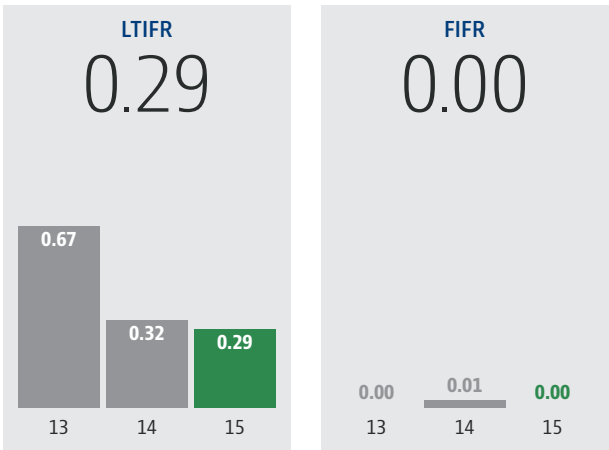
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### Performance

Petra continued to improve in terms of safety performance during FY 2015 and performed well in comparison with international industry standards.

#### Performance KPIs



### Lost time injuries

The Group LTIFR has improved by 57% since FY 2013 to 0.29 in FY 2015. The improvement can mainly be attributed to the safety strategy focus areas, regular safety interventions and an increase of oversight in significant risk areas such as trackless mobile machinery, rail bound equipment, electrical switching, supported and suspended loads, fires, underground flooding and fall of ground. For a detailed breakdown of our safety performance on a mine to mine basis, see page 56 in Supplementary Information.

Further to the success of FY 2014’s campaign to combat unsafe behaviour around the festive Christmas period (which can encourage negligence and a general laxity of standards), we continued with a similar campaign over the Easter break. These campaigns garnered excellent results, including all operations within the Group being lost time injury free (“LTI-free”) for a period of three months (from 30 November until the end of 28 February 2015).

### Fatal injuries

During FY 2015, the Group aggregate fatal injury frequency rate improved from 0.01 (FY 2014) to 0.00 (FY 2015), as no fatal injuries were recorded for the Year.

This recovery is mainly attributed to learnings from the FY 2014 fatality being communicated to all operations and controls implemented proactively to minimise the possibility of similar occurrences in the Company.

### Health

In addition to keeping our employees safe, we also want to encourage a workforce that is healthy in both body and mind.

The key occupational health issues that can affect our workforce relate to noise induced hearing loss (“NIHL”), respiratory illnesses, and injuries resulting from repetitive activities. Outside the workplace, the main community health issues are HIV/AIDS, tuberculosis and malaria (in Tanzania only) as well as lifestyle diseases such as hypertension and diabetes.

Our health strategy addresses three focus areas:

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

Where a condition cannot be prevented, we ensure that all our employees have access to the appropriate medical care.

### Occupational hygiene

Occupational hygiene is about proactively identifying sources of, and exposures to, health hazards, profiling the associated risk, and preventing hazards through controls in the workplace.

Notwithstanding the prescribed use of personal protective equipment (“PPE”) by personnel where necessary, our performance indicators reflect the number of individuals who would be exposed to conditions that exceed those limits where they not protected by PPE. This helps to identify those hazards where we can improve controls and perhaps eliminate the need for PPE altogether.

### Occupational illnesses

Conditions related to NIHL, respiratory illnesses, and injuries resulting from repetitive activities form the bulk of the occupational illnesses at our operations.

Throughout the Year, we continually educated employees and reinforced messages around managing health hazards, particularly noise, inhalable pollutants and ergonomic stresses. We have emphasised that failure to recognise and manage these hazards now inevitably results in occupational disease and disability in the long term.

### Safety champions

It is with great pride that we congratulate the Plant Belt Shop at Koffiefontein, which has reported eight years without any incidents – the length of time since the mine was acquired by Petra.

Some of the daily challenging tasks carried out by the Plant Belt Shop include belt splicing repairs and maintenance (cold splicing, belt clip joints, covers trips and idler scraper maintenance), conveyor belt replacement (up to five storeys high!), tailings belt extensions and screen panel maintenance and replacement.

Well done; we are all proud of you!



Left to right: Johannes Shabe, Wandile Rens, Nicholaas Ramolahlehi, Vava Williams, Jack Kolobe, Vincent Africa, Frans Kibito  
 Not in picture: Jimmy Mokgwetsi, Stephen Salman



#### Work and career history

**1992**  
 Joined Williamson as an Automobile Engineering Technician

**1998–2002**  
 Worked as a Production Shift Foreman

**2002–2009**  
 Joined the Health, Safety & Environment Department, in the area of occupational hygiene/ventilation

**2009 to date**  
 HSE Manager

“As employees we are making a living at Williamson; the mine is our home. We live, breathe, eat and raise our children at Williamson.”

### Getting to know Donatus Mukungu, HSE Manager at Williamson

#### What do you consider your main goal as HSE Manager?

To continuously strive towards improving Williamson’s HSE performance and to be a driving force towards raising HSE standards in the Petra Group. To be a positive example to others and to attract employees and partners to join in safeguarding HSE within the environment we operate.

#### Describe those elements which have helped contribute towards Williamson’s outstanding HSE results.

- ▶ Managing the area by consistently doing walk-abouts (being sure to do this during both the day and night shifts).
- ▶ Integrating safety, health and environment, as a management/production language.
- ▶ Creating an environment in which safety provides team members with a sense of belonging.

#### Why do you consider the environment important?

As employees we are making a living at Williamson; the mine is our home. We live, breathe, eat and raise our children at Williamson. Almost our entire life support system (biosphere) is dependent on the wellbeing of all the species on the mine. We look after the environment for the future generation.

#### How important is health and safety to you?

Whatever small task we do, there is always the possibility of an accident or damage to an employee’s health. All work exposes an employee to hazards. These hazards can become a cause of an accident, if not well controlled. It is an obligation of Williamson, and for me as the custodian, to ensure that every member of Williamson goes home in the same condition that he/she arrived for work.

#### Why is teamwork so important to you?

Everyone in the HSE department performs tasks with the aim of accomplishing the HSE goals. When we go out, we go as a team. We inspect, audit, guide and rectify HSE matters as a team. It is only by working together that we can remain a winning team.



# Health and Safety

continued

## Occupational illnesses continued

Our comprehensive occupational health Codes of Practice and corresponding policies cover a wide spectrum of conditions, and focus on using leading indicators to prevent the occurrence of such illnesses, rather than lagging indicators for reactive response and reporting purposes.

Prevention of occupational illnesses is approached in terms of the overall HSEQ strategy to ensure both safe conditions and inculcate a culture of safe behaviour. Continuous monitoring of employees' health status, based on customised risk profiles, plays a key role in providing the leading indicators used.

### Noise Induced Hearing Loss

With the operational environment lending itself to noisy work conditions and NIHL representing a significant portion of occupational illnesses, we are strongly focused on reducing NIHL. Our approach consists of two parts – reducing noise in the workplace, and protecting employees' hearing against any remaining harmful noise levels.

During FY 2015, more than 6,000 employees were reported to be working in environments with noise levels in excess of the Occupational Exposure Level of 85 dB(A). During FY 2015, 10,638 audiograms were conducted and 31 employees and contractors were diagnosed with a shift of >10% from baseline. Three of these were compensated for NIHL.

Initiatives to reduce noise levels:

- ▶ All ventilation fans are sound attenuated with silencers placed before and after axial flow fans to ensure that noise emitted is below the maximum of 110dB(A).
- ▶ The majority of fans and equipment that emit noise above this level have already been eliminated or will be as soon as practically possible.
- ▶ The majority of our LHDs are fitted with environmentally friendly cabins ("envirocabs") and the programme to replace all of the older LHDs without the envirocabs is progressing well. Envirocabs are air-conditioned to ensure a more pleasant working environment and serve to filter out dust and other airborne pollutants.

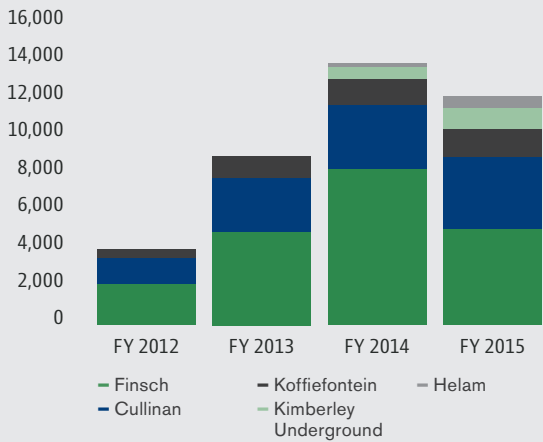
Initiatives to protect employee's hearing:

- ▶ In areas where the noise levels are higher than the threshold of 85dB, all employees are supplied with hearing protection, i.e. noise clippers or variphones. To ensure comfort of use and increase the likelihood of usage, these are custom-made and fitted to each individual optimally.
- ▶ Ear plugs are also supplied to employees for used outside the workplace for noisy activities/hobbies, such as wood/metal-work, thereby extending awareness of hearing protection to outside of the workplace, with the aim to entrench it in daily behaviour.
- ▶ We undertake regular testing of employees and contractors at risk of NIHL and investigate any shifts in which noise levels exceed set levels.
- ▶ Improved hearing PPE is issued to affected staff and they are provided with additional training.

### Respiratory illnesses

In 2015, about 5,200 employees were reported to be working in environments where they were potentially at risk of exposure to inhalable hazards. Our occupational hygiene programmes are focused on identifying the sources of inhalable hazards and implementing controls to prevent emissions at source.

## Medical surveillance screenings carried out in FY 2015



## Fire, incident and emergency response team at Williamson

Williamson has a dedicated Emergency Response Team ("ERT") which is always prepared to respond to emergency incidents, such as natural disasters or the interruption of operations. The ERT is fully trained and equipped to resolve the specific issues arising from the emergency and has a defined set of actions to mitigate the negative impacts of the incident, based on the mine's Energy and Response Procedure.



Williamson's ERT fighting fire in the forest reserve area

**Occupational illnesses** continued

Petra is considered a leader in its field with regards to the number of leading practices the Company has implemented in its efforts to combat respiratory illnesses.

Such leading practices include the implementation of dust extraction systems at the underground operations and the extensive use of environmentally friendly dust suppressants to improve air quality at our operations. These suppressants, alternated regularly with water, are sprayed on surface roads to eliminate the generation of dust. Similar suppressants are also being used in underground workings to suppress dust and other airborne pollutants from being liberated into the atmosphere.

We also have intensive programmes in place to ensure that employees and contractors are trained to use PPE and adhere to relevant requirements in areas where inhalable hazards are present.

In FY 2015 we recorded 1 new case of silicosis (further to the diagnosis of new contractors during their entrance medicals).

**Occupational medicine**

Occupational medicine is divided into three areas: Primary Health, Care Clinic and the Occupational Health Centre.

**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 the standard Petra conditions of employment, they are referred to state medical facilities for care. Petra makes use of in-house and outsourced private medical services, including occupational health service providers.

The graph opposite indicates the number of medical screenings that have been conducted at South African operations between FY 2012 and FY 2015. 3,204 employees and 3,243 contractors were screened, totalling 6,448 people in FY 2015.

**Tanzania**

At Williamson, employees benefit from the Social Health Insurance Benefit Scheme ("SHIB") that 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 dependents. Williamson is in a fixed agreement with NSSF in terms of social securities and health benefits.

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.

Williamson employees underwent a full medical examination by Occupational Safety & Health Administration ("OSHA") in FY 2015, with a total of 542 people being screened. Williamson will be issued with a medical certificate by OSHA in due course.

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 antiretroviral 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 AGPAHI (Ariel Glaser Paediatric AIDS Health care Initiative), with infrastructural and services support from Williamson.

**Employee wellness**

The main employee and community health issues which impact our operations are HIV/AIDS, tuberculosis and malaria (at Williamson).

However in previous years, it has been difficult for Petra to assess the prevalence of these diseases due to non-reporting by external service providers on the basis of patient-doctor confidentiality. In order to remedy this, standard Service Level Agreements that include reporting of the required statistics have now been reached with all health service providers used by Petra.

We also carry out wellness monitoring of employees, which includes monitoring of the above conditions, as well as hypertension and diabetes, amongst others, as part of both the medical screening programme and special drives ("Wellness Days") conducted at our operations. Those employees identified with a chronic medical condition in FY 2015 were included in a surveillance programme and received appropriate treatment.

In addition to primary health care and occupational health services, Petra also offers employees in South Africa a comprehensive wellness care programme through the Careways Group. Careways' services include lifestyle, psychological, financial, legal, and substance dependence counselling and assistance, and are offered anonymously and free of charge (within certain limits) to employees and their families. For more information on the services offered by Careways, please refer to [www.carewaysgroup.com](http://www.carewaysgroup.com).

Content regarding overall employee wellness, as well as the services offered by Careways, is included in a focused Company newsletter, 'Live Sharp!', which appears monthly and is reinforced through other Company communication methods.

**HIV/AIDS**

HIV/AIDS is a significant risk to our workforce as well as to the long-term health of our host communities. We have robust plans to manage this risk at our operations and are guided by the legal requirements in the various jurisdictions where our operations are located.

HIV VCT is offered to all employees by medical service providers, as well as during wellness drives. During FY 2015, 3,471 employees in South Africa were tested for their HIV status and there were 17 new cases of HIV (FY 2014: six), whereas 1,270 employees in Tanzania were tested and there were 63 new cases. In conjunction with NGOs and the Government, we provide ART free of charge to all employees and dependants.

Initiatives to increase awareness and understanding of HIV/AIDS have continued throughout FY 2015. These included:

- ▶ campaigns at our operations to promote uptake of VCT amongst employees and dependents;
- ▶ provision of condoms; and
- ▶ educational and awareness programmes to dispel myths about the disease and fight discrimination.

Co-operation with trade unions and NGOs to improve the delivery of our HIV/AIDS treatment and prevention programmes continued at a number of operations.

**Tuberculosis**

We provide testing and counselling for tuberculosis at a number of our operations, in most cases through external service providers, due to the established link between HIV/AIDS and tuberculosis.

We recorded eight new cases of pulmonary tuberculosis at our operations during FY 2015 (FY 2014: 38), all of which have been cured.

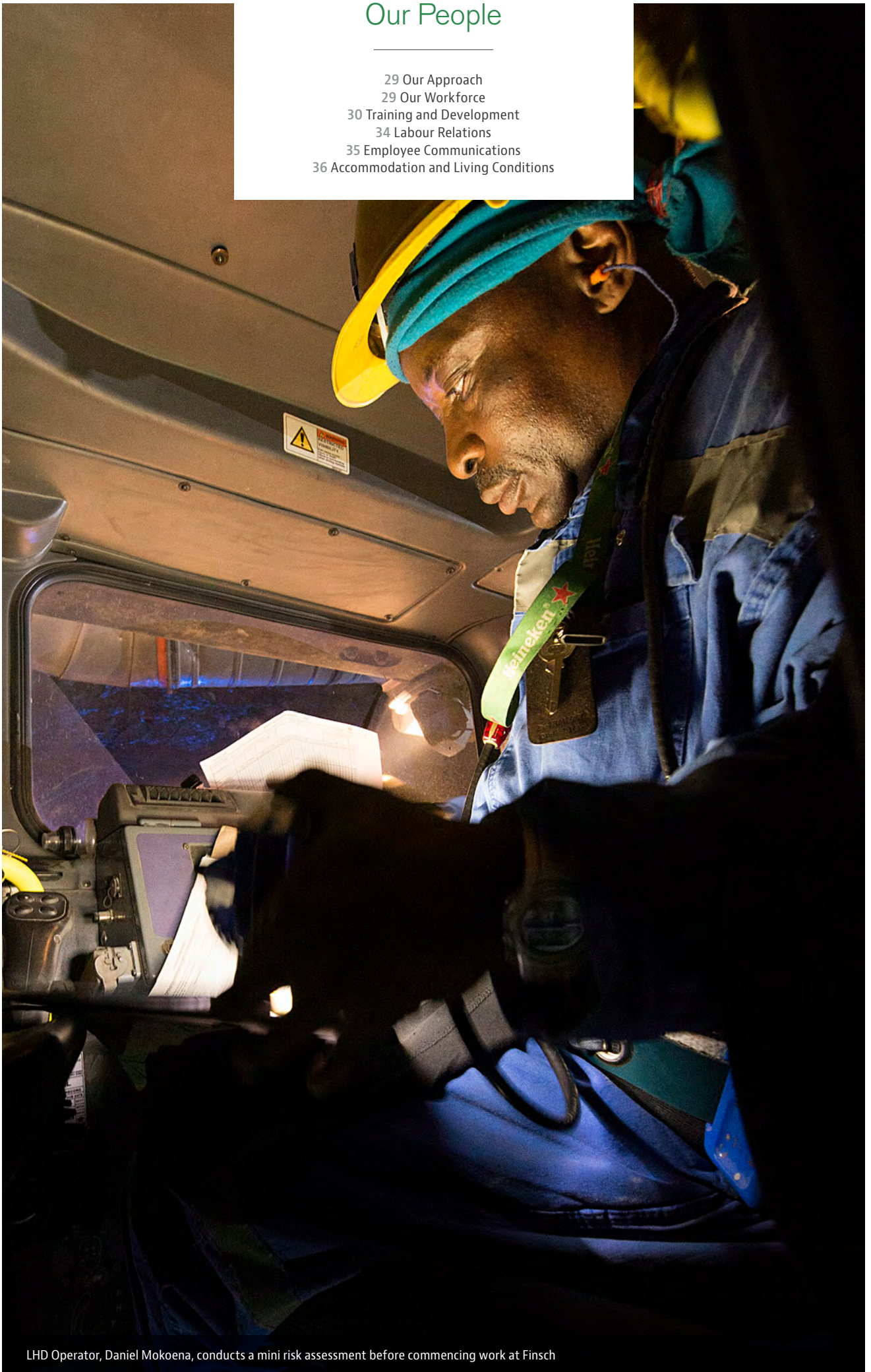
**Malaria**

At Williamson, malaria remains one of the key health issues and at present remains number one of the top ten most common diseases. However, it does not materially affect the mine's productivity in general because the statistics account for total patient reportings and include the surrounding communities.



## Our People

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LHD Operator, Daniel Mokoena, conducts a mini risk assessment before commencing work at Finsch

## Our People

# Working as a team

The Company strives towards creating a supportive and rewarding environment in which our people can realise their full potential, for the benefit of both the Company and the individual.

### Overview

- ▶ Petra's sustained growth and success has been due to the quality and achievements of its people, and this will remain the case in future.
- ▶ The Company strives towards creating a supportive and rewarding environment in which our people can realise their full potential, for the benefit of both the Company and the individual.

### Achievements

- ▶ Substantial expenditure on training programmes is an investment in both the personal development of our employees and the future success of our operations.
- ▶ The completion of the first year of the three-year wage agreement signed with NUM in September 2014 contributed to a stable labour relations environment.
- ▶ First distributions to beneficiaries from the Itumeleng Petra Diamonds Employee Trust.
- ▶ The finalisation of Petra Diamonds Assisted Home Ownership Scheme ("PD-AHOS") for permanent employees in compliance with the Mining Charter in South Africa.

### Challenges

- ▶ Strong competition in the labour market and skills shortages in certain specialist areas.
- ▶ The employment of women in the mining industry poses inherent challenges.
- ▶ Labour relations, particularly around the placing of the Helam mine on care and maintenance; some of the employees were transferred to other operations while others were retrenched. However, a significant number of those retrenched were provided with portable skills training.
- ▶ The challenges facing education in South Africa mean that a small portion of our workforce is not literate.

### Objectives for FY 2016

- ▶ Extensive training and education initiatives for both employees and communities will continue.
- ▶ Continued focus on labour relations, maintaining consistent and transparent communication with our employee and union representatives.
- ▶ The continuation of the roll-out of diversity management workshops across the South African operations.

### Our approach

Petra is a unique company operating in an industry that requires specialist skills and expertise. We therefore recognise that our greatest asset is our people as it is they who are tasked with implementing our strategy and delivering our ambitious growth plans.

Acknowledging how vital our people are to the Company's future success, we place great emphasis on training and personal development, in order to assist employees in achieving their full potential.

We also believe that employees who are empowered and accountable for their actions work to the best of their ability, so our approach is to foster a culture which encourages and rewards innovation and creativity in the workplace.

We aim to harness the strengths of diversity in our workforce and treat our employees with respect and dignity. This approach is backed up by a suite of Group-wide HR policies, including the Group Code of Ethical Conduct, that ensure a well-regulated HR environment and which consolidate our commitment to the fair treatment and sustainable development of our workforce.

Given our commitment to fair employment practices, factors such as gender, marital status, race, ethnic origin, colour, nationality, disability, religion, or sexual orientation are not used to discriminate against individuals, and this is reflected in equitable remuneration scales.

### Our workforce

As at 30 June 2015, we employed a total of 8,271 people (30 June 2014: 8,206 total employees), excluding the five Non-Executive Directors appointed to the Petra Board.

The number of permanent employees has decreased to 4,428 (FY 2014: 4,667) mainly due to the Helam mine being placed on care and maintenance, a process which involved the retrenchment of 338 people.

A further increase in the number of contractors to 3,843 (FY 2014: 3,543) related to the progression of Petra's development projects.

### Local hiring

Petra's policy is to recruit from local communities wherever possible. This is in line with mandatory requirements but also makes sound business sense as it decreases dependence on Company-provided services such as transport and housing, encourages a more stable and cohesive workforce, and contributes to the development of local communities.

Based on the indicators outlined in the South African Mining Charter, the Social and Labour Plans ("SLPs") of the South African operations include commitments to recruit from 'labour sending areas', i.e. their host and local communities. Commitments to this effect are often also included within agreements with the organised labour unions present at our operations.

Due to the remote location of most of our operations, skills shortages may occur in the host communities when recruiting for skilled positions. For this reason, vacancies for positions in the skilled bands are advertised regionally or nationally, whereas all unskilled and semi-skilled positions are advertised locally only.



Our People  
continued

LDP graduates from Finsch

**Local hiring continued**

Although a position might have been advertised regionally or nationally, preference will still be given to local applicants. Major contractors to the operations are expected to apply the same recruitment principle when employing workers for contracts at these operations.

**South Africa employee breakdown**

	Expatriates	Local	Provincial	National
Finsch	—	40%	35%	25%
Cullinan	—	70%	17%	13%
Koffiefontein	1%	80%	7%	12%
Kimberley Underground	1%	90%	5%	4%

**Tanzania employee breakdown**

	Expatriates	Local	Provincial	National
Williamson	2%	26%	9%	63%

**Retention**

With strong competition in the labour market for semi-skilled and skilled employees, and a shortage of certain specialised skills, particularly those related to diamond extraction and the specific mining methods used by the Company, workforce retention is a key challenge for Petra.

As noted above, the remote location of our operations means that the host communities present a limited pool from which to draw employees, while it is moderately difficult to attract these skills from the larger centres. Staff retention is therefore important, and our belief is that our comparatively low staff turnover rates (if retrenchments are excluded), which are on par with those of the mining sector and industry in general, are largely the result of our vibrant company culture and remuneration policies are designed to attract, incentivise and retain individuals of a high calibre.

In FY 2015, our total employee turnover was 17% including the retrenchments at Helam, and 9% excluding these retrenchments. See page 57 for the breakdown of the Petra Group turnover rate for FY 2015.

**Training and development**

To ensure that employees can achieve their full potential and to guarantee that the current and future skills needs of the organisation are met, Petra offers both legally required and career-oriented training in technical and non-technical disciplines.

Our investment in staff training and development across the Group increased 12% in FY 2015 to circa US\$6.7 million (FY 2014: US\$6.0 million), which represented 6.8% of operations payroll (significantly above Petra's internal target of 5.5% for the Year). See page 57 for a breakdown of Petra's training and development expenditure for the Year.

Main areas of expenditure were leadership and management development programmes, in-house safety and technical training, technical training outsourced to specialist external training providers, engineering and rock-breaking learnerships, internships, and portable skills training for Helam mine employees.

In prior years, a Skills Audit Project was carried out in order to evaluate employee skills in the context of those required by our business, now and in future. The project helped us to refine our approach to training and employee development, to clarify job descriptions and to increase the focus on individual training and career development. In FY 2015 a follow-up 'Mini Skills Audit' was conducted which focused on a number of employees who were not previously interviewed for numerous reasons, such as leave, as well as newly appointed employees. Audit results for over one thousand employees were received and used to inform the planning of training for FY 2016.

**Leadership development programme**

Petra's leadership development programme ("LDP") is 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.

The LDP consists of various elements such as classroom learning, mentoring, coaching and formal technical training in order to ensure that the graduates can effectively fulfil future leadership roles at Petra.

During the Year, the LDP was streamlined to better suit the Company's current operational conditions and challenges, with the duration for the course reduced from three years (for junior pool candidates) or five years (for senior pool candidates) to two years for all participants (with the distinction no longer being made between junior and senior pools), at the end of which each will receive a Higher Certificate in General Management (NQF Level 5).

Encouraging management diversity, both by race and by gender, has been an important consideration for the LDP since inception. During FY 2015, a total of 69 employees participated in the LDP, of which 58% were African, 20% were mixed race and 22% were white. The group was also split as to 36% female and 64% male.

A total of 40 learners graduated from the programme this year. Congratulations to all of our future leaders!



Highest achievers since the programme began: 1st: Michael Bezuidenhout (Cullinan), 2nd: Klass Gabadise (Finsch), 3rd: Roux van Zyl

### Leadership development programme continued

#### The LDP – Developing future leaders

The successes of this programme are evident in the career progression witnessed amongst participants.

Kagiso Molefe is an example of what LDP graduates can achieve. He was a semi-skilled worker in the Mining department when he commenced the LDP and has since successfully progressed to the level of Mining Overseer. As part of the downscaling and retrenchment process at the Helam Mine, Kagiso was transferred to Kimberley Underground, where he now also serves as a mentor for current candidates on the programme.

Kagiso commented: “The LDP was the best thing that ever happened to me. I will always encourage everyone to be on the LDP if given the opportunity.”

Ndiyuhu Makherana, an Engineering Intern at Kimberley Underground, completed the LDP as part of her internship programme and is set to be appointed as an Engineer on completion of her internship.

Ndiyuhu commented: “The LDP contributed to my career advancement and I really gained a lot from it. I have been applying the knowledge that I gained from the LDP whilst running some projects at our plant and acting as Foreman.”

### Adult basic education and training

The comparatively poor standard of education in South Africa, and the impact on literacy rates, is one of the challenges facing all businesses operating in South Africa, including Petra.

We have therefore had a Group Policy for Adult Basic Education and Training (“ABET”) in place for several years now and this was recently reviewed. ABET is provided free of cost or obligation to all learners and the focus is on developing numeracy and literacy skills through the use of multimedia computer-based training or facilitated learning.

All our South African operations except Helam have at least one dedicated ABET training facility, which is equipped to enable computer-based training. The Finsch facility is also used by community members attending ABET classes. In total the facilities were used by 120 enrolled employees and 13 community members.

As previously reported, no ABET programme/facility is current available at Williamson, mostly due to the comparatively high level of education of employees, especially when compared against the literacy levels of the overall country with are considerably lower. However, a plan is in place to start a programme in the future which will include improving the computer literacy of the current workforce.

The time and frequency allowed for ABET is determined by each operation in accordance with shift configurations, but all operations allow for at least eight hours of training per week. All prospective learners complete a placement assessment to determine the level of each learning area that they will commence training on. All annual assessments are done by external examination bodies such as Umalusi or the Independent Examination Board.

Operations either employ full-time qualified ABET facilitators or engage a service provider who deploys ABET facilitators. Operations provide ABET to learners whilst earning their full pay. Once the grant requirements for the Mining Qualifications Authority are met and discretionary grants disbursed to operation, 50% of the grant is paid to the qualifying learner as an incentive.

#### How our operations conduct ABET

Finsch uses a combination of computer assisted and face to face training methods of teaching adult learners. Two full-time ABET facilitators, who are both qualified teachers, are employed. ABET takes place on a voluntary and part-time basis, with part-time ABET classes being offered after hours for two hours per day, twice a week. Part-time learners, shift workers, domestic workers, contractors and unemployed members of the community are invited to attend the classes.

Students complete an external assessment at the ABET centre, which is a registered exam centre with the Department of Basic Education, with an invigilator overseeing the examination process, after which the exam paper is forwarded to the Independent Examination Board (“IEB”) for marking and accreditation. All of this is provided at no cost to students.



LDP graduates from Cullinan



## Our People

continued



Nokuzola Moemise at the Annual WIM conference in Johannesburg

### Portable skills training

Our operations plan and budget for portable skills training that is intended to develop skills that employees can use for self-employment at the end of their careers or in the instance of mine closure. Difficulties can be experienced with implementation, mostly due to employee commitment, and the number of beneficiaries is relatively low.

Employees at the South African operations were trained across a range of disciplines during the Year, including Code 10 national driver's licence, basic computer literacy, National Technical Education and Training ("NATED") Engineering subjects, domestic wiring, steelwork and motor repair.

Williamson does not currently present any formal portable skills programmes, but the mine provides continual training in the workplace. Distance learning programmes and short courses are also well attended.

Petra also provides a Study Assistance Scheme, which is available to support employees to obtain tertiary qualifications or other training relevant to their current positions or positions that they can reasonably be expected to hold in the future. This scheme not only promotes employability at the end of a career in mining, or in the event of mine closure, but also provides the opportunity for career progression, thereby qualifying the employee to apply for alternative positions in the Company. Assistance is provided in the form of a service obligation, interest-free loan or study leave.

### Women in mining

Petra recognises the benefits of a diverse workforce and actively encourages women at all levels of the business, an important approach given that the mining industry has traditionally been male dominated.

Breakdown of diversity across the Group in FY 2015:

FY 2015	Men		Women	
	Number	%	Number	%
Board	7	87	1	13
Senior Management	37	97	1	3
Management	185	81	42	19
Employees	3,456	83	704	17
<b>Total</b>	<b>3,685</b>	<b>83</b>	<b>748</b>	<b>17</b>

In FY 2015, the number of women as a percentage of our workforce improved slightly to 17% (FY 2014: 16%).

The number of women in management and senior management positions remained the same as in the prior year, but we are confident that our focus on the advancement of women, including preferential recruitment and selection for development programmes, will increase this percentage in the years to come.

Our aim is to afford women the appropriate training, development and attention to progress within the organisation across all job levels. Petra has a number of initiatives which focus on developing women into managerial positions, such as the LDP, which has since its inception focused on the advancement of women. Furthermore, 55% of the Company's interns are women, while 41% of the Company's scholarship positions are filled by girls from local schools.

In FY 2015, Petra formed a Women in Mining ("WIM") Committee with the aim of creating a platform for women at Petra's South African operations to share experiences, identify challenges in the workplace and to promote development opportunities.

The 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. It meets quarterly and feeds back to the HSEQ Steering Committee.

Short-term goals of the WIM Committee include the review and improvement of hygiene facilities and PPE at Petra's mines; increasing awareness of women's health issues; and education regarding hygiene and health and safety issues.

Longer-term aims include career development and talent management for WIM; hazard identification and risk assessment specific to WIM; consideration of ergonomics and individual comfort features for PPE and other equipment used by WIM; the drafting of a WIM standard for the Petra Group (as well as mine specific standards); and a review of all relevant procedures across the Group, such as those relating to change management and PPE.

Members of Petra's WIM Committee participated in the sixth annual Women in Mining Conference in Johannesburg in February 2015, and Nokuzola Moemise, a Quality Assurance Superintendent at Cullinan, gave a presentation on "Building your career within the mining sector" (see photograph above).



The Ikageng workshop in Kimberley

### Supporting people with disabilities

Petra formed a partnership to support the National Council for People with Physical Disabilities in Southern Africa ("NCPDPSA") in FY 2014 and the first initiative was to restore and reopen the Ikageng workshop in Kimberley. A minibus was also bought and modified for the specific requirements for people with disabilities to transport them between their homes and the workshop.

In FY 2015 we entered into a partnership with the NCPDPSA to create income-generating, self-employment and entrepreneurship opportunities for people with disabilities by establishing a glove-making factory at the workshop.

A co-operative will be registered, with all assets to be registered, managed and insured by the NCPDPSA until full production and profitability has been established.

### Petra partners with the Julian Baring Scholarship Fund (“JBSF”)

Initially an intern with Petra, Jaco Nel is now a Senior Geologist at Koffiefontein and has been identified by Petra as a rising star within the geology department. Petra has therefore partnered with the JBSF, which offers higher education sponsorship opportunities to promising African students, to enable Jaco to do his geology MSc at the University of Cape Town (“UCT”). Jaco tells his story:

My name is Jaco Nel, I am 26 years old and I have a passion for diamond geology.

I grew up in Koffiefontein, and had a happy childhood, with the mine always playing a central part of daily life. My family has a long history of working on the diamond mines in and around Kimberley.

I studied geology at the University of the Free State in Bloemfontein where I obtained my BSc honours degree. Throughout my studies I further developed my passion for diamond geology and was fortunate to have been able to carry out my honours project on the Koffiefontein mine kimberlite, determining its rate of weathering.

After my studies, a position opened up for a geology intern at the mine, for which I applied. My application was successful and I started working on 20 March 2012. This turned out to be a busy time at Koffiefontein with the commencement of the expansion project to deepen the mine to 62 Level.

In February 2013 I was promoted to Geologist and a new geologist intern was added to the team. During 2013 our exploration drilling programme, to determine the depth and extent of our kimberlite pipe, ramped up and we were thrilled to see some new, fresh geology.

In March 2015 I was promoted to Senior Geologist and I am currently studying for an MSc at UCT, which has been made possible due to the partnership between Petra and the JBSF. This means so much to me to be able to continue my studies, as well as progressing my career at Petra Diamonds.

Now is an exciting time for Koffiefontein, With new tunnels in the kimberlite on the 52, 56, 58 and 60 Levels, continued exploration drilling and bulk sampling from the new levels all underway. New information on Koffiefontein’s geology surfaces daily and I am very thankful to be a part this exciting project.



Jaco Nel, Senior Geologist at Koffiefontein

### About the Julian Baring Scholarship Fund

Established in 2000, the JBSF was created in the name of well-known gold fund manager, Julian Baring, in celebration of his two great passions – mining and Africa.

The organisation grants scholarships to deserving students wanting to study mining-related degrees at southern African universities. The applicants come from two sources: direct from the universities or secondment from mining companies, where the JBSF has joint venture agreements for the relevant employees to benefit from the grant of a scholarship.

Since its inception in 2000, the Scholarship has been granted to more than 50 individuals and it is the trustees’ ambition to double the number of students to which it grants bursaries over the next three years.

### Portable skills training continued

To date almost 50% of a total planned budget of ZAR1,150,554 has been spent on this project.

At Williamson, five handcycles were manufactured to improve mobility of disabled local residents, as part of a community initiative programme, and were donated to individuals without the use of their legs.



Handcycles, manufactured at Williamson

### Bursary scheme

Petra runs a bursary scheme in South Africa which focuses on supporting students studying towards qualification in the core disciplines of the mining industry. The bursary covers the cost of the studies as well as accommodation and allowances. The scheme is only available to South African students and forms part of the mines’ SLP commitments.

For the 2015 academic year, the Company is sponsoring 21 full-time bursars and one part-time bursar. In line with our commitment to support the development of HDSAs, the diverse group of full-time bursars consists of 12 African males, five African females, one Indian male, two white males and one white female (85% HDSA). As part of the scheme, students are supported to do vacation work or practical modules at operations as required by their respective institutions.

Williamson does not currently have formal bursar and scholarship programmes in places, but it supports those engaged with self-development programmes to a limited degree.

## Our People

### continued



### Young graduate work experience project

In FY 2015, we launched a project to provide an opportunity for young graduates to gain work experience in the mining and mineral sector, thereby improving their chances of employment. Graduates who recently completed their studies are employed for a period of six months during which they work with similarly qualified employees to gain experience. 11 young graduates are presently participating in this project, of which 91% are HDSAs.

### Learnerships

In South Africa, a learnership is a registered and accredited learning programme which combines practical work experience with academic learning.

The aim of our learnership programmes is to address skills shortages and job vacancies both at our mines and within the mining industry as a whole, with the objective being to increase the pool of available labour.

Learners are recruited from inside and outside the Company. Currently we have learners on a number of programmes ranging from various engineering disciplines (e.g. electrical, fitter, instrumentation, etc.) through to rock breaking and metallurgy.

In FY 2015, a total of 126 employees were enrolled for various programmes ranging from engineering to supervisory learnerships, of which 24 were participating on a part-time basis.

### 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, as well as with the measures to this effect prescribed in other official documents such as the Mining Charter, is therefore mandatory.

We regard employment equity, which is aimed at fostering diversity in the workplace, not only as a mandatory measure but as a moral and business imperative, due to the benefits that well-managed diversity bring. 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.

Established and functional Employment Equity Committees are in place at all of our South African mines in accordance with the Employment Equity Act, with membership drawn from employer and employee representatives. These Committees 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' Employment Equity Plans are aligned to targets set in the Mining Charter.

During FY 2015, the Employment Equity Committees will review Employment Equity Plans and the Employment Equity Policy in order to align them with the amendments enacted on the Employment Equity Act.

During FY 2016, we embarked on the process of developing an Integrated Transformation Framework aimed at focusing activities towards a broader united objective and ensuring a balanced approach towards transformation. The Company further developed comprehensive succession plans to speed up legislative compliance to employment equity at our South African mining operations. In the same vein, regular consultations are being carried out at different operations wherein different unions are represented.

Diversity management workshops were rolled out to all operations in South Africa during FY 2015 and there are plans to roll out further extensive diversity workshops during FY 2016.

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.

No cases related to discrimination were reported or investigated during FY 2015.

### Labour relations

Petra has aligned its labour relations principles with the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and it is also aligned with the relevant legislation in the countries in which it operates, covering areas such as minimum conditions of employment, collective bargaining and dispute resolution.

We respect our workforce's right to exercise freedom of association and collective bargaining across all our operations. Any union seeking recognition is subjected to the same conditions and will be recognised if they have achieved the required threshold of employee membership in our workplace. Union membership across our operations represents 73% of the total workforce.

Our employees in South Africa belong to three unions: National Union of Mineworkers ("NUM"), which represents the majority of our workforce, Solidarity, and the United Association of South Africa ("UASA"). 27% of our South African workforce is not affiliated with any union.

In Tanzania, 84% of our employees are affiliated with the Tanzania Mines, Energy, Construction and Allied Workers Union ("TAMICO"). The provisions of the Employment and Labour Relations Act, 2004 do not allow senior management employees to belong to trade unions that represent the non-senior management employees.

All the operations have dispute and grievance procedures in place for employees, with final recourse to the Commission for Conciliation, Mediation and Arbitration ("CCMA") in South Africa or with the Commission for Mediation and Arbitration ("CMA") in Tanzania.

During Q1 FY 2015, Petra managed to conclude a three-year wage agreement with NUM for their members (A and B-band bargaining unit) in South Africa without a dispute being declared. Furthermore a two-year wage agreement was concluded with Solidarity for their members (C-band bargaining unit) at Kimberley Underground, and a one-year wage agreement with UASA for their members (C-band bargaining unit) at Cullinan. This is indicative of the mature and constructive relationship the Company has with the organised labour.





### Labour relations continued

Labour relations remained stable throughout FY 2015 and to the date of this Report, but the Company remains vigilant and continues to monitor the situation across its South African mines. We believe that dialogue is the key to management of labour operations and we are therefore focused on continuing to communicate openly with our employees, trade unions and local community representatives. To improve employee relations, Petra launched a number of internal communications initiatives and economics training for union representatives in order to empower them with business knowledge.

Petra has successfully conducted Relationship by Objective ("RBO") sessions with the unions at all the South African operations. These sessions were utilised to reflect on the relationships and to develop annual objectives for FY 2016.

### The Itumeleng Petra Diamonds Employee Trust

During the Year, the old Petra Diamonds Employee Trust was re-registered as Itumeleng Petra Diamonds Employee Trust ("IPDET") with broader representation (as Trustees) from different unions and the Company.

The IPDET is one of Petra's black economic empowerment partners and therefore holds a direct ownership in various of the Company's South African operations. This provides the opportunity for all of Petra's South African employees to directly share in the successful development of the mine in which they work.

In December 2014, the IPDET was able to make its first distributions to its beneficiaries – i.e. permanent South African employees and 1,204 'good leavers' (employees who had recently left the Company due to retirement, death, retrenchment or medical boarding).

Employee distributions from the IPDET are expected to be a compelling motivator to drive enhanced employee productivity and accountability, and are therefore a powerful component of our labour relations strategy.

### Employee communications

Our employment policies have been developed to ensure that the Group attracts and retains the required calibre of management and staff by creating an environment that rewards achievement, enthusiasm and team spirit.

Effective communication and consultation is key to this and the Group endeavours to ensure the appropriate level of employee involvement and communication. The objective of communication policies and strategies is the creation of an open and supportive communication culture and climate within the Company, which will facilitate the effective flow of communication both laterally and horizontally within the organisation.

A two-pronged approach is followed to improve workplace communication. The first part encompasses the creation of suitable channels and media for internal communication, which serve to entrench the vision, mission and values of the Company as well as provide employees with relevant and up-to-date communication on operational performance and issues of general concern.

During FY 2015, the following communication methods were employed to keep employees informed with regards to Company related and other relevant matters:

- ▶ employee-only intranet (using the SharePoint platform), which gives access to all Group policies and procedures, information on key personnel and who to contact should an employee have a specific query or concern;
- ▶ digital display screen 'kiosk' system, installed at certain of the operations in FY 2015 (with further roll-out to others scheduled for FY 2016), which enables employees who were previously not exposed to the Company's intranet with access to SharePoint;
- ▶ monthly management briefings produced by the mines, which are used to update employees on progress and inform them about achievements, changes and policies. Both monthly and special briefs are regarded as the primary means of official communication with employees, and the briefing and discussion of the document with all employees is regarded as compulsory (vis-à-vis the optional nature of other communication channels);
- ▶ Group and operation-specific publications/newsletters, highlighting key developments and providing insight into areas such as integrity, accountability, personal finance, safety and wellbeing; and
- ▶ Special employee briefs are distributed when issues of high importance and/or urgency, which cannot stand over to the next monthly brief, need to be communicated.

The second part involves empowering employees, notably those in supervisory positions, with the necessary communication skills via training which is fully aligned with the philosophy and principles of the Communication and Public Relations Policies. Partial training of relevant personnel has commenced but the process was hampered in FY 2015 by a lack of available resources. However, with the establishment of an additional Communications Practitioner, an opportunity exists for this situation to be rectified in order for the necessary training to take place.



## Our People

### continued

#### Accommodation and living conditions

Lack of available housing in South Africa is a challenge facing many businesses, including Petra. In accordance with the South African Mining Charter, Petra has developed an accommodation strategy which is organised at an operational level. Each mine has its own policy regarding the accommodation it provides.

In FY 2015, 352 employees (10% of our South African workforce) were accommodated in hostels, down from 15% in FY 2014, with significant decreases due to the downscaling at Helam, offset by substantial increases in the number of those in hostel accommodation at Finsch due to the increase in number of contract employees for the expansion project. This number is expected to decrease again once the project has been completed.

Mines	Hostel (room sharing)	Single quarters	Percentage of the workforce
Finsch	—	314	30%
Cullinan	—	5	0.4%
Koffiefontein	—	15	3%
Helam	18	—	26%
<b>Total</b>	<b>18</b>	<b>334</b>	<b>10%</b>

The Group has established an Accommodation and Housing Task Team ("Task Team"), which comprises representatives from management and all recognised trade unions. Following an extensive consultation period, the Task Team finalised, the PD-AHOS, which was introduced at the beginning of FY 2016.

The purpose of the PD-AHOS is to make home loan financing more accessible and affordable to employees at the lower end of remuneration scales. With this scheme, the Company (in partnership with certain commercial banks) aims to enable employees to gain access to home loan finance (capped to a maximum value), subject to the employee qualifying according to the criteria and being creditworthy.

Further conditions include that the house to be built or bought should be the employee's primary residence and be situated within a 30 km radius or within a daily commute of Petra's South African operations.

In addition to administrative and procedural support by the mines' Human Resources departments, assistance provided to participants in the scheme includes:

- ▶ a zero percent deposit is needed;
- ▶ preferential interest rate reductions of up to 1.5% depending on credit score;
- ▶ access to a 105% home loan (including registration costs subject to credit approval);
- ▶ a Petra Diamonds South Africa backed corporate guarantee to the value of 20% of the total loan to value facilitating reduced interest rates;
- ▶ discounts of up to 30% on bond registration costs, depending on credit score;
- ▶ facilitation of the South African Government Finance Linked Individual Subsidy Programme ("FLISP") by a bank or the Company as applicable; and
- ▶ debt management, including debt counselling, to improve employees' creditworthiness.

Petra also provides participants with a monthly subsidy, additional to the existing housing allowance that the employee might receive, for a period of 48 months.

About 68% of employees at Petra's South African operations could be eligible to apply for participation in the PD-AHOS, subject to credit approval by the banks.

In Tanzania, Williamson provides accommodation for all permanent employees and some contractors, and in Botswana, tented field camps accommodate employees on field operations.



# Environment

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Landscape around the Finsch mine in South Africa



## Environment

# Protecting the environment

We aim to continually improve our environmental management systems and promote environmental awareness amongst our employees and the communities in which we operate.

## Overview

- ▶ We recognise that our value emanates from the natural world; therefore, protecting the environment in which we operate is integral to how we run our business.
- ▶ We acknowledge that the efficient management of water is a significant environmental risk.
- ▶ Managing our energy usage and the related generation of greenhouse gases are environmental and business imperatives.
- ▶ Concurrent rehabilitation is implemented across all our mines to protect the long-term viability of the land after mining operations have ceased.

## Achievements

- ▶ Improvement of our centralised environmental legal register, providing information on all legislation applicable to our operations and thereby empowering management to take responsibility of relevant areas.
- ▶ 17% reduction in our carbon emission footprint in FY 2015 from the FY 2013 baseline.
- ▶ Continued focus on energy and water efficiency measures across the operations, resulting in a 4% improvement in energy efficiency per tonne and a 10% improvement in water efficiency per tonne.
- ▶ 48% of all water used in our diamond recovery processes was recycled.
- ▶ No major environmental incidents during the Year.
- ▶ Williamson achieved the Presidential Award for Regional and District levels on environmental and forest management.

## Challenges

- ▶ South Africa and Tanzania both face power supply constraints currently, but the issue is more acute in South Africa where the challenges facing the state electricity provider, Eskom, have been well publicised.
- ▶ Ineffective waste management in the underground operations poses a challenge with regards to the potential contamination of ground water.
- ▶ Inaccurate or faulty water flow meters pose a challenge regarding the recording of accurate consumption volumes and the results of efficiency projects.

## Objectives for FY 2016

- ▶ Continue to maintain ISO 14001 certification at the South African mines and to maintain a similarly high level of environmental performance at the Tanzanian and Botswanan operations.
- ▶ Improve waste management with standardised waste classification and handling systems for the underground operations.
- ▶ Standardise the format of Conceptual Closure Plans and Rehabilitation schedules across the Group.
- ▶ Continued focus on management of water, energy and our carbon footprint.
- ▶ Review our operational water strategies and develop predictive water balances at the South African operations.
- ▶ Reduce the number of serious environmental incidents.
- ▶ Reduce the carbon footprint of the organisation by 1% per year (tCO<sub>2</sub>-e/Ct) from FY 2013 levels.
- ▶ Restrict the total water consumption of all operations to below 1.55m<sup>3</sup>/t.

## Our approach

We recognise the need to conduct our operations in an environmentally sustainable manner by using resources responsibly, protecting and restoring the environments in which we operate and mitigating the impacts of our operations.

Environmental responsibility is integrated into our strategic planning, management systems and daily activities.

The main environmental risks to our operations are:

- ▶ unsustainable energy consumption;
- ▶ changes in vegetation dynamics and degradation of faunal habitat; and
- ▶ the impact of climate change, in particular affecting the availability of water.

In order to manage these risks and the environmental impacts of our operations, we monitor our environmental performance in the following areas:

- ▶ resource consumption;
- ▶ energy consumption;
- ▶ carbon emissions;
- ▶ waste management;
- ▶ biodiversity and land management; and
- ▶ rehabilitation and closure procedures.





## Our approach continued

We are committed to full environmental legal compliance in the countries where we operate. In addition to this commitment, our Group Health, Safety and Environmental Policy ("the Policy") sets out our commitment to achieving a high standard of environmental performance across all our operations. The Policy provides guidance on our Group Health, Safety and Environmental ("HSE") objectives and key performance areas.

At an operational level, an Environmental Management System ("EMS") is in place for each mining licence, detailing processes for environmental risk identification and the implementation of action plans to mitigate the impacts of our activities.

All our underground pipe mines are ISO 14001 certified, while Williamson has an EMS compatible with ISO 14001 and shares the same goal of continual improvement as the certified mines.

## Environmental audits

All our operations are subject to regular internal and external environmental audits, with the below four types of audits performed at Petra:

- ▶ Legal Compliance Audits undertaken by external specialists every two years;
- ▶ EMP Performance Assessments at our South African operations carried out by external specialists at least once every two years;
- ▶ internal Environmental Management Audits performed internally on an annual basis; and
- ▶ external ISO 14001 Audits performed by the independent certification body, BSI, on certified operations at least once per year.

## Licensing and permits

A host of licences, authorisations and permits are required at our operations, particularly from an HSE perspective. The Group monitors the need for, and periods of validity of, such permits on an ongoing basis and there is continual interaction with the authorities in this regard.

## Water use licences

In South Africa, mining operations are required to follow the integrated water use licence application ("IWULA") process. Petra has therefore filed for IWULAs with the South African Department of Water and Sanitation ("DWS") for all relevant operations. These IWULAs are in various stages of finalisation and are subject to ongoing interaction between Petra and the DWS.

We are pleased to report that the IWUL for Kimberley Underground was issued in May 2015. With regards to the other South African operations, as a consequence of the transitional

provisions in the relevant legislation referring to water use, when considered together with the length of time for which the Petra's mines have been in operation and using water, previous water rights or permits remain effective until the new IWULs are granted. Petra remains materially compliant with respect to water use for its operations.

In Tanzania, permits have been issued for water extraction for use in our operations. These cover the extraction of a total of 26,870m<sup>3</sup> per day from three dams.

## Environmental management programmes

All operations have approved Environmental Management Programmes ("EMPs") in place. These EMPs consist of an Environmental Impact Assessment ("EIA") covering all phases of mining, action plans to address impacts during the operational phase, closure objectives for implementation during the life of mine execution, and awareness programmes to foster a culture of 'global awareness' amongst employees.

The respective EMPs relating to our operations have all been approved by the various relevant authorities and are continually updated as required.

## Environmental incidents

We aim to minimise environmental incidents at all our operations and have put in place 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.

A total of 3,074 environmental incident reports were submitted during the Year, demonstrating the environmentally conscious nature of our employees and the fact that they are encouraged to report potential impacts. Incidents included water leakage, hydrocarbon spillage and waste management issues, and our ability to prevent environmental degradation is dependent on them being reported in a timely manner.

During FY 2015, eight serious (i.e. those classified within the 'medium', 'high' and 'major' categories) environmental incidents occurred at the Group's South African operations; see page 59 for detail. These were reported and appropriate remedial action was taken timeously in order to minimise some or all of the environmental impact that may have been caused. These incidents were brought to the attention of the HSSE Committee and the Petra Board.

No fines were issued to Petra for environmental infringements during the Year.

## Environment

continued



Thihanedzwi Ratshibvumo, Environmental Specialist at Cullinan

“I would like to play a role in developing a company and country that is sustainable and well managed, with an integrated system that ensures outstanding environmental management.”

### Q&A session with Thihanedzwi Ratshibvumo, Environmental Specialist at Cullinan

**Why did you become an environmentalist?**  
Growing up in a rural, mountainous and biodiverse village motivated me to value and take care of the environment. My mother and father were both village environmental conservationists, preventing unauthorised tree cutting in the villages, which further grew my love and passion to be an environmentalist.

### What, in your experience, do you perceive to be the biggest challenge for environmental management in the South African mining industry?

The transition and change that is required for people to adapt to environmental legislation and systems compliance.

### What do you perceive to be the biggest advantage of working in this sphere?

Taking care of Mother Earth – being responsible for her conservation and ensuring that we define and then act upon all efforts to achieve this goal.

### If you could change anything in the legislative framework to improve the effectiveness of environmental management, what would it be?

I would integrate legislation to ensure its consistency and the effectiveness of its implementation. I would also promote awareness of relevant legislation amongst communities.

### What are your wishes for the future?

I would like to play a role in developing a company and country that is sustainable and well managed, with an integrated system that ensures outstanding environmental management.

### What advice would you give your teenage self?

Our environment is our life. Pursue this career – take care of the environment and ensure you bring change in the environmental field.

## Performance

### Human resources

Appropriate levels of staffing at Petra, consisting of employees who are not only competent but passionate about their work, is vital to ensuring high levels of environmental management across the Group.

The environmental team has seven employees with post-graduate degrees in environmental management and a further seven graduates.

### Resource usage

We require a range of natural resources across our mines and therefore recognise the importance of using resources responsibly, with the aim that materials are re-used or recycled wherever possible.

The main materials used at our operations are ferrosilicon (“FeSi”), lubricating oils, grease and steel. A breakdown of materials used by weight or volume can be found on page 61.

## Water usage

Water is a scarce resource and, due to the water intensive nature of Petra’s operations, its management has been identified as one of the Company’s most significant environmental risks. Changes in temperature may affect the availability of raw water for treatment processes and impact on natural water sources that sustain the communities around our operations. Petra is therefore committed to utilising water responsibly and efficiently.

During the Year, Petra implemented a comprehensive Group Water Management Strategy with the aim of improving water use efficiency and eliminating potential contamination. Our operations regularly monitor and manage water consumption and quality. Inspections and audits are performed internally to identify shortcomings in our resource management processes and action plans are communicated to rectify any shortcomings.

### Testing bio-filtration as a water purification strategy at Cullinan

Every kimberlite is unique, not only according to its diamond profile but also according to its mineralogy profile.

The Cullinan kimberlite is known for its micro-fine clay particles, which stay in suspension, making conventional methods of water purification impossible.

The fine clay particles in suspension do not react with any type of flocculent (chemicals used to separate solids from water) and, whilst ultra-filtration methods and membrane technology work, they are extremely expensive and leave behind a concentrated salty brine in need of additional management and disposal.

Nature's capacity to filter water is therefore being harnessed at Cullinan with the investigation into bio-filtration methods to purify water, with some success. A series of methods were applied to see how effluent quality can be improved, and if it can be improved to such an extent that it can safely be released downstream to supplement the 'Crocodile water' catchment, a stressed local water source.

One of the methods applied was to use compost as a filtration system. The effluent was recycled by using a small water feature pump, and was considerably clearer after this treatment method, and the heavy metals and other micro elements naturally occurring in kimberlite rock (iron, aluminium, fluoride, zinc and copper) were removed.

However, the volumes of clay clog the compost filter system very rapidly. An upside to this is that clay saturated compost can be applied in coarse tailings rehabilitation. The treated effluent would need some further refinement as it is high in phosphates and nitrates, which could be achieved using nutrient-absorbing plants.

The trials indicated that it is possible to apply bio-filtration methods for effluent treatment but that the system needs further refinement before it can be economically applied on a broader scale.

Effluent at Cullinan before filtration:



Effluent at Cullinan after filtration:



### Water usage continued

#### Water withdrawal by source in FY 2015

Total water used by our operations in FY 2015 decreased by 4% to 39,442,203m<sup>3</sup>, or 2.02m<sup>3</sup> per tonne treated, an efficiency improvement of 10% (FY 2014: 40,995,687m<sup>3</sup>, or 2.24m<sup>3</sup> per tonne treated). The lower volume of water consumption is attributed to increased awareness on water conservation, the implementation of recycling/re-use initiatives and the improved reporting of consumption from all mines.

It is expected that water consumption will increase in the future as our operations are expanding, but Petra is targeting a reduction in water consumption on a per tonne basis, with a medium-term objective of 1.55m<sup>3</sup>/t to be achieved by 2020.

During the Year, the consumption of raw water slightly increased by 2% to 8,602,003m<sup>3</sup> (FY 2014: 8,462,781m<sup>3</sup>). The percentage of water recycled was marginally lower at 48% for FY 2015 (FY 2014: 52%). These changes are mainly attributed to the commissioning of the Wesselton Plant at Kimberley Underground and improved accuracy of water monitoring data by replacing or repairing faulty water meters.

A further initiative to improve water recycling was carried out at Kimberley Underground, where additional technology was installed at the processing plant to extract more water from the coarse waste.

Harmful reagents are not used in the processing of ore to liberate diamonds; however, dust and iron silicate do become trapped in the water as suspended solids. Wherever possible, water is recycled following the removal or reclamation of solids, reducing the environmental impact of our operations and improving operational efficiency.

Read more on water withdrawal in the Supplementary Information section on page 59 and 60.

#### Water scarcity

There has been no impact related to water scarcity on any of the communities in which we operate.

Ground water dewatering volumes fluctuate due to seasonal variation, with the biggest fluctuations noticed in the Kimberley area.

#### Water monitoring

All operations have formal monitoring networks and schedules and surface and groundwater is monitored for quality and quantity at regular intervals ranging from monthly to biannually, depending on the operation's risk profile.

The Williamson mine has the only water treatment plant in its district and distributes potable water to the mine village and local communities through controlled water points. The potable water is sampled in accordance with the standards and requirements of the Tanzania Bureau of Standards.



# Environment

continued



## Water usage continued

### Water discharge

Each of our mines except Cullinan operates a closed water system. Due to the fact that planned discharges from Cullinan have elevated salt levels, ongoing attention and management intervention at the mine is required. We continuously invest in research at Cullinan to identify sustainable water treatment options such as phytoremediation, bio-filtration and coagulation. See case study on page 41.

Read more on water discharge in the Supplementary Information section on page 60.

### Climate change and energy usage

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 represent to our business, we will be able to manage our assets in the most economically and environmentally sustainable manner possible, thereby giving Petra a competitive position within the industry.

Climate change has potentially significant implications for our business, particularly as a result of governmental policy measures and the physical impacts of a changing climate, such as water or energy scarcity.

As part of our global citizenship responsibilities towards carbon reduction, the Executive team is charged by the Board to implement and promote a carbon reduction strategy focused on the following goals:

- ▶ increase economic viability through energy efficiency;
- ▶ improve the security of energy supply by decreasing dependence on non-renewable energy;
- ▶ invest in the development of biophysical carbon sequestration strategies; and
- ▶ improve stakeholder awareness and education, in order to promote environmental sustainability.

Diamond mining is less energy intensive than other types of mining, particularly since it does not require a chemical process to release diamonds from the ore. However energy consumption (specifically electricity and diesel) remains a significant component of our cost base, representing 17% of total cash on-mine costs in FY 2015. Such fossil fuel energy sources are recognised as finite and therefore likely to become increasingly scarce over time. As a result, Petra's short to long-term strategy is to reduce reliance on such energy resources and specifically to minimise its overall energy usage wherever possible.

This is an environmental and an economic prerogative, but it also makes sense given that our local operating climates in South Africa and Tanzania currently face energy challenges. In particular, Eskom's energy supply issues in South Africa have been well publicised and Petra is therefore installing backup generator power at Finsch, Cullinan and Koffiefontein, which can keep the mines running in the event of a request by Eskom for a Stage 1 or 2 load reduction.

There were no changes to Petra's business model over the Year, so no new substantial business decisions were influenced by the climate change driven aspects of the strategy.

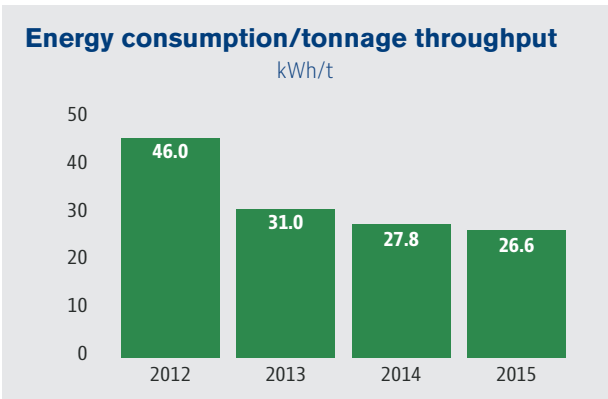
The majority of energy used at Petra's operations is externally supplied, primarily by South Africa's national power utility, Eskom, and its equivalent in Tanzania, TanESCO.

### Direct energy consumption

Petra's total electricity usage for FY 2015 increased by 2.3% to 520,177,093kWh (FY 2014: 508,310,351kWh), a good achievement given the 9% increase in Petra's tonnage throughput for the Year.

See a breakdown of direct energy consumption by source in the Supplementary Information section on page 62.

The Group also continued the trend of decreasing its energy consumption per tonne by achieving a 4% reduction in energy consumption per tonne in FY 2015:



This improved performance is attributed to the continued focus on energy-saving initiatives across the operations. All our operations monitor energy usage via accurate real-time energy measurement and equipment controls and we plan to expand on the number of energy meters installed within the next two to three years. This will enable the operations to measure individual processes for individual quantification of energy usage.



### Climate change and energy usage continued

- Various energy efficiency initiatives were undertaken at our operations during the Year, including:
- ▶ continuous roll-out of high efficiency motors at all operations, with IE2 premium efficiency motors having been installed and IE3 premium high efficiency being installed currently;
  - ▶ replacement of all incandescent and fluorescent lights with LED lights; CFLs are replaced with LED bulbs as they become redundant;
  - ▶ installation of variable speed drives ("VSD") where applicable, this includes VSD installations on all conveyer systems;
  - ▶ installation of heat pumps and solar heating systems at change houses, including the replacement of old shower heads with energy efficient (low flow) heads;
  - ▶ optimisation of the control of all the Power Factor Correction banks at all operations to ensure optimal performance. All newly installed motor control centre panels are fitted with low-voltage power factor correction to refine control; and
  - ▶ load management carried out through the real-time energy management system, monitoring the maximum demand in the control room to ensure that systematic plant start-up and hoisting during peak times is limited to a minimum.

As noted previously, the underground expansion projects (including Cullinan C-Cut Phase 1, the Finsch Underground sub level cave ("SLC") and Koffiefontein SLC installations) have been designed to ensure the most energy efficient operations possible. The new Cullinan processing plant has been designed with energy efficiency at its core, incorporating the newest and most effective technology and processes.

During the Year, we investigated additional projects to improve energy efficiency at our operations. This included the potential installation of a 5 MW photovoltaic plant (using solar power) at Koffiefontein. However, the current costs of the associated technology were found to be prohibitive. As the technology matures it is envisaged that the pricing will go down and we are still actively searching for more competitive pricing structures to be able to implement this project. Management has decided to install mills at Koffiefontein which are expected to significantly reduce the plant's energy usage, with anticipated reductions of circa 40%.

### Carbon emissions

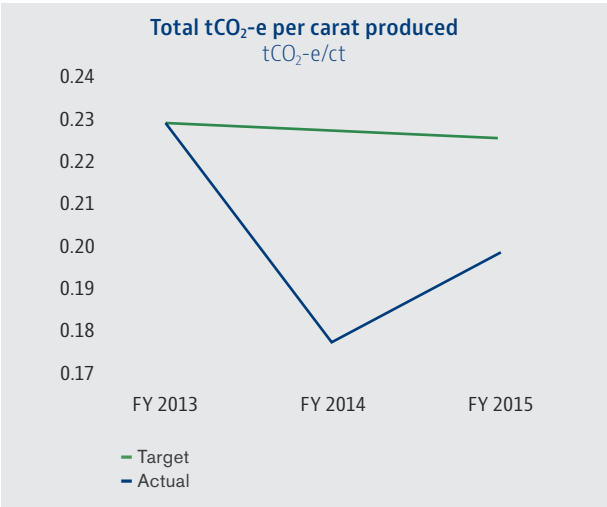
Petra has been reporting carbon emissions since FY 2012 and though Petra is not a UK-registered company, it decided it was important to also adhere to the new requirement for UK companies to fully report on their GHG emissions and has therefore committed to this for the Group in FY 2016. Management reevaluated its original goal to move to full reporting in FY 2015 in the context of the materiality assessment process that will be conducted in FY 2016 (as part of the Group's transition to GRI-G4 reporting) and considered this a more prudent stage to advance its GHG emissions reporting.

For data see page 62 of Supplementary Information.

Petra also reports to the Carbon Disclosure Project ("CDP"), demonstrating its commitment to transparency in this important area.

In FY 2015 Petra's total carbon emissions increased by 2.7% to 578,073 tCO<sub>2</sub>-e (Scope 1 and 2 activities only) (FY 2014: 562,935 tCO<sub>2</sub>-e). This slight increase is attributed to the expansion projects currently underway and the resultant increase in electricity use.

However, our carbon intensity per tonne (total tCO<sub>2</sub>-e per production tonne) for Scope 1 and 2 activities improved from 0.031 tCO<sub>2</sub>-e/t in FY 2014 to 0.030 tCO<sub>2</sub>-e/t in FY 2015. This is a 17% improvement from the FY 2013 base year. See page 62 for a breakdown of our carbon emissions by operation.





Environment  
continued

Climate change and energy usage continued

Operation	Intensity measure (Scope 1, 2 and 3) (tCO <sub>2</sub> -e/t) FY 2015
Finsch	0.04
Cullinan	0.03
Koffiefontein	0.07
Kimberley Underground	0.05
Williamson	0.01

The Group’s target of a 1% reduction in its total carbon emissions per carat per annum over the five years subsequent to the FY 2013 base year was easily achieved.

The Company continually investigates further energy-saving initiatives via direct engagement with its suppliers, who supply relevant data during tendering processes, as well as taking on board contractor manuals for implementing energy efficiency projects at asset level. Petra also has close co-operation with the original equipment manufacturers on the specifications of products supplied to the assets, with our priority being to introduce energy efficient equipment as well as to reduce the usage of carbon combusting machinery. Success is measured as part of the annual carbon reduction strategy, as reported to the CDP.

Stakeholder engagement is also conducted through various employer organisations (such as the Chamber of Mines in South Africa) and by serving on various policy committees within the mining industry. The priority is to promote the development of low-carbon energy sources. Although difficult to quantify, success is measured by the number of influencing interventions (such as meetings, interviews, discussions, etc.) per annum.



Local initiative to recycle wood from Koffiefontein

Izak Hartzer and Lukas Moruping, two members of the local community near the Koffiefontein mine, have taken the initiative to recycle old wood discarded by the mine in a very special way, by manufacturing high quality and unique wooden furniture.

Izak, known by locals as “Oom Sakkie” (Uncle Sakkie), and his business partner Lukas started working together about five years ago and today their venture is thriving and their furniture distributed as far as Johannesburg and Pretoria. Lukas admits that Izak taught him everything that he knows and loves about wood and Izak just smilingly comments that Lukas is a hard worker.

About a year ago Ester van der Westhuizen-Coetzer, the Environmental Specialist at Koffiefontein, stumbled across examples of the duo’s handwork at a local coffee shop where it was on display for tourists passing through the town. After contacting Izak she realised that they could make use of all the wood that the mine would otherwise discard as waste.

The mine decided to assimilate the work of the carpenters into their recycling project and have since been offering used wood to Izak and Lukas for their business. Izak and Lukas remove wood from the waste yard at Koffiefontein on a monthly basis and use it to manufacture their exclusive and unique furniture, which can be specially commissioned.

This rewarding collaboration with the local community proves that recycling can in some cases transform waste into beautiful pieces of art.





The secretary bird has been listed as a vulnerable species



### Secretary bird project

The secretary bird is a charismatic raptor that is easy to identify due to its long legs and body shape and quill of head feathers. The secretary bird lives throughout sub-Saharan Africa and its preferred habitat is the grasslands, but it avoids areas where the grass is too long.

Recent evidence has shown that there is a decline in many parts of the species' range and this is mostly due to habitat degradation, disturbance, hunting and capturing for trade. The secretary bird has therefore been listed as vulnerable on the International Union for Conservation of Nature red data list since 2011.

In 2012, Petra went into partnership with BirdLife South Africa regarding the conservation of this bird species. Further to this agreement, Petra became the species champion for the secretary bird for three years, donating a fixed amount for the full term towards the conservation programme for these birds. In addition Petra also funded four transmitters to be attached to secretary bird chicks. These chicks could then be monitored over a period of time and data on habitat preference and migration of the birds could be obtained. When the birds die, corpses can be located and the cause of death can be recorded.

Since the programme started, 11 chicks received transmitters of which two were sponsored by the Petra Group. The total number of data points that were downloaded from the 11 birds with transmitters was 43,933.

This project has been a success in that it has served to collect much valuable information that can be used to conserve the species. cursory analysis of the tracking data received to date indicated that grasslands on farms are extensively used by secretary birds, whereas a very small percentage of birds tracked used formally protected areas such as the national parks and nature reserves.

This data shows the importance of involving and educating farmers in the conservation of this species. Collaboration with farmers to conserve secretary birds can have a valuable conservation result on this project which in turn can secure a long-term future for the secretary bird in South Africa.

The second phase of this project, where transmitters will be fitted to wild adult birds, is about to be initiated. In order to assist with the development of the techniques to catch adult birds safely, expert advice must be obtained. It was decided to include Malcolm Wilson, an expert in raptor ringing and capturing, to assist with this part of the project. The aim is to target birds within a range of areas.

Petra has decided to extend funding of this project for another three years to ensure its success.

# Environment

continued

## Land management and biodiversity

We recognise that our activities have an effect on the biodiversity of the regions in which we operate and we aim to monitor these impacts to protect our local habitats. A process has been initiated to standardise our approach to concurrent rehabilitation, with the aim of improving the environmental condition of the areas in which we operate upon completion of our activities, including the instigation of a beneficial alternative land use with higher biodiversity.

Each operation's Environmental Management System 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. The importance of alignment of environmental management plans, conceptual closure plans and rehabilitation schedules cannot be emphasised enough as all of these plans work together to a common goal: remediation of our biodiversity. A Mine Closure and Rehabilitation Specialist was appointed in FY 2015, whose responsibility includes the co-ordination of the above mentioned processes.

None of our South African or Tanzanian operations are located in or adjacent to protected areas. The Williamson operation is, however, situated in the greater Serengeti area which is renowned for its biodiversity.

Approximately 3,577 km² of land under exploration licence by Petra is located in Botswana's Central Kalahari Game Reserve. Although not rich in species diversity, this area is still noted as sensitive and therefore special measures are in place to protect the native fauna and flora.

As part of our Group Environmental Management Strategy, studies are undertaken to identify indigenous fauna and flora before the development of greenfield areas and measures are taken to protect endangered species. These measures include the relocation of the species, sometimes to 'no-go' alternatives, as was the case of the 'Cullinan Ant', the new species of ant identified in 2001.

As part of Petra's commitment to conserve our biodiversity, protected habitats are established for local vegetation and wildlife. Operations at Finsch, Cullinan and Koffiefontein



have established ecological reserves totalling over 6,700 hectares. Williamson maintains a large forest reserve of some 906 hectares that protects the indigenous biodiversity. In addition, Cullinan recently identified an area within the current mining zone that is classified as 'Vulnerable' within the Gauteng province. Plans are underway to fence off the area from the production site and develop it into an awareness garden that can be used by local schools.

## Rehabilitation and closure plans

Of the approximately 5,400 hectares of land disturbed by Petra's operations, 445 hectares are undergoing rehabilitation and a further 436 hectares (FY 2014: 28 hectares) have already been rehabilitated. As previously mentioned, concerted measures are in place to improve these efforts by developing rehabilitation strategies for all our operations.

All of our mine sites have revised and updated their environmental closure liabilities in line with legislation and have Conceptual Closure Plans in place.

Read more about land disturbed or rehabilitated on page 63.

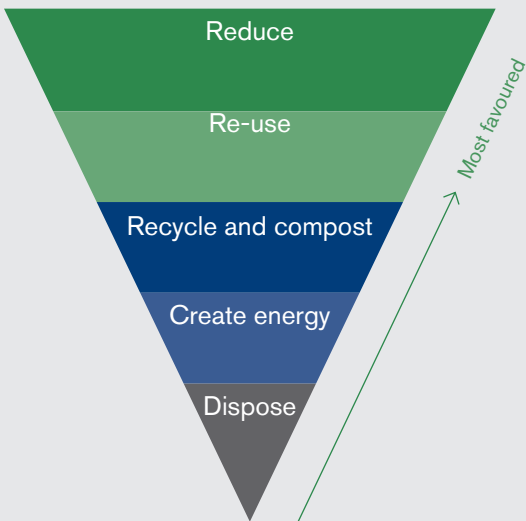
## Waste management

The effective management of waste is an environmental priority for Petra. The Group has implemented procedures to assist with waste management and disposal and regularly monitors these procedures. We optimise the recycling of waste generated at our operations and strive to prevent wastage as part of the international waste hierarchy, as depicted opposite.

Petra recycled 6,294t of waste during the Year (FY 2014: 83,000t), which is testament to the concerted effort being made across the Group.

Petra adheres strictly to the Basel Convention as no industrial waste or hazardous waste is shipped or transported over international borders as part of the Company's operations. All waste generated by the Company is recycled or disposed within the country of origin. No waste is imported either.

View the table indicating the volume of waste disposed of during the Year, as well as recycling initiatives per operation, on page 61.





## Community

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Bontle Khomojong, a student at Reikaeletse Secondary School which is supported by Koffiefontein



# Positive local relationships

Given that our mines are mostly located in remote areas, they play an important role in their local communities, and in some cases present the only major economic activity.

## Overview

- ▶ Positive relationships with the local communities around our operations are vital to securing support for our activities and maintaining our social licence to operate.
- ▶ As one of our primary stakeholders, contributing to these groups in a meaningful, sustainable and long-term manner is central to our strategy.
- ▶ Our community development efforts are focused on sustainable job creation, poverty alleviation, skills transfer and enterprise development.

## Achievements

- ▶ Continued optimisation of engagement and co-operation with our stakeholders.
- ▶ Commencement of the establishment of the Petra Diamonds Foundation, a Company social investment vehicle.
- ▶ Continued development of our integrated approach to enterprise development.
- ▶ Implementation of a number of education-related projects in host communities.

## Challenges

- ▶ Implementation of a consistent Group-wide stakeholder engagement approach.
- ▶ Management of community expectations, particularly regarding the delivery of social services.
- ▶ Effective and frequent communication with communities to fully inform them about our operations and to correct any misconceptions.
- ▶ Postponement of certain Local Economic Development ("LED") projects due to delays in engagement with stakeholders.

## Objectives for FY 2016

- ▶ Continued implementation of a comprehensive and professional Stakeholder Management and Engagement Plan for each operation, which will then inform the Group level SMEP and corresponding Group policy.
- ▶ Further development of the Petra Diamonds Foundation.

## Our approach

Developing and maintaining positive relationships with our host communities is a priority for Petra. Our mission is to unlock value for all our stakeholders, and our involvement in community development therefore aims to contribute to alleviating the most critical needs in our local communities and to creating life-changing opportunities for community members.

Our operations are predominantly located in regions of relatively low levels of socio-economic development and high unemployment, and therefore our most important contribution to these areas is the provision of sustainable employment and the associated economic impacts of our operations.

The significant capital that Petra has committed to extending the lives of its mines will therefore serve to ensure sustainable employment for our employees and contribute to the lasting viability of the communities surrounding our mines. This is augmented by initiatives such as locally focused employment and developing local suppliers to a level where they can supply products and services to the operations.

Partnerships established with Government, communities, NGOs and educational institutions contribute to ensuring the optimal impact of our initiatives. We place emphasis on a long-term approach to corporate social investment to ensure its sustainability, particularly in the sphere of education, where a focus on learning and skills development is at the core of our approach.

At our South African operations, the mines' Social and Labour Plans ("SLPs") prescribe some mandatory social expenditure as part of the Mining Rights awarded. However, we aim to go 'beyond compliance' by providing support to community stakeholders over and above what is required in terms of these mandatory requirements.

## Assessing and managing our impacts

Assessing and managing our impacts is guided by a combination of meeting country legislation, identification of and consultation on material issues with our stakeholders, review of Company performance, and internal and external audits.

## South Africa

The mining industry in South Africa is highly regulated and is traditionally considered to be a key sector contributing to sustainable national development.

The approval of a Mining Right in South Africa is dependent on various documentation, including an agreed SLP, which defines the operation's obligations in terms of social, labour and community issues. This forms the basis for its social and labour-related activities and performance indicators over a five-year cycle, following which a new SLP needs to be consulted with stakeholders and approved by the DMR. As the Mining Rights of our South African operations were awarded at differing times, their SLPs are at different stages within the respective five-year cycle.



### Assessing and managing our impacts continued

Additionally, each operation is subject to the targets set out in the Mining Charter (which is being revised), as well as other laws and regulations such as the Employment Equity Act, the Broad-based Black Empowerment Act and various codes. The SLP for an operation is generally drafted to incorporate some of the targets of the Mining Charter relating to human resources development ("HRD"), employment equity ("EE"), preferential procurement, local economic development ("LED") and housing.

Each operation reports annually to the DMR through the submission of a Mining Charter Report and an SLP Report, outlining progress made towards relevant set targets. Additionally, legislation provides for an annual audit by the DMR. During these audits, various external stakeholders, including municipality and labour representatives are present in addition to representatives from the DMR.

#### Tanzania

Petra's approach to corporate social responsibility goes beyond regulations and therefore, whilst Williamson, in Tanzania, is not subject to any specific legislation in this regard, we are committed to active and transparent stakeholder engagement as well as striving to make a positive impact on our local communities.

Williamson's Community Development Programme ("CDP") continues to focus on three development areas: community development, community initiatives and community support, thereby ensuring that the mine adequately addresses local community development issues at different social levels.

#### Botswana

Our exploration operations in Botswana are still at a relatively early stage and we have therefore not yet adopted a formal community development approach. However, Petra Diamonds Botswana's comprehensive HSEQ Policy Guidelines and Due Diligence Checklist make provision for the continued assessment of any impact of its drilling programme and development work.

### Community and stakeholder engagement

Petra is currently significantly enhancing its approach to consistent and effective stakeholder management, in order to build on the robust processes covering engagement that we already have in place across the Group.

Comprehensive and professional SMEPs are in the process of being put in place for each of the operations, and these will in turn inform the compilation of a formal Group Petra Stakeholder Management Policy.

Integrated into this process is our transition from the GRI-G3 reporting standards to the GRI-G4 standards, which allow companies to move away from a full disclosure approach towards placing a much greater emphasis on materiality. An important part of the development of the SMEPs and the transition to G4 involves a materiality assessment, whereby we will survey both internal and external stakeholders about what they perceive to be the key sustainability issues relating to our operations, and a Social Impact Assessment ("SIA") for the South African operations.

We have appointed a specialist independent consultancy to assist with these projects, which will run for the course of FY 2016. This will enable Petra to report as per the GRI-G4 standards for our 2016 Sustainability Report. Read more on page 15.

Training has been provided to Social Compliance personnel as well as other officials in order to establish a consolidated and integrated approach towards stakeholder management and engagement. To expand the reach of the methodology developed and make the SMEPs more inclusive, additional training is provided to officials from other disciplines, including the Social Compliance Practitioners who joined the Company during the second half of FY 2015.

Petra launched its Social Compliance Matrix across all operations during FY 2014. This comprehensive document, which was compiled with the input from all operations as well as the Group as a whole, reflects all stakeholder meetings and is aimed at ensuring that a consistent approach to stakeholder engagement is followed by all operations, especially where internal stakeholders are involved.

### Responding to issues

During the Year, Petra engaged with its primary stakeholder groups on a regular basis. An important part of this engagement is noting community issues and providing feedback in a timely manner, in accordance with each operation's SEMP.

The Company's programmes and community projects are revised continually to incorporate issues raised wherever possible. Where appropriate and within their area of control, matters are elevated to relevant Government departments and organisations for assistance and/or resolution.



Key stakeholder issues recorded in FY 2015

OPERATION	ISSUE	OUR RESPONSE
Finsch, Cullinan and Koffiefontein	<ul style="list-style-type: none"> <li>Allegations that contractors do not employ local residents</li> <li>Contractor behaviour and employment practices</li> </ul>	<ul style="list-style-type: none"> <li>First priority is given to locals for unskilled labour vacancies, but the number of those unemployed exceeds the number of job opportunities available</li> <li>Contractors are encouraged to absorb employees from local communities into their structures before terminating their contracts</li> <li>Scheduled and special meetings with all the relevant stakeholders such as community leaders, the municipality and the regulator (the DMR)</li> <li>Proactive communication with contractors and formal reporting of incidents to the mine’s HR department for investigation</li> </ul>
Cullinan	<ul style="list-style-type: none"> <li>Construction of the new processing plant</li> </ul>	<ul style="list-style-type: none"> <li>A public participation process is underway</li> </ul>
Finsch	<ul style="list-style-type: none"> <li>Incidences of social unrest in communities around Finsch related to unemployment and poverty</li> </ul>	<ul style="list-style-type: none"> <li>Scheduled and special meetings with all the relevant stakeholders such as community leaders, the municipality and the regulator (the DMR)</li> </ul>
Koffiefontein	<ul style="list-style-type: none"> <li>Social unrest in the communities around Koffiefontein which led to a strike by municipal workers</li> </ul>	<ul style="list-style-type: none"> <li>Petra assisted with water, sewage and electrical issues that resulted from the strike</li> </ul>
Koffiefontein	<ul style="list-style-type: none"> <li>The planned construction of the new slimes dam</li> </ul>	<ul style="list-style-type: none"> <li>The community and all other stakeholders were informed, and public meetings were held to clarify issues and provide the community with additional information</li> </ul>
Koffiefontein	<ul style="list-style-type: none"> <li>Opportunities for local suppliers and SMMEs</li> </ul>	<ul style="list-style-type: none"> <li>Local enterprises are encouraged to enrol on Petra’s LSD Programme. The mine is also investigating the opportunity to sub-divide contracts amongst multiple suppliers</li> </ul>
Kimberley Underground	<ul style="list-style-type: none"> <li>Development of external relationships is challenging due to lack of trust in the communities, as a consequence of legacy issues related to mining</li> </ul>	<ul style="list-style-type: none"> <li>Engagement with district municipalities and other Government bodies</li> <li>Forums are being established to build relationships</li> <li>Focus on transparency and building trust</li> </ul>



### Indigenous people

We come into sporadic contact with indigenous people at our exploration projects in Botswana. We respect their culture and rights and have maintained regular, proactive contact with them as and when appropriate, as well as with the local authorities, individuals and NGOs, since we began our exploration programme in 2005.

Although Petra's activities remain at an early stage in Botswana, we are committed to further engaging with the indigenous Basarwa people in advance of any decision to develop commercial operations.

Petra reported no violations involving rights of indigenous people during FY 2015.

### Group social investment

#### Our approach

Our approach to corporate social investment ("CSI") is developmental in nature; hence we believe in the long-term investment in projects which will have a lasting positive impact and which address the socio-economic needs of the communities in which we operate.

This is particularly evident in our focus on skills development in order to build the scarce skills capacity required to grow the economy and create mass employment.

Our mines believe in building an educational pipeline by assisting local schools with support in maths and science and the provision of scholarships. Further opportunities are provided through the bursary scheme, the graduate development programme, and the provision of practical experience through our experiential training programme.

In addition to the mandatory social expenditure requirements in South Africa, as set out in the mines' SLPs, there is also a discretionary component to the overall spend. In order to formalise our social investment, the Petra Diamonds Foundation has been established and is being introduced during the first half of FY 2016.

The success of a number of our CSI projects is dependent on our local communities having the necessary skills to implement and eventually manage them. Therefore a central aspect of the process is for Petra to provide the required training and advice where possible. Petra facilitates steering committees, consisting of our employees, members of the local community, municipality, and other service providers.

#### Community engagement at Cullinan

In April 2015, Cullinan recommended the closure of a road running close to the southern side of the Cullinan open pit to the local authorities, due to some natural erosion of the pit side walls. A temporary alternative road was therefore put in place and the closure of the original road was announced by the authorities in August, requiring a permanent re-routing of the road to be carried out.

Petra addressed this issue in conjunction with the Gauteng Department of Roads and Transport and the Cullinan Chamber of Business, in order to alleviate community concerns with regards to the pit erosion and the temporary road arrangements.

In addition to the displaying of pamphlets and posters, commercial media updates were used to update residents. Two public information meetings have also been held with the community and a task team, consisting of representatives from all stakeholder groups, was established to aid communication.

In addition to delivering support of a financial nature, Petra provides:

- ▶ volunteers who can assist either through manpower or expertise;
- ▶ technical or managerial assistance and advice;
- ▶ portable skills training for community members; and
- ▶ opportunities for local SMMEs with regards to skills transfer and linking to mine supply chains.

#### South Africa

The majority of our social spend in South Africa is allocated to LED projects, which are defined and agreed with local community representatives and the DMR.

LED and CSI projects that received support during FY 2015 included the following:

##### Finsch

- ▶ Completion of the John Taolo Gaetsewe Water Project aimed at improving local water efficiency, reducing leaks and regulating water resources and consumption. The water project in the Kgatelopele Local Municipality is also 90% complete and other LED project targets were met as planned.

##### Cullinan

- ▶ Approval from the DMR to implement the Onverwacht Primary School expansion project, which forms part of the mine's LED.

##### Koffiefontein

- ▶ The refurbishment of six local schools, with a particular focus on libraries, computer labs, science equipment and other modern teaching equipment.
- ▶ The upgrading and refurbishment of a local park space as an LED project for the backlog on SLP1 (2008–2012).

##### Kimberley Underground

- ▶ Commencing the implementation of the LED project to manufacture safety gloves at the Ikageng Workshop in Kimberley (refer to the case study 'Petra partnership supports people with disabilities' on page 39 of the FY 2014 Sustainability Report) as well as the continuation of the partnership with the National Council for Persons with Physical Disabilities in SA (read more on page 32).

#### Tanzania

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

Williamson's Corporate Social Responsibility plan, which is informed by the mine's SEP, concentrated on the following areas for contribution and support during FY 2015:

- ▶ provision of educational infrastructure for host, internal and external communities;
- ▶ construction of a health infrastructure for host, internal and external communities;
- ▶ assistance to vulnerable groups, e.g. physically disabled groups and orphans;
- ▶ improvement to sport infrastructure;
- ▶ supply of services (including free potable water) to internal and external communities; and
- ▶ educational services to schools on environmental-related matters.

## Community continued

### Petra Diamonds supports education in South Africa

Petra supports 'My Maths Buddy: One Book One Learner Project', an Education Africa initiative which focuses on improving the teaching and understanding of mathematics in schools in South Africa.

A recent World Economic Forum study showed South Africa as the country with the poorest quality of mathematics and science education of all 148 countries surveyed, which underlines the need for investment in this important area.

The project not only assists students by offering them a copy of the 'My Maths Buddy' dictionary, which aims to communicate and teach the principles of mathematics in a simple and user-friendly way, but it also supports teachers and provides them with the necessary tools to help their students

develop. Workshops are arranged to assist and empower teachers with the ability to explain mathematics and educate their students, using the 'My Maths Buddy' books.

To date, the project has delivered seminars and workshops to over 550 teachers from more than 100 schools across South Africa, with fantastic feedback from the teachers. Thanks to the project donors, over 3,500 students in South Africa have received a copy of the 'My Maths Buddy' dictionary and are using this to further their mathematics education.

Petra recognises the huge importance of education to ensure the future socio-economic development of its host countries for the next generation and is proud to assist in this important programme.



### Group social investment continued

In addition to the projects mentioned above, major community initiatives continued, such as the provision of water to the Mwadui Township and neighbouring villages through the installation of controlled potable water access points.

Williamson owns and operates the Mwadui primary school which provides free English primary school education to 460 students. The school, which employs 16 teachers, is the only primary school in the region with formalised computer training and a computer centre, and continues to be considered one of the highest achievers at district, regional and national level.

In FY 2015 the Mwadui Helping Hands Foundation ("MHHF") was set up by Williamson employees and their families to provide assistance to local orphanages, old peoples' homes and needy communities. The MHHF's first fundraising trip involved climbing Mount Kilimanjaro in July 2015.



Arlen Loehmer, Williamson GM, and team at the summit of Mount Kilimanjaro

## Group social investment continued

### Expenditure in FY 2015

Our Group social spend increased to circa US\$1.7 million in FY 2015 (FY 2014: US\$1.0 million), representing 2.8% of the Company's net profit after tax (being US\$59.6 million).

Expenditure by country	FY 2015 US\$	FY 2014 US\$	FY 2013 US\$
South Africa	1,338,975	603,311	587,035
Tanzania (Williamson)	350,000	350,000	292,848
Group total spend	1,688,975	953,311	879,883

The spend was split as to 42% on mandatory and 58% on discretionary expenditure. The increase on the prior year was due to increased LED expenditure in South Africa in terms of new and revised SLP cycles, increased central CSI spend, as well as an increased focus from the operations on project delivery. The focus largely lay on the discretionary spend CSI projects, with a greater number of smaller projects (but with a larger overall impact) being implemented within the communities.

We are continuing to spend in line with our approved SLP obligations in South Africa, although some updated financial commitments are yet to be finalised, agreed and approved.

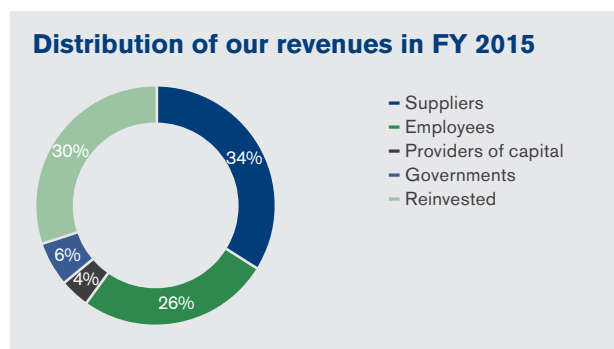
### Generating economic benefits

We are committed to full transparency with regards to our 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 Extractive Industries Transparency Initiative ("EITI") and 'Publish what you pay' ("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 2015, the Group paid a total of US\$21.0 million in taxes (FY 2014: US\$48.6 million) and US\$4.7 million in royalties (FY 2014: US\$4.5 million). It should be noted that Petra's operations are currently subject to varying levels of tax shields, due to the significant level of expansion capital being invested by the Company at each mining operation. During FY 2015, the Group continued to ramp up the capital expenditure at its operations which, when coupled with the reduced revenue for the Year, impacted the net taxes paid to Government.

Petra spent US\$141.0 million on wages in FY 2015 (FY 2014: US\$140.0 million). As the bulk of the Group's operating costs are incurred in ZAR, the weakening of the average ZAR exchange rate against the US Dollar (FY 2015: R11.45/US\$1 versus FY 2014: R10.34/US\$1) negated some of the increased costs on a US Dollar reported level. The generally accepted 'multiplier effect' in South Africa and Tanzania is x10, which means that whilst Petra directly employs 4,428 permanent employees and 3,843 contractors, a significantly greater number of people (circa 83,000) are currently dependent on our operations.



## Value added statement

For the year ended 30 June 2015

	30 June 2015 US\$ million	30 June 2014 US\$ million
Revenue	425.0	472.6
Paid to suppliers for material and services	145.1	144.2
<b>Value added</b>	<b>279.9</b>	328.4
Income from investments	4.1	7.6
<b>Wealth created</b>	<b>284.0</b>	336.0
<b>Wealth distribution:</b>		
<b>Employees</b>		
<b>Salaries, wages and other benefits</b>	<b>141.0</b>	140.0
Net salaries, wages and benefits	112.0	116.9
Salary-related taxes	29.0	23.1
<b>Providers of capital</b>	<b>16.7</b>	11.4
Finance cost	16.7	11.4
Dividends paid	—	—
<b>Governments</b>		
Tax (received)/paid <sup>1</sup>	(3.3)	30.0
<b>Reinvested in the Group</b>	<b>129.6</b>	154.6
Depreciation and capital items	305.4	250.8
Retained earnings	(175.8)	(96.2)
	<b>284.0</b>	336.0

1. Combination of royalties paid plus a net VAT receivable position due to increased Capex spend.

### Tax summary per country – 2015 (US\$ million)

	South Africa	Tanzania	Botswana	UK
Total	28.0	(2.7)	0.2	0.2

The Company did make certain charitable donations during FY 2015, but not of a material financial size.

The Company did not make any political donations during FY 2015.

The Company received no financial assistance from Governments in FY 2015.

### Local procurement

At our mining operations in South Africa and Tanzania, and at our prospecting activities in Botswana, our approach is to stimulate and benefit the local economy through local procurement as much as possible.

Country	Procurement spend US\$m	Percentage spent with local/regional suppliers
South Africa	333.0	58%
Tanzania	45.5	53%
Botswana	3.7	77%
Total	382.2	



## Community continued

### Kgatelopele Small Business Hub (“the Hub”) at Finsch

Enterprise development is one of the key drivers of economic development in South Africa. In 2011, a requirement for a business hub initiative was identified by Petra in its host community at Finsch. Construction of the Hub, which was part of Finsch’s SLP, was carried out in partnership with the local municipality and was completed in 2013.

The Hub officially opened on 29 January 2015, with local stakeholders in attendance, and is now operated by a manager and their assistant. Pre-incubation and incubation workshops are held at the Hub and mentoring is offered to businesses after the approval of their funding applications. The Hub also offers free computer and internet access, business advice and training, assistance with business plan compilation, and support with regards to marketing material, company registrations and BEE certificates.

The main role of the Hub is to assist and support local entrepreneurs in developing the necessary skills to grow their businesses. In partnership with Anglo American Zimele, Petra also provides them with financial assistance.

The success of the Hub will be carefully monitored, taking feedback from users and service providers into account. The primary performance measures will be the number of approved funding applications and the increase in turnover of the businesses that are assisted. The Hub is a medium to long-term initiative to help address challenges associated with unemployment and poverty.

Commenting on the initiative, Finsch’s General Manager, Luctor Roode, said: “The principal aim of the Hub is to enable local entrepreneurs to create sustainable businesses, which will contribute positively to the municipal, provincial and national economy, creating jobs and encouraging development.”



### Local procurement continued South Africa

In line with our commitment to support local economic development, our operations aim to use local suppliers for goods and services where possible. Preference is given to local suppliers, i.e. suppliers in the immediate vicinity (labour sending area) of the operation, and then (in order of precedence) to those located in the wider district, the province or region, or finally nationally, with international procurement only being done in exceptional cases where products are not available from South African-based suppliers.

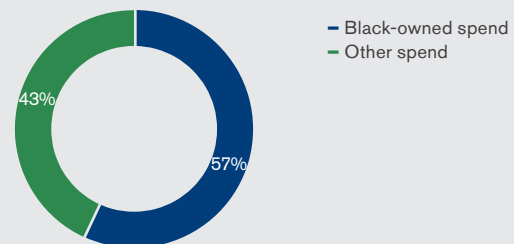
We have made significant progress in this regard, but certain challenges remain, notably the availability of black economic empowerment (“BEE”) suppliers and local suppliers from whom high-value capital goods can be procured.

With ‘Preferential Procurement’ being one of the measurements of the Mining Charter and a part of the mines’ SLPs, Petra has introduced a project to help develop local suppliers to the point where they will be able to supply goods and services to Petra operations in their areas. Key objectives of the programme are to increase the value and volume of transactions with local SMMEs, increase the number of local SMMEs that are suppliers to the mines and provide development and growth support to local SMMEs in general.

BEE is not only legislated, but also a business imperative in South Africa, and therefore our preferential procurement also takes into account the Broad-based Black Economic Empowered (“BBBEE”) status of suppliers, as outlined in the Mining Charter and various pieces of legislation.

We have made significant progress in this regard, with the proportion of procurement from BBBEE suppliers rising to 57% in FY 2015 (FY 2014: 49%).

#### Black empowerment procurement



Petra contributes to beneficiation in South Africa as its core marketing operation is based in Johannesburg, serving to attract diamond buyers from both South Africa and around the world to its tenders.

# Supplementary Information

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Filimone Siteo and Willie Herbst from Sither Mining Services and Supply, a BEE company, working at Finsch

## Additional Disclosures

### Governance

#### Memberships

At a Group level, various employees belong to professional bodies, as funded by the Company but aimed at personal development and exposure.

In South Africa, Petra is a member of the South African Chamber of Mines. Petra's Group Human Resource Development Manager is on the Board of the Mining Qualifications Authority and Petra has representation on the Mining Education Trust Fund (Petra provides funding in line with member requirements). The Group Environmental Manager is a member of the Chamber of Mines' Environmental Policy Committee, which is involved in evaluating and commenting on new and proposed environmental legislation and initiatives. The Group Readiness and Response Manager is a member of the Mining Industry Occupational Health and Safety ("MOSH") Adoption Team, where MOSH initiatives are discussed and implemented at an operational level. The Group Legal Services Manager is a member of the Chamber of Mines Mining Title Committee. In addition, two of the Group Security Managers are members of the Standing Committee on Security, and the Group Support Manager represents the Company on the Labour Policy Committee.

The Operations Communications Manager represents Petra on the Executive Committee of the Northern Cape Chamber of Commerce and Industry (NOCCI), and is Regional Chair of the Public Relations Institute of South Africa (PRISA) for the Northern Cape.

In Tanzania, Petra is a member of the Chamber of Mines and its sub-committees. The Country Manager is a counsellor on the Chamber and the Williamson Human Resources Manager was appointed by the Minister for Labour, Economic and Social Development as a counsellor on the Labour, Economic and Social Council of Tanzania, which advises the Government through the Minister on labour, economic and social policies and laws.

### Health and safety

#### Mine-by-mine performance in FY 2015

Operations	LTIFR			FIFR			Shifts lost as a result of injuries and fatalities		
	FY 2013	FY 2014	FY 2015	FY 2013	FY 2014	FY 2015	FY 2013	FY 2014	FY 2015
Finsch	0.24	0.10	<b>0.12</b>	0	0	<b>0</b>	304	92	<b>24</b>
Cullinan	0.30	0.27	<b>0.36</b>	0	0.04	<b>0</b>	923	362	<b>651</b>
Koffiefontein	0.79	0.75	<b>0.42</b>	0	0	<b>0</b>	222	210	<b>115</b>
Kimberley Underground	1.59	0.95	<b>0.74</b>	0	0	<b>0</b>	153	286	<b>320</b>
Helam	0.20	0.63	<b>0.30</b>	0	0	<b>0</b>	9	156	<b>3</b>
Williamson	0	0.07	<b>0.06</b>	0	0	<b>0</b>	0	25	<b>75</b>
Group	0.67	0.32	<b>0.29</b>	0	0.01	<b>0</b>	1,875	1,131	<b>1,188</b>

1. The safety statistics above include all permanent employee and contractor incidents.

### People

#### Employee and contractor breakdown

Operation	Permanent/ part time	Contractors	Total
Finsch	1,038	1,129	2,167
Cullinan	1,346	1,170	2,516
Koffiefontein	526	458	984
Kimberley Underground	630	257	887
Helam (Fissure Mine)	70	6	76
Helam Projects	71	—	71
Williamson	573	794	1,367
Botswana	13	29	42
Head Office/Group	155	—	155
London office	3	—	3
Board	8	—	8
<b>Total</b>	<b>4,433</b>	<b>3,843</b>	<b>8,276</b>



## People continued

### Group turnover rate for FY 2015

	Age group	South Africa	Tanzania	Botswana	Total
Terminations and voluntary turnover		712	24	4	740
	19–25	67	3	—	70
	26–30	113	3	2	118
	31–35	101	2	1	104
	36–40	98	1	—	99
	41–45	79	—	1	80
	46–50	93	3	—	96
	51–55	63	1	—	64
	56–60	67	7	—	74
	61–65	22	4	—	26
	66 and older	9	—	—	9
Male		602	20	4	626
Female		110	4	1	114

### Breakdown of Petra's training and development expenditure in FY 2015

Training	Expenditure US\$
<b>Operationally driven programmes</b>	
ABET	151,890
External internships	28,815
Experiential trainees	60,402
External, core business and outsourced training	1,219,547
Internal bursars	91,940
Internal internships	475,902
Engineering learnerships	917,989
Leadership development	21,584
Metallurgy learnerships	62,457
Portable skills, including Resource Learning Centre	347,163
Rock-breaking learnerships	278,237
Scholarships	30,939
School support	248,212
In-house training	1,770,467
Other full-time trainees or part-time learnerships	102,965
Williamson overall training expenditure	73,240
<b>Subtotal</b>	<b>5,881,750</b>
<b>Group programmes</b>	
Supervisory Development Programme ("SDP")	49,645
Executive Development Programme ("EDP")	32,399
Leadership Development Programme ("LDP")	460,974
Management Development Programme ("MDP")	55,998
<b>Subtotal</b>	<b>543,017</b>
<b>Tertiary education and development initiatives</b>	
Bursary scheme	181,904
Study assistance scheme	67,876
Young graduate work experience project	5,579
Mineral Education Trust Fund	46,484
<b>Subtotal</b>	<b>255,359</b>
<b>Grand total</b>	<b>6,680,127</b>

Additional Disclosures  
continued

Environment  
Severity rating<sup>1</sup> of environmental incidents and non-conformances

MINOR	LOW	MEDIUM	HIGH	MAJOR
Impact				
Impact is negligible within the bounds of impacts which could occur. Almost no mitigation and/or remedial activity are needed, and any minor steps which might be needed are easy, cheap, and simple.	Impact is of a low order and therefore likely to have little real effect. Mitigation and/or remedial activity is either easily achieved or little will be required, or both.	Impact is real but not substantial in relation to other impacts, which might take effect within the bounds of those, which could occur. Mitigation and/or remedial activity are both feasible and fairly easily possible.	Impact is of substantial order within the bounds of impacts, which could occur. Mitigation and/or remedial activity is feasible but difficult, expensive, time-consuming or some combination of these.	Of the highest order possible within the bounds of impacts which could occur. There is no possible mitigation and/or remedial activity which could offset the impact.
Extent				
The impact of the incident will not extend past the direct area (within 20m radius) of the occurrence.	The impact will affect an area no bigger than the mining area.	The impact will affect an area up to 5 km from the mining area.	Impacts will be felt at a regional scale.	The impact from an event will have a wide range of impacts that will be felt at the national to global scale.
Duration				
The impact will not last longer than a week.	The impact will not last for longer than three months (one season).	The impact will remain for between one and five years.	The impact will last for as long as the mine is in operation, but will be mitigated at closure.	The impact is permanent.
Legal compliance				
Breach of mine-wide policies or procedures.	Breach of local by-laws.	Non-compliance to provincial legislation.	Non-compliance to national legislation.	Non-compliance to international treaties or protocol.
Interested and affected parties				
Mine management	Petra Head Office	Local community	Government authorities	National or international interest groups

1. A minimum of three out of a possible five criteria must be triggered to determine the severity.

Environment continued

Serious environmental incidents recorded at South African operations in FY 2015

MINE	INCIDENT DATE	DESCRIPTION
Finsch	July 2014	An oil water separator at an underground workshop failed, resulting in oily water reporting to the underground settlers. Absorbent material was applied to the dams and most of the oil was recovered. The separator was repaired and placed on a maintenance schedule.
Kimberley Underground	July 2014	A slimes spillage occurred and was not detected immediately due to the inaccessibility of the area. The spillage was cleaned and the pipe repaired.
Cullinan	July 2014	30 tonnes of emulsion were spilled in an underground tunnel due to a faulty design of the new emulsion tank for projects. The spillage was cleaned up, the material disposed as hazardous waste and the tank re-engineered to prevent any future re-occurrence.
Williamson	November 2014	Slimes water was found to be discharging from the supernatant pond to the New Alamas Dam. This incident had the potential to cause siltation and possible fines. The leak was detected and repaired without any environmental impact materialising.
Finsch	January 2015	While dispensing used oil into a dispensing tray for recycling purposes, the responsible crew was called away to attend to a breakdown. The following morning it was discovered that the dispensing tray overflowed and used oil was reported to the Lime Acres Water Care Works. Measures were implemented to skim the oil from the affected ponds. Some damage to the digesting bacteria was noted.
Kimberley Underground	January 2015	An electronic communication breakdown within the water reticulation system between the middle dam pump and the G-Series PLC resulted in the level pump not starting up, which caused the dam to overflow. Communications were restored.
Kimberley Underground	February 2015	Due to a heavy rain storm, a road and slimes line had to be moved. In order to do this, the slimes line had to be blown out and this resulted in slimes being deposited into a clean water trench. After emergency repairs had been completed, the slimes were removed.
Finsch	April 2015	While a bulk oil tank was being filled, the oil level in the tank reached capacity which caused a gasket to rupture, resulting in an oil spill. Pumping to the tank was stopped as soon as the spill was noticed. The oil spill was cleaned and the contaminated soil around the tank was collected and transported to the bioremediation site.

Resource usage

Water withdrawal by source in FY 2015

Element	Unit	Total
Treated potable water	m³	5,082,678
Raw water	m³	8,602,003
Re-used/recycled water	m³	18,914,218
Mine controlled domestic use	m³	1,959,773
Underground dewatering	m³	4,883,491
Total water use	m³	39,442,203
Total water consumption per production tonne	m³/t	2.02
Percentage recycled water	%	48



Additional Disclosures  
continued

Environment continued

Resource usage continued

Water sources significantly affected by withdrawal of water in FY 2015

Operation	Water source	Quantity withdrawn (m³)
Finsch	Groundwater	2,028,676
Cullinan	Wilge River	474,578
	Groundwater	187,006
Koffiefontein	Riet River	860,561
	Groundwater	1,011,800
Kimberley Underground	Groundwater	1,656,009
Williamson	Groundwater	7,266,864
Botswana	Groundwater	>1,500

Quality and total volume of water discharged

Operation	Quality <sup>1</sup>	Destination	Amount allowed to be released m³	Actual amount released in FY 2015 m³
Cullinan	550–950	Premiermyntloop	2,886,000	627,811
Finsch	n/a	n/a	n/a	n/a
Koffiefontein	2,000–2,800	Mine Lake	2,264,256	n/a
Kimberley Underground	2,000–3,800	Dutoitspan	Not specified	n/a
Williamson	n/a	n/a	n/a	n/a

1. Expressed in terms of total dissolved solids (TDS mg/l). South African Water Quality Guidelines 1996 for Category 4 Industrial Processes: 1600mg/l.

Materials used by weight or volume

Operation	FeSi (t)			Steel (t)			Grease (kg)			Lubricating oils (l)		
	2015	2014	2013	2015	2014	2013	2015	2014	2013	2015	2014	2013
Finsch	1,462	1,067	1,277	n/a <sup>1</sup>	n/a <sup>1</sup>	n/a <sup>1</sup>	20,015	10,170	10,170	325,655	243,966	174,166
Cullinan	2,253	2,260	1,927	n/a <sup>1</sup>	n/a <sup>1</sup>	n/a <sup>1</sup>	14,120	11,218	12,571	261,780	202,370	125,150
Koffiefontein	386	344	464	262	129	102	2,470	420	550	86,295	80,133	74,523
Kimberley Underground	707	435	469	105	352	188	3,832	4,997	4,501	31,065	21,902	15,595
Helam	— <sup>2</sup>	21	52	— <sup>2</sup>	149	84	— <sup>2</sup>	5,730	10,596	— <sup>2</sup>	4,565	11,235
Williamson	287	307	312	205	218	197	3,035	4,438	6,190	18,154	19,758	13,573
Group total	5,094	4,434	4,537	573	849	656	43,472	36,973	46,033	722,949	572,695	427,342

1. n/a: information is not available.

2. Helam was placed on care and maintenance in FY 2015.

**Environment** continued  
**Resource usage** continued  
**Total weight of waste by type and disposal method**

Element	Disposal		Recycling								Incineration	
	Hazardous waste m³	Non-hazardous waste m³	Cans t	Cardboard/paper kg	Conveyor belting t	Lead acid batteries units	Plastic t	Scrap metal t	Toner/ink cartridges units	Tyres units	Used oil l	m³
<b>Finsch</b>												
2013	160	2,191	—	2,500	80	36	—	716	458	30	47,917	4
2014	232	1,717	—	200	51	343	—	802	424	—	66,919	4
2015	149	3,263	—	12	182	293	7	1,253	415	—	101,659	4
<b>Cullinan</b>												
2013	47	309	0.50	19,260	219	147	118	1,377	—	390	35,700	21
2014	137	568	0.40	9,860	136	—	42	1,243	—	541	45,430	6
2015	253	780	0.18	5	203	—	19	2,089	—	426	53,820	69
<b>Koffiefontein</b>												
2013	44	1,236	—	—	6	—	—	789	—	—	39,915	—
2014	35	188	—	—	8	—	—	539	—	25	21,000	—
2015	35	475	—	4	18	527	—	769	—	—	34,500	—
<b>Kimberley Underground</b>												
2013	37	1,416	—	883	27	315	0.03	393	58	153	10,743	—
2014	54	1,005	—	—	417	52	—	79,780	25	128	15,935	—
2015	174	368	—	0.20	48	352	—	459	135	54	10,188	—
<b>Helam</b>												
2013	4	108	—	—	—	—	—	58	—	—	—	—
2014	—	108	—	—	—	—	—	24	—	—	1,890	—
2015	— <sup>1</sup>	— <sup>1</sup>	— <sup>1</sup>	— <sup>1</sup>	— <sup>1</sup>	— <sup>1</sup>	— <sup>1</sup>	— <sup>1</sup>	— <sup>1</sup>	— <sup>1</sup>	— <sup>1</sup>	— <sup>1</sup>
<b>Williamson</b>												
2013	—	110	—	—	12	25	—	31	105	—	11,595	32
2014	—	—	—	—	66	50	3	85	175	142	9,950	15
2015	—	1,201	—	—	25	69	1,104	94	172	190	11,800	16

1. Helam was placed on care and maintenance in FY 2015.

## Additional Disclosures

continued

### Environment continued

#### Resource usage continued

##### Direct energy consumption by source (primary and intermediate) in FY 2015

Direct energy is defined as 'forms of energy that enter the organisation's operational boundaries'. It can be consumed either by the organisation within its boundaries, or it can be exported to another user. Direct energy can appear in either primary (e.g. natural gas for heating) or intermediate (e.g. electricity for lighting) forms.

Operation	Electricity kWh	Diesel litres	LPG kg
Finsch	200,553,361	4,045,172	1,685
Cullinan	184,439,465	3,294,732	432
Koffiefontein	48,332,635	1,025,332	2,009
Kimberley Underground	54,808,476	473,359	371
Williamson	32,043,154	5,864,820	356
Group total	<b>520,177,092</b>	<b>14,703,415</b>	<b>4,853</b>

##### Carbon emissions in FY 2015

Operation	Direct (Scope 1) (tonnes)			Indirect (Scope 2) (tonnes)			Intensity measure (tCO <sub>2</sub> -e/Ct)		
	FY 2015	FY 2014	FY 2013	FY 2015	FY 2014	FY 2013	FY 2015	FY 2014	FY 2013
Finsch	<b>10,768</b>	9,267	8,351	<b>206,771</b>	190,489	182,921	<b>0.11</b>	0.11	0.14
Cullinan	<b>8,706</b>	5,823	6,387	<b>190,157</b>	190,524	185,499	<b>0.29</b>	0.26	0.22
Koffiefontein	<b>2,749</b>	2,768	3,432	<b>49,831</b>	44,667	48,812	<b>1.28</b>	0.82	1.57
Kimberley Underground	<b>1,298</b>	1,400	1,536	<b>56,508</b>	53,196	50,893	<b>0.43</b>	0.51	0.49
Williamson	<b>31,526</b>	24,717	40,487	<b>27,455</b>	28,925	24,531	<b>0.29</b>	0.29	0.47
Group total	<b>55,048</b>	44,201	60,906	<b>523,025</b>	518,733	523,480	<b>0.20</b>	0.18	0.23

##### Ozone depleting substances

Element	Unit	Total FY 2015	Total FY 2014	Total FY 2013
1,1,1-trichloroethane ("TCA")	kg	<b>51.5</b>	—	10.2
CFC	kg	<b>130</b>	—	27.2
HCFC	kg	<b>39</b>	32.0	—
Halon	kg	<b>40</b>	35.0	35.0
Halocarbon-22-chlorodifluoromethane	kg	<b>—</b>	26.0	37.6
Total ozone depleting substances	kg	<b>260.5</b>	93.0	110.0

##### NOx monitoring

We use an independent consultant to annually monitor the release of mono-nitrogen oxides ("NOx") gases from internal combustion engines used by our underground and surface vehicle fleet at Cullinan. The global acceptable NOx values in these types of engines vary between 50 ppm to 1000 ppm and levels monitored at Cullinan in FY 2014 ranged between 118 ppm to 419 ppm, with an annual average of 166 ppm NOx. Using this average figure, we calculated an expected value for South African operations, as expressed in the table below.

From FY 2015 onwards, NOx monitoring will be rolled out to all South African operations. A decision on Williamson is pending.

Operation	Number of vehicles	Calculated NOx in ppm
Finsch	220	36,520
Cullinan	151	25,066
Koffiefontein	60	9,960
Kimberley Underground	12	1,992
Helam	4	664
South African total	445	74,202 ppm NOx



Environment continued

Resource usage continued

Impact from transportation

Petra's rough diamonds are generally transported by air. Due to the sensitivity of diamond transport, no information on this aspect of our operations will be made public.

It is known that air transport causes the release of greenhouse gases that will add to the occurrence of global warming. The extent of the contribution is not evaluated at present.

Williamson in Tanzania is dependent on material importation from South Africa. This is done by way of road transport. A total of 50 trips were undertaken from South Africa during FY 2015, with a total of 199,900 km travelled. An estimated calculation indicates that this activity contributed to the production of 39.0 tCO<sub>2</sub>-e.

In addition to this, some of our mines use buses to transport employees to and from home, however the environmental impact of these trips is not considered to be material.

Amount of land disturbed or rehabilitated in FY 2015

Operation	Total area disturbed ha	Total area considered as rehabilitated during FY 2015 ha	Cumulative area rehabilitated ha	Cumulative area undergoing rehabilitation ha	Total area still requiring rehabilitation ha
Finsch	1,398	—	102	116	1,181
Cullinan	1,642	8	—	—	1,634
Koffiefontein	1,642	—	6	—	1,636
Kimberley Underground	718	20	20	15	683
Williamson	5	—	308	314	314
Helam	19	—	—	—	19
Botswana	3	—	0.2	—	3
<b>Petra Group</b>	<b>5,427</b>	<b>28</b>	<b>436</b>	<b>445</b>	<b>5,470</b>

Protected habitats within the control of Petra operations

Operation	Habitat description	Size (hectares)
Finsch	Two game farms	1,410 + 498
Cullinan	Two game farms	1,800 + 800
Koffiefontein	Game farm	2,000
Kimberley Underground	n/a	n/a
Williamson	Williamson Forest Reserve and Old Golf Course	906
Helam	n/a	n/a
Botswana	Exploration project located inside the CKGR	3
<b>Petra Group</b>		<b>7,417</b>

Protected species

Operation	Number of red data species	
	Fauna	Flora
Finsch	—	2
Cullinan	1	—
Koffiefontein	4	2
Kimberley Underground	—	1
Williamson	—	—
Helam	4	1
Botswana	—	—

## Additional Disclosures

### continued

### Environment continued

#### List of protected species and extinction risk

	Status
<b>Protected fauna in Petra's area of operation include:</b>	
Blue cranes ( <i>Anthropoides paradiseus</i> )	Vulnerable
Blue korhaan ( <i>Eupodotis caerulea</i> )	Near threatened
Ludwig's bustard ( <i>Neotis Ludwigii</i> )	Endangered
Black harrier ( <i>Circus maurus</i> )	Vulnerable
Secretary bird ( <i>Sagittarius serpentarius</i> )	Vulnerable
Cullinan ant ( <i>Solenopsis taemane</i> )	Data insufficient
Black/Verreaux's eagle	Least concern
Spring hare ( <i>Pedetes capensis</i> )	Least concern
European roller ( <i>Coracias garrulus</i> )	Least concern
Black stork ( <i>Ciconia nigra</i> )	Near threatened
Greater flamingo ( <i>Phoenicopterus roseus</i> )	Near threatened
Lanner falcon ( <i>Falco biarmicus</i> )	Least concern
Sclater's golden mole ( <i>Chlorotalpa sclateri</i> )	Vulnerable
Short-eared elephant shrew ( <i>Macroscelides proboscideus</i> )	Least concern
<b>Protected flora in Petra's area of operation include:</b>	
Adenia repanda	Least concern
Devil's claw ( <i>Harpagophytum procumbens</i> )	Protected
Albuca	Vulnerable
Papier duiweltjie ( <i>Gladiolus</i> sp.)	Near threatened
Boesmansuring ( <i>Anacampseros lanigera</i> )	Least concern
Shepherd's tree ( <i>Boscia albitrunca</i> )	Protected in SA
Camel thorn ( <i>Vachellia erioloba</i> )	Protected in SA

### Community

The table below outlines the geographical location of suppliers to our South African operations:

#### Petra Diamonds South Africa expenditure (US\$)

Operation	Local	District	Provincial/regional	National	International	Total
Cullinan	9,952,683.82	18,597,046.19	101,614,695.26	10,085,337.51	—	140,249,762.78
Finsch	9,447,793.64	5,989,649.64	23,033,072.86	81,152,377.54	—	119,622,893.69
Helam	108,226.08	907,400.52	188,850.31	266,085.90	—	1,470,562.80
Kimberley	13,023,881.85	43,477.55	198,523.55	15,539,001.31	—	28,804,884.26
Koffiefontein	3,778,251.03	—	5,862,064.02	33,213,095.53	—	42,853,410.58
Total	36,310,836.42	25,537,573.89	130,897,206.01	140,255,897.77	—	333,001,514.10
Percentage	10.90%	7.67%	39.31%	42.12%	0.00%	100.00%

GRI Navigator

GRI Index  
Strategy and Analysis

Indicator	Description of indicator	Level of reporting 2015	Reference
1.1	Statement from the most senior decision maker in the organisation about the relevance of sustainability to the organisation and its strategy.	Fully	Overview, Introduction from the CEO p.4–5
1.2	Description of key impacts, risks and opportunities, including: the organisation's key impacts on sustainability and effects on stakeholders, including rights as defined by national laws and relevant internationally agreed standards; and the impact of sustainability trends, risks and opportunities on the long-term prospects and financial performance of the organisation.	Fully	Throughout report

Organisational Profile

Indicator	Description of indicator	Level of reporting 2015	Reference
2.1	Name of the organisation.	Fully	Introduction p.1
2.2	Primary brands, products and/or services.	Fully	Introduction p.1
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries and joint ventures.	Fully	Overview, At a Glance p.6–7
2.4	Location of organisation's headquarters.	Fully	Overview, At a Glance p.6–7
2.5	Number of countries where the organisation operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	Overview, At a Glance p.6–7
2.6	Nature of ownership and legal form.	Fully	2015 Annual Report p.136
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	Fully	2015 Annual Report p.14–17
2.8	Scale of the reporting organisation, including number of employees, net sales, total capitalisation and quantity of products provided.	Fully	Overview, At a Glance p.6–7 and 2015 Annual Report p.2–3
2.9	Significant changes during the reporting periods regarding size, structure or ownership, including the location of, or changes in operations, including facility openings, closings, and expansions; and changes in the share capital structure and other capital formation, maintenance and alteration operations.	Fully	Overview, At a Glance p.6–7 and 2015 Annual Report p.145
2.10	Awards received in the reporting period.	Fully	Environment p.38, Health and Safety p.22

Report Parameters

Indicator	Description of indicator	Level of reporting 2015	Reference
3.1	Reporting period for information provided.	Fully	Overview, Sustainability Reporting Roadmap p.2
3.2	Date of most recent previous report.	Fully	Overview, Sustainability Reporting Roadmap p.2
3.3	Reporting cycle.	Fully	Overview, Sustainability Reporting Roadmap p.2
3.4	Contact point for questions regarding the report or its contents.	Fully	Overview, About this report p.2
3.5	Process for defining report content, including determining materiality, prioritising topics within the report and identifying stakeholders the organisation expects to use the report.	Fully	Overview, Sustainability Reporting Roadmap p.2 Governance, Stakeholder engagement p.15–17, Material issues p.18
3.6	Boundary of the report.	Fully	Overview, Sustainability Reporting Roadmap p.2
3.7	State any specific limitations on the scope or boundary of the report.	Fully	Overview, Sustainability Reporting Roadmap p.2
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between reporting organisations.	Fully	Overview, Sustainability Reporting Roadmap p.2
3.9	Data measurement techniques and the basis of calculations, including assumptions, and technique underlying estimations applied to the compilation of the indicators, and other information in the report.	Fully	Throughout report
3.10	Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement.	N/A	No restatements
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	N/A	No significant changes
3.12	Table identifying the location of the standard disclosures report.	Fully	GRI navigator, p.65–70
3.13	Policy and current practices with regard to seeking external assurance for the report.	Fully	Overview, Sustainability Reporting Roadmap p.2



# GRI Navigator

continued

## GRI Index continued

### Governance, Commitments and Engagement

Indicator	Description of indicator	Level of reporting 2015	Reference
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Fully	Governance, p.11
4.2	Indicate whether the chair of the highest governance body is also an executive officer (and, if so, their function within the organisation's management and the reason for this arrangement).	Fully	Governance, HSSE Committee p.14
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	Governance, HSSE Committee p.14
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Governance, HSSE Committee p.14 and 2015 Annual Report p.75
4.5	Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements) and the organisation's performance (including social and environmental performance).	Fully	Governance, Remuneration p.13 and 2015 Annual Report p.76–88
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	2015 Annual Report p.58
4.7	Process for determining the qualification and expertise of members of the highest governance body for guiding the organisation's strategy on economic, environmental and social topics.	Fully	Governance, HSSE Committee p.14 and 2015 Annual Report p.57–58
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation.	Fully	Overview p.1, Governance, Stakeholder engagement p.15 and Upholding the value of diamonds p.19
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.	Fully	Overview, Introduction from the CEO p.4–5, Key Performance Indicators p.8–9, Governance 11–17 and 2015 Annual Report p.75
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	Fully	2015 Annual Report p.57–59, and Governance, p.13
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation. Article 15 of the Rio Principles introduced the precautionary approach.	Fully	Governance, Risk management p.12 and Material issues p.18
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or endorses.	Fully	Overview, Sustainability Reporting Roadmap p.2, Human rights p.19, Our People p.29 and Equality and equity p.34
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation has positions in governance bodies, participated in projects or committees, provides substantive funding beyond routine membership dues, or views membership as strategic.	Fully	Additional Disclosures, Governance p.56
4.14	List of stakeholder groups engaged by the organisation.	Fully	Governance, Stakeholder engagement p.16–17
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Governance, Stakeholder engagement p.15
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Governance, Stakeholder engagement p.15–17 and Community, Community and stakeholder engagement p.49–51
4.17	Key topics and concerns that have been raised through stakeholder engagement and how the organisation has responded to those key topics and concerns, including through its reporting.	Fully	Governance, Stakeholder engagement p.15–17 and Community, Community and stakeholder engagement p.49–51

## GRI Index continued

### Economic Indicators

Indicator	Description of indicator	Level of reporting 2015	Reference
DMA EC	Management approach to economic aspects, goals and performance, policy, additional contextual information.	Fully	Overview, Key Performance Indicators p.8–9 and Community p.47–54
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and to governments.	Fully	Community, Generating economic benefits p.53
EC2	Financial implications, other risks and opportunities for the organisation's activities due to climate change.	Partial	Environment, Climate change and energy usage p.42–44
EC3	Coverage of the organisation's defined benefit plan obligations.	Fully	2015 Annual Report p.120
EC4	Significant financial assistance received from government.	Fully	Community, Generating economic benefits p.53
EC6	Policies, practices and proportion of spending on locally based suppliers at significant locations of operation.	Fully	Community, Local procurement p.53–54
EC7	Procedures for local hiring and proportion of senior management and workforce hired from the local community at locations of significant operation.	Partial	Our people, Local hiring p.29–30
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro-bono engagement.	Fully	Community, Group Social Investment p.51–52
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	Community, Assessing and managing our impacts p.48–49 and Generating economic benefits p.53

### Environmental Indicators

Indicator	Description of indicator	Level of reporting 2015	Reference
DMA EN	Management approach to environmental aspects, goals and performance, policy, organisational responsibility, training and awareness, monitoring and follow-up, additional contextual information.	Fully	Environment p.37–46
EN1	Weight of materials used by weight or volume.	Fully	Additional Disclosures, Environmental p.60
EN2	Percentage of materials used that are recycled input materials.	Not reported	
EN3	Direct energy consumption by primary energy source.	Fully	Additional Disclosures, Environmental p.62
EN4	Indirect energy consumption broken down by primary source.	Not reported	
EN5	Energy saved due to conservation and efficiency improvements.	Partial	Environment, Climate change and energy usage p.42–44
EN6	Initiatives to provide energy efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partial	Environment, Climate change and energy usage p.42–44
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Not reported	
EN8	Total water withdrawal by source.	Fully	Environment, Water usage p.41 and Additional Disclosures, Environmental p.59
EN9	Water sources significantly affected by withdrawal of water.	Fully	Environment, Water usage p.41 and Additional Disclosures, Environmental p.60
EN10	Percentage and total volume of water recycled and re-used.	Fully	Environment, p.38 and Water usage p.41
EN11	Location and size of land owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas.	Fully	Environment, Land management and biodiversity p.46
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	Environment, Land management and biodiversity p.46
MM1	Amount of land disturbed or rehabilitated.	Fully	Environment, Rehabilitation and closure plans p.46 and Additional Disclosures, Environmental p.63

# GRI Navigator

continued

## GRI Index continued

### Environmental Indicators continued

Indicator	Description of indicator	Level of reporting 2015	Reference
EN13	Habitats protected or restored.	Fully	Environment, Land management and biodiversity p.46 and Additional Disclosures, Environmental p.64
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	Fully	Environment, Land management and biodiversity p.46
MM2	The number/percentage of sites identified as requiring biodiversity management plans and the number/percentage of sites with plans in place.	Fully	Environment, Land management and biodiversity p.46
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Fully	Additional Disclosures, Environmental p.64
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Additional Disclosures, Environmental p.62
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not reported	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Partial	Environment, Climate change and energy usage p.42–44
EN19	Emissions of ozone-depleting substances by weight.	Fully	Additional Disclosures, Environmental p.62
EN20	NOx, SOx and other significant air emissions by type and weight.	Partial	Additional Disclosures, Environmental p.62
EN21	Total water discharge by quality and destination.	Fully	Additional Disclosures, Environmental p.60
EN22	Total weight of waste by type and disposal method.	Fully	Additional Disclosures, Environmental p.61
MM3	Total amounts of overburden, rock, tailings and sludges and their associated risks.	Not reported	
EN23	Total number and volume of significant spills.	Fully	Additional Disclosures, Environmental p.59
EN24	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally.	Fully	Environment, Waste management p.46
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Environment, p.37–46
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	N/A	Packaging is not applicable to Petra's business
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	Environment, Environmental incidents p.39
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	Fully	Additional Disclosures, Environmental p.63
EN30	Total environmental protection expenditures and investments by type.	Not reported	



GRI Index continued

Labour Practices and Decent Work

Indicator	Description of indicator	Level of reporting 2015	Reference
DMA LA	Management approach to labour practices' aspects, goals and performance, policy, organisational responsibility, training and awareness, monitoring and follow-up, additional contextual information.	Fully	Our People p.28–36
LA1	Total workforce by employment type, employment contract and region.	Partial	Our people, Local hiring p.30 and Additional Disclosures, People p.56
LA2	Total number and rate of employee turnover by age group, gender and region.	Fully	Additional Disclosures, People p.57
LA3	Benefits provided to full-time employees.	Fully	Our People p.28–36
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Our people, Labour relations p.34–35
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	Our people, Labour relations p.34–35
MM4	Number of strikes and lock-outs exceeding one week's duration, by country.	Fully	Our people, Labour relations p.34–35
LA6	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programmes.	Fully	Governance, HSSE Committee p.14
LA7	Rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities by region.	Fully	Health and safety, Performance p.24 and Additional Disclosures, Health and Safety p.56
LA8	Education, training, counselling, prevention and risk-control programmes in place to assist workforce members, their families or community members regarding serious diseases.	Fully	Health and safety, Employee Wellness p.27
LA10	Average hours of training per year per employee by employee category.	Not reported	
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Our people p.30–34 and Additional Disclosures p.57
LA12	Percentage of employees receiving regular performance and career development reviews.	Partial	Our people, Leadership development programme p.30–31
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	Partial	Our people, Women in mining p.32 and Additional Disclosures, People p.56–57
LA14	Ratio of basic salary of men to women by employee category.	Fully	Our people, Our approach p.29 and Equality and equity p.34

Human Rights

Indicator	Description of indicator	Level of reporting 2015	Reference
DMA HR	Management approach to human rights aspects, goals and performance, policy, organisational responsibility, training and awareness, monitoring and follow-up, additional contextual information.	Fully	Governance, Human rights p.19
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Not reported	
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Not reported	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Partial	Governance, Human rights p.19–20
HR4	Total number of incidents of discrimination and actions taken.	Fully	Our people, Equality and equity p.34
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Fully	Our people, Labour relations p.34
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	Fully	Governance, Human rights p.19
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	Fully	Governance, Human rights p.19
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	Governance, Security p.20
MM5	Total number of operations taking place in or adjacent to indigenous peoples' territories and number and percentage of sites where there are formal agreements with indigenous peoples' communities.	Fully	Community, Indigenous people p.51
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	Community, Indigenous people p.51

## GRI Navigator continued

### GRI Index continued Social Performance Indicators

Indicator	Description of indicator	Level of reporting 2015	Reference
DMA SO	Management approach to society aspects, goals and performance, policy, organisational responsibility, training and awareness, monitoring and follow-up, additional contextual information.	Fully	Community p.47–54
SO1	Nature, scope and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	Fully	Community, Assessing and managing our impacts p.48–49
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples.	Fully	Community, Community and stakeholder engagement p.49–50 and Indigenous people p.51
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.	Fully	Community, Community and stakeholder engagement p.49–50 and Indigenous people p.51
MM8	Number/percentage of company operating sites where artisanal and small-scale mining ("ASM") takes place on, or adjacent to, the site; associated risks and actions taken to manage and mitigate these risks.	Partial	Governance, Security p.20
MM9	Sites where resettlements took place, the number of households resettled in each and how their livelihoods were affected in the process.	N/A	
MM10	Number and percentage of operations with closure plans.	Fully	Environment, Land management and biodiversity and Rehabilitation and closure plans p.46
SO2	Percentage and total number of business units analysed for risks related to corruption.	Not reported	
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	Not reported	
SO4	Actions taken in response to incidents of corruption.	Not reported	
SO5	Public policy positions and participation in public policy development and lobbying.	Not reported	
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	Fully	Community, Generating economic benefits p.53
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.	Fully	Governance, Management p.11
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	Governance, Management p.11

### Product Responsibility

Indicator	Description of indicator	Level of reporting 2015	Reference
DMA PR	Management approach to product responsibility aspects, goals and performance, policy, organisational responsibility, training and awareness, monitoring and follow-up, additional contextual information.	Fully	Strategy and Governance, Provenance of our diamonds p.19–20
MM11	Programmes and progress relating to materials stewardship.	Fully	Strategy and Governance, Provenance of our diamonds p.19–20
PR1	Lifecycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and services categories subject to such procedures.	Not reported	
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	Fully	Strategy and Governance, Provenance of our diamonds p.19–20
PR6	Programmes for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	N/A	
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	Strategy and Governance, Provenance of our diamonds p.19–20

## Glossary

<b>ABET</b>	Adult Basic Education and Training, aimed at improving literacy levels and providing learners with nationally recognised qualifications	<b>FOG</b>	fall of ground
<b>AIDS</b>	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	<b>GRI</b>	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
<b>ART</b>	antiretroviral treatment for HIV/AIDS	<b>GVAr</b>	giga-volt-amperes reactive
<b>BBBEE</b>	Broad-based Black Economic Empowerment	<b>ha</b>	hectares
<b>BEE</b>	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	<b>HDSAs</b>	Historically disadvantaged South Africans refers to all persons and groups who have been historically discriminated against on the basis of race, gender and disability
<b>Beneficiation</b>	the refining of a commodity; in the case of diamonds, refers to the cutting and polishing of a rough stone	<b>HIV</b>	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
<b>BMP</b>	biodiversity management plan	<b>HPDs</b>	hearing protection devices
<b>CCMA</b>	the Commission for Conciliation, Mediation and Arbitration Charter	<b>HR</b>	human resources
<b>CDP</b>	Carbon Disclosure Project	<b>HRD</b>	human resources department
<b>CO<sub>2</sub>-e</b>	carbon dioxide equivalent	<b>HSE</b>	Health, safety, environment
<b>Commercial goods</b>	Commercial goods refers to affordable gem diamonds of mass market quality – i.e. around 0.3 to 0.5 carat or below in the polished, ranging from VS to SI in terms of clarity, and classed as H or lower in colour; such diamonds form the basis of the consumer mass market for diamond jewellery	<b>HSEC</b>	Health, safety, environment, community
<b>CSI</b>	corporate social investment	<b>HSEQ</b>	Health, safety, environment and quality
<b>CSR</b>	corporate social responsibility	<b>HSSE</b>	Health, safety, social and environment
<b>Ctpa</b>	carats per annum	<b>ILO</b>	International Labour Organization
<b>dB</b>	decibel	<b>IPDET</b>	the Itumeleng Petra Diamonds Employee Trust
<b>DEEC</b>	Diamond Export and Exchange Centre in South Africa	<b>ISO 13000</b>	an international risk management process adopted by Petra
<b>DMR</b>	Department of Mineral Resources, South Africa	<b>ISO 14001</b>	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
<b>DWEA</b>	Department of Water and Environmental Affairs, South Africa	<b>IUCN</b>	International Union for the Conservation of Nature
<b>EE</b>	Employment Equity Act (55 of 1998) – these guidelines enable employers to ensure that their human resource policies and practices are based on non-discrimination and reflect employment equity principles at the commencement of, during and when terminating employment	<b>IWULA</b>	integrated water use licence applications
<b>Effluent</b>	mine effluent is a regulated discharge from a point source like a treatment plant or dam spillway	<b>JBSF</b>	Justin Baring Scholarship Foundation, an organisation which grants scholarships to deserving students wanting to study mining-related degrees in South Africa
<b>EIA</b>	Environmental Impact Assessment	<b>kg</b>	kilogram
<b>EITI</b>	Extractive Industries Transparency Initiative	<b>Kimberley Process</b>	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)
<b>EMP</b>	Environmental Management Programme	<b>KPIs</b>	key performance indicators
<b>EMS</b>	Environmental Management System	<b>kWh</b>	kilowatt hour
<b>FFS</b>	Fatality Free Shifts; FFS is calculated by multiplying the number of shifts worked with the number of people who worked the shifts	<b>l</b>	litres
<b>FFPS</b>	Fatality Free Production Shifts; FFPS only accounts for the number of actual shifts worked (i.e. it does not account for the number of people on shift); therefore, smaller operations prefer to use FFPS, as it would take them many years to reach an equivalent million FFS	<b>LDP</b>	leadership development plan, a Petra initiative to assist in the identification and development of future leaders within the Group
<b>FIFR</b>	Fatal Injury Frequency Rate: the number of fatal injuries per million hours worked	<b>LED</b>	Light emitting diode (when used in reference to lighting)
		<b>LED</b>	local economic development (when used in reference to socio-economic development)
		<b>Leading Practice</b>	In terms of the MOSH system, a practice at a specific mine that is regarded as being on the forefront with regards to a specific health and safety requirement, to be adopted by other operations
		<b>LHD</b>	load haul dumper



## Glossary

continued

<b>LOM</b>	life of mine	<b>PPE</b>	personal protective equipment
<b>LPG</b>	liquefied petroleum gas	<b>PV</b>	photovoltaic
<b>LTI</b>	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	<b>PWYP</b>	publish what you pay
		<b>Q&amp;As</b>	questions and answers
		<b>rehabilitation</b>	the process of restoring mined land to a condition approximating to a greater or lesser degree its original state
<b>LTIFR</b>	lost time injury frequency rate is calculated as the number of LTIs multiplied by 200,000 and divided by the number of hours worked	<b>SDL</b>	Skills Development Levy
<b>Mctpa</b>	million carats per annum	<b>SEP</b>	Stakeholder Engagement Plan
<b>Mcts</b>	million carats	<b>Section 189 Process</b>	the process prescribed in terms of Section 189 of the South African Labour Relations Act (Act 66 of 1995) when an employer contemplates dismissing one or more employees for reasons based on the employer's operational requirements
<b>MDP</b>	Mwadui Community Development Programme		
<b>MHSA</b>	Mine Health and Safety Act (29 of 2002), South Africa	<b>SHE</b>	safety, health, environment
<b>Mining Charter</b>	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	<b>SLC</b>	sub-level cave
		<b>SLP</b>	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
<b>Mining's Tripartite</b>	Joint structure between Government, the mining industry and Labour in South Africa, established in terms of the Mine Health and Safety Act, Act 29 of 1996	<b>SMEP</b>	Stakeholder Management and Engagement Plan
		<b>SMME</b>	Small, Medium and Micro Enterprise
<b>MOSH</b>	Mining Occupational Safety and Health, an initiative of the South African Chamber of Mines to improve health and safety standards	<b>t</b>	tonne
		<b>tailings</b>	the waste products of the processing circuit which may still contain quantities of the economic mineral
<b>MPRDA</b>	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	<b>TAMICO</b>	Tanzania Mines, Energy, Construction and Allied Workers Union
		<b>tCO<sub>2</sub>-e/t</b>	total CO <sub>2</sub> -e per tonne processed
<b>MQA</b>	Mining Qualifications Authority, a Sector Education Training Authority for the mining and minerals sector in South Africa, whose mission is to facilitate and promote human resources development in the sector	<b>TMM</b>	trackless mobile machinery
		<b>triple bottom line</b>	triple bottom line ("TBL") accounting expands the traditional reporting framework to take into account social and environmental performance in addition to financial performance
<b>MVA</b>	mega-volt ampere	<b>TSR</b>	total shareholder return
<b>NCPPDSA</b>	National Council for People with Physical Disabilities in South Africa	<b>UASA</b>	United Association of South Africa, a South African trade union
<b>NGOs</b>	non-governmental organisations	<b>Underground pipe mines</b>	Petra's underground kimberlite pipe mines, being Finsch, Cullinan, Koffiefontein and Kimberley Underground
<b>NIHL</b>	noise induced hearing loss	<b>UIF</b>	Unemployment Insurance Fund, a mandatory deduction from salaries, met in equal by the employer and paid to the state in South Africa
<b>NOx</b>	mono-nitrogen oxide	<b>VCT</b>	voluntary counselling and testing, a programme aimed at encouraging voluntary HIV testing in order for individuals to know their status
<b>NUM</b>	National Union of Mineworkers		
<b>OHSA</b>	Occupational Safety and Health Administration	<b>VFL</b>	visible felt leadership
<b>OHSAS 18000</b>	an international occupational health and safety management system specification	<b>vector control</b>	vector control is a fundamental element of the World Health Organization's existing global strategy to fight malaria. Vector control interventions have a proven track record of successfully reducing or interrupting disease transmission, particularly in areas that are highly prone to malaria. Indoor residual spraying and long-lasting insecticidal nets are the two core, broadly applicable malaria vector control measures
<b>OH&amp;S</b>	Occupational Health and Safety		
<b>pa</b>	per annum	<b>WHO</b>	World Health Organization
<b>PDF</b>	Petra Diamonds Foundation	<b>WIM</b>	Women in Mining
<b>PD-AHOS</b>	Petra Diamonds Assisted Home Ownership Scheme		
<b>PDS</b>	proximity device systems		
<b>pH</b>	the pH scale essentially measures the acidity or alkalinity of a solution		
<b>Power Factor</b>	Power Factor is a measure of how effectively electrical power is being used in the conversion of current to work. The higher the Power Factor, the more effectively electrical power is utilised, conversely the lower the Power Factor the more ineffectively electrical power is utilised. Power Factor Correction ("PFC") involves the application of technical means to ensure that the Power Factor achieved is as high as possible		